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(Please scan this QR code to view the Addendum)



ARC INSULATION & INSULATORS LIMITED

**Corporate Identification Number: U18109WB2008PLC129263**

Our Company was originally incorporated on September 10, 2008, as a Private Limited Company in the name of “ARC Insulation & Insulators Private Limited” under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U18109WB2008PTC129263 issued by the Deputy Registrar of Companies, West Bengal. Further, our Company acquired the running business on a going concern basis with the assets and liabilities of M/s ARC Insulation & Insulators, sole proprietorship concern of our promoter Mr. Manish Bajoria vide Business Transfer Agreement dated and effective from June 01, 2009. Subsequently, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 11, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘ARC Insulation & Insulators Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on August 5, 2024 bearing Corporate Identification Number U18109WB2008PLC129263 issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled “**Our History and Certain Other Corporate Matters**” beginning on page 180 of this Draft Red Herring Prospectus.

**Registered Office:** Village - Ramdevpur, PO-Bawali Bishnupur 2, Parganas South, Bishnupur, West Bengal-743384, India

**Contact Person:** Ms. Shraddha Dhacholia, Company Secretary and Compliance Officer

**Email:** [info@arcinsulations.com](mailto:info@arcinsulations.com); **Website:** [www.arcinsulations.com](http://www.arcinsulations.com); **Contact No.:** +91 62937 61074

**Our Promoters:** Mr. Manish Bajoria, M/S. Swabhumi Distributors Private Limited, Ms. Neelam Bajoria, M/S. Manish Bajoria HUF and Mr. Ashish Bajoria

#### ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 25,39,800\* EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE “EQUITY SHARES”) OF ARC INSULATION & INSULATORS LIMITED (“OUR COMPANY” OR “THE OFFER”) AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS COMPRISING OF FRESH OFFER OF UPTO 23,24,800 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (“FRESH OFFER”) AND AN OFFER FOR SALE OF UPTO 2,15,000 EQUITY SHARES BY MR. MANISH BAJORIA (“SELLING SHAREHOLDER”) AGGREGATING TO ₹ [●] LAKHS (“OFFER FOR SALE”) (“PUBLIC OFFER”). THE OFFER INCLUDES A RESERVATION OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET OFFER”. THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10/- EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND BENGALI EDITION OF [●], (BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, AS AMENDED.

**\* Subject to finalization of the Basis of Allotment**

(1) The Company and the Selling Shareholder may in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

(2) Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue 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/Issue Closing Date.

**ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JANUARY 22, 2025 (THE “DRAFT RED HERRING PROSPECTUS”):**

**NOTICE TO INVESTORS (THE “ADDENDUM”):** This is with reference to the Draft Red Herring Prospectus dated **January 22, 2025**, filed by the Company with **NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”)**. Potential Investors may note that, our Company has undertaken to incorporate the additions / modifications (reproduced in ‘italics’) provided below and the relevant information and details reflected in the Draft Red Herring Prospectus shall stand updated accordingly:

**1. The Following Changes or Updation has been incorporated under the chapter “Definitions and Abbreviations” of the Draft Red Herring Prospectus**

a) Under the heading Technical /Industry Related Terms IRC, UPS, CAD, MoSPI, CPI, DII, RMS, LMT, KMS, DPIIT, CGSS, TTDF,USOF,CAZRI, ICAR, DPA, BOT, AIDef, ICAR, CEPA,PLI,SEZ, NaBFID, EPFO on page 17 the terms have been added.

**2. The Following Changes or Updation has been incorporated under the chapter “Risk Factors” of the Draft Red Herring Prospectus\***

- a) Under the head Risk Factors, Risk Factor No.1 has been updated;
  - b) Under the head Risk Factors, a separate Risk Factor for dependency on polymers has been added as Risk Factor no 2;
  - c) Under the head Risk Factors, a new Risk factor has been added for high holding days for inventory and trade receivables under Top 5 risk factors as Risk Factor No 3;
  - d) Under the head Risk Factors, Risk Factor No.8 shifted to Top 5 risk factors as Risk factor no 4;
  - e) Under the head Risk Factors, a separate Risk Factor for the pending purchase of industrial land for expanding its manufacturing facilities has been added in top 5 risk factor as risk factor no. 5;
  - f) Under the head Risk Factors, Risk Factor No.9 of DRHP has been removed;
  - g) Under the head Risk Factors, Risk Factor No.15 shifted to Top 10 risk factors as Risk factor no 9;
  - h) Under the head Risk Factors, Risk Factor No.16 has been updated and shifted to Top 10 risk factors as Risk factor no 10;
  - i) Under the head Risk Factors, a new Risk factor has been be included for attrition rate of Employees in Top 15 Risk Factors as Risk Factor No 11;
  - j) Under the head Risk Factors, Risk Factor No.12 has been updated;
  - k) Under the head Risk Factors, Risk Factor No.13 has been removed;
  - l) Under the head Risk Factors, Risk Factor No.10 a no past instance statement has been added and risk factor shifted to Risk factor no. 16;
  - m) Under the head Risk Factors, Risk Factor No.20 a no past instance statement has been added;
  - n) Under the head Risk Factors, a separate Risk Factor for delay in filing GST / PF/ESIC returns has been added as risk factor no 23;
  - o) Under the head Risk Factors, a separate Risk Factor for revenue from the sale of top 5 products has been add as Risk Factor no 25;
  - p) Under the head Risk Factors, Risk Factor No.25 has been removed;
  - q) Under the head Risk Factors, Risk Factor No.29 no past instance statement has been added;
  - r) Under the head Risk Factors, Risk Factor No.38 no past instance statement has been added;
  - s) Under the head Risk Factors, Risk Factor No. 44 no past instance statement has been added;
  - t) Under the head Risk Factors, a separate Risk Factor for Capital Constraints and Impact on Expansion Plans has been added as Risk factor no. 60;
  - u) Under the head Risk Factors, a separate Risk Factor for Reliance on In-House Designing and Engineering Team for GFRP/FRP Product has been added as Risk factor no. 61;
  - v) Under the head Risk Factors, a separate Risk Factor for Inability to Accurately Forecast Customer Demand or Manage Inventory Could Materially Harm Operating Results have been added as Risk factor no. 62;
  - w) Under the head Risk Factors, a separate Risk Factor for conflict of interests between the Company and Swabhumi Distributors Private Limited has been added as Risk factor no. 63;
  - x) Under the head Risk Factors, a separate Risk Factor for Risk of Failure in Expanding and Penetrating New Export Markets has been added as Risk factor no. 64;
  - y) Under the head Risk Factors, a separate Risk Factor for Challenges in Sustaining the Effective Implementation of Business and Growth Strategies for GFRP/FRP Products has been added as Risk factor no. 65;
  - z) Under the head Risk Factors, a separate Risk Factor for production capacities and the historical capacity utilization has been added as Risk factor no. 66;
  - aa) Under the head Risk Factors, a separate Risk Factor for import of raw materials from China has been added as Risk factor no. 67;
  - bb) Under the head Risk Factors, a separate Risk Factor for Challenges Affecting Revenue Generation in the Infrastructure Industry for GFRP/ FRP Businesses has been added as Risk factor no. 68;
- \*The final risk factor numbers for rest of the risk factors shall be updated at the time of filing RHP.

**3. The Following Changes or Updation has been incorporated under the chapter “capital Structure” of the Draft Red Herring Prospectus**

a) Under the head Capital Structure, a new paragraph has been added as point no. 13 on page 86 of the DRHP;

**4. The Following Changes or Updation has been incorporated under the chapter “Object of the Offer” of the Draft Red Herring**

- a) Under the head “Requirements of Funds”, on page no.93, the details has been updated.
- b) Under the head “Utilization of Net Fresh Offer Proceeds” on page no. 94, the table has been updated
- c) Under the head “Means of Finance”, table containing the details of Firm arrangements have been added.

- d) Under the head “Details of Object” The heading “Capital Expenditure towards set up of Factory shed for New Manufacturing Unit” and “Capital Expenditure toward Plant & Machinery for New Manufacturing Unit” on page no.96 has been merged and updated.
- e) Under the heading “Purchase of New Office Space” on page 100 a new paragraph has been added after 1<sup>st</sup> para.
- f) Under the heading “Purchase of New Office Space” on page 100 area in square metres has been updated.
- g) Under the head ‘Purchase of New Office Space’ on Page 101 a new paragraph i.e “The proposed schedule of implementation for New Office has been added after Summary of works.
- h) Under the head “Repayment/Pre-payment of Certain Debt Facilities” on Page 102 table of Repayment/Prepayment of Certain Debt Facilities has been updated.
- i) Under the head “To meet Working Capital Requirements” on Page 102 table of source of funding alongwith bifurcation of internal accruals and borrowings has been updated, and cash and cash component has been removed.
- j) Under the head “To meet Working Capital Requirements” on Page 104 under the sub heading “Quality Assurance and Compliance” below Assumptions for Holding Levels table a paragraph, has been added.
- k) Under the head “General Corporate Purpose” on page no 108, paragraph under subheading “Bridge Financing Facilities” has been rephrased and updated.

**5. The Following Changes or Updation has been incorporated under the chapter “Our Business” of the Draft Red Herring Prospectus**

- a) Under the head “Our Revenue Breakup” “on Page no. 141 “industry-wise revenue bifurcation and the details of Revenue generated from “Others” industries in tabular format has been added;
- b) Under the head “Our Revenue Breakup” on Page no. 141 the product Wise Breakup of our Revenue for the previous three financial years and stub period has been updated and New Customers added by the Company for the previous three financial years and stub period in tabular format has been added;
- c) Under the head “Our Journey” on Page no. 141 a statement has been removed and updated;
- d) Under the head “Our Products” on Page no. 143 “the definition for word GFRP/FRP has been included;
- e) Under the head “Our Manufacturing Process “on Page no. 152 pictorial presentation w.r.t Set Up the Grating Mould has been updated;
- f) Under the head, “Our Competitive Strengths “on Page no. 157 under “Customer Diversification”, certain words have been removed and updated;
- g) Under the head “Our Business Strategy “on Page no. 158 a new table w.r.t. “R& D Expenses” has been added;
- h) Under the head “Infrastructure facilities for Utilities like Electricity Water & Power” Subheading “Water” on page 161 details of Water Requirements are added and updated;
- i) Under the heading “Human Resources” on page 162, a new line for contractual employees and the detailed break-up of our employees table has been updated;
- j) Under the heading “Our Properties” on page 163 the area mentioned in decimals to square meter, the detail of property which was owned by the company has been updated;
- k) Under the head “Our Properties” On page no.163 the properties owned by the Mr. Manish Bajoria which was inadvertently added to the list has been removed.
- l) Under the heading “Insurance Policies” on page no.165 insurance table has been updated.

**6. The Following Changes or Updation has been incorporated under the chapter “Key Industry Regulations and Policies” of the Draft Red Herring Prospectus.**

- a) Under the heading “Key Industry Regulations and Policies” under “INDUSTRY SPECIFIC REGULATIONS” policies on The Bureau of Indian Standards Act, 2016 and Fire Safety Regulations and under” GENERAL LAWS”, The Energy Conservation (Amendment) Act,2022 has been added;

**7. The Following Changes or Updation has been incorporated under the chapter “Our History and certain Other Corporate Matters” of the Draft Red Herring Prospectus.**

- a) Under the head “Details Regarding Acquisition of Business / Undertakings, Mergers, Amalgamations or Revaluation of Assets” on page 182 after 1st paragraph, a new paragraph has been added.
- b) Under the Chapter “Our History and Certain Other Corporate Matters” a sub heading on page 184 has been created as “Other Confirmations” and a new paragraph has been added,.

**8. The Following Changes or Updation has been incorporated under the chapter “Our Management” of the Draft Red Herring Prospectus**

- a) Under the Heading “Brief Profile of Key Managerial Personnel” the profile of Ms. Shraddha Dhacholia our KMP on page 203 has been amended and updated;

**9. The Following Changes or Updation has been incorporated under the chapter “Management’s Discussion and Analysis of Financial Condition and Result of Operation” of the Draft Red Herring Prospectus.**

- a) Under the heading “RESULTS OF OUR OPERATIONS”, on page 223 under the heading “COMPARISON OF FY 2022-23 WITH FY 2021-22”, additional explanation under “Revenue from Operations” has been updated.

**10. The Following Changes or Updation has been incorporated under the chapter “Financial Indebtedness” of the Draft Red Herring Prospectus**

- a) Under the heading “Secured Loan from Banks and Financial Institutions” on page 233 the table has been modified and updated.
- b) Under the subheading “Unsecured Loans from Related Party” on page 233 the table has been modified and updated.

**11. The Following Changes or Updation has been incorporated under the chapter “Outstanding Litigation and Material Developments” of the Draft Red Herring Prospectus**

- a) Under the heading “Litigations involving the Promoters and Directors” on page 234 the latest status of litigation by Promoter and Directors has been updated.
- b) Under the heading “Tax Proceedings” on page 236 the amount of TDS defaults and the status of notice received by Manish Bajoria HUF has been updated.
- c) Under the heading “Amount owned to small scale undertakings and other creditors” on page no 237 clarification for amount owned to MSME has been added after details of outstanding dues owed table.

**12. The Following Changes or Updation has been incorporated under the chapter “Government Approvals” of the Draft Red Herring Prospectus**

- a) Under the heading “Approvals or Licenses applied but not received” on page no. 246 the status of approvals has been updated.
- b) The status of renewed certificates certificate in the name of “Arc Insulation and Insulators Limited” has been updated
- c) The name Hero Fincorp has been replaced by the name Hero Fincorp Limited wherever applicable in DRHP.
- d) Under the subheading “Approvals or Licenses applied but not received” on page 246 the status of registration for Trade Mark has been updated.

**13. The Following Changes or Updation has been incorporated under the chapter “Other Regulatory and Statutory Disclosures” of the Draft Red Herring Prospectus**

- a) Under the heading “Eligibility for the Offer” page no. 251 point no. 3 the hyperlink has been removed.
- b) Under the heading “Eligibility for the Offer” on page no. 252 point no. 5 has been modified and updated.
- c) Under the heading “Eligibility for the Offer” on page no. 253 confirmation by selling shareholder that offer for sale shall not exceed 20% of the total issue size has been added after point no. 16 as point no. 17.
- d) Disclosure of Price Information of Past Issues Handled by Gretex Corporate Services Limited” as mentioned on page 341 has been shifted on page no 254 under the heading “Price Information and The Track Record of The Past Issues Handled By The Book Running Lead Manager”

**14. The Following Changes or Updation has been incorporated under the chapter “Main provisions of Articles of Association” of the Draft Red Herring Prospectus**

- a) Under the head “Main Provisions of Articles of Association” a new paragraph is added at start of the Chapter.

The above addition and /or amendments are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and Prospectus, as and when filed with the ROC, the SEBI and the Stock Exchange.

All capitalized terms used in the Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

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 issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**Place: Kolkata**  
**Dated: May 30, 2025**

**For and on behalf of ARC Insulation & Insulators Limited**

**Sd/-**  
**Manish Bajoria**  
**Managing Director**

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**GRETEX CORPORATE SERVICES LIMITED**

A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown,  
Senapati Bapat Marg, Near Indiabulls, Dadar (w), Delisle  
Road, Mumbai 400013, Maharashtra, India

**Contact No.:** +91 93319 26937



**MAASHITLA SECURITIES PRIVATE LIMITED**

451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura,  
Delhi - 110034, India

**Contact No. :** +91-11-47581432

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|                                                                                                                                                                                                              |                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Email:</b> info@gretexgroup.com<br><b>Website:</b> www.gretexcorporate.com<br><b>Contact Person:</b> Mr. Pradip Agarwal<br><b>SEBI Registration No:</b> INM000012177<br><b>CIN:</b> L74999MH2008PLC288128 | <b>Investor Grievance E-mail :</b> investor.ip@maashitla.com<br><b>Website :</b> www.maashitla.com<br><b>Contact Person :</b> Mr. Mukul Agrawal<br><b>SEBI Registration No.:</b> INR000004370<br><b>CIN:</b> U67100DL2010PTC208725 |
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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*In the chapter “DEFINITIONS AND ABBREVIATIONS”*

a) Under the heading “Technical /Industry Related Terms” on page 17 the terms have been updated

| Term   | Description                                                |
|--------|------------------------------------------------------------|
| IRC    | Indian Road Congress                                       |
| UPS    | Uninterruptible Power Supplies                             |
| CAD    | Current Account Deficit                                    |
| MoSPI  | Ministry of Statistics & Programme Implementation          |
| CPI    | India's Consumer Price Index                               |
| DII    | Domestic Institutional Investors                           |
| RMS    | Rabi Marketing Season                                      |
| LMT    | Lakh Metric Tonnes                                         |
| KMS    | Kharif Marketing Season                                    |
| DPIIT  | Department for Promotion of Industry, and Internal Trade   |
| CGSS   | Credit Guarantee Scheme for Start-ups                      |
| TTDF   | Telecom Technology Development Fund                        |
| USOF   | Universal Service Obligation Fund                          |
| CAZRI  | Central Arid Zone Research Institute                       |
| ICAR   | Indian Council of Agricultural Research                    |
| DPA    | Deendayal Port Authority                                   |
| BOT    | Build-Operate-Transfer                                     |
| AIDef  | AI in Defence                                              |
| ICAR   | Indian Council of Agricultural Research                    |
| CEPA   | India-UAE Comprehensive Partnership Agreement              |
| PLI    | Production-Linked Incentive                                |
| SEZ    | Special Economic Zone                                      |
| NaBFID | National Bank for Financing Infrastructure and Development |
| EPFO   | Employees' Provident Fund Organization                     |

### SECTION III RISK FACTOR

#### *In the chapter “RISK FACTORS”*

- a) Under the head Risk Factors, Risk Factor No.1 has been updated;
- b) Under the head Risk Factors, a separate Risk Factor for dependency on polymers has been added as Risk Factor no 2;
- c) Under the head Risk Factors, a new Risk factor has been added for high holding days for inventory and trade receivables under Top 5 risk factors as Risk Factor No 3;
- d) Under the head Risk Factors, Risk Factor No.8 shifted to Top 5 risk factors as Risk factor no 4;
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- f) Under the head Risk Factors, Risk Factor No.9 of DRHP has been removed;
- g) Under the head Risk Factors, Risk Factor No.15 shifted to Top 10 risk factors as Risk factor no 9;
- h) Under the head Risk Factors, Risk Factor No.16 has been updated and shifted to Top 10 risk factors as Risk factor no 10;
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- y) Under the head Risk Factors, a separate Risk Factor for Challenges in Sustaining the Effective Implementation of Business and Growth Strategies for GFRP/FRP Products has been added as Risk factor no. 65;
- z) Under the head Risk Factors, a separate Risk Factor for production capacities and the historical capacity utilization has been added as Risk factor no. 66;
- aa) Under the head Risk Factors, a separate Risk Factor for import of raw materials from China has been added as Risk factor no. 67;
- bb) Under the head Risk Factors, a separate Risk Factor for Challenges Affecting Revenue Generation in the Infrastructure Industry for GFRP/ FRP Businesses has been added as Risk factor no. 68;

*\*The final risk factor numbers for rest of the risk factors shall be updated at the time of filing RHP.*

#### INTERNAL RISKS

##### A. BUSINESS RELATED RISKS

1. **We are exposed to the risk of increase in the price of our raw materials and dependence on Key suppliers for supply of the raw materials from specific geographical locations. Further, if we are unable to source quality raw materials required for our business at competitive prices, our business, results of operations and profitability may be adversely**

**affected. The raw material is partially procured through imports which may impact the timeline of production. Also exposing the company to the risk of foreign exchange rate fluctuations.**

The primary raw materials used by our Company for manufacturing our products are Fiber, Polyester Resin, Woven Roving, Pigments, Standard Chopped Mat, Milo Film, Glass Woven Roving, Fabric Catalysts, and Fiber Glass Cloth etc. In past, the prices of these products have fluctuated with the change in their global supply and demand, which has impacted our cost of procurement of these raw materials. In the event that the price of our raw materials further increases, we may not be able to pass the price increase to our customers on our existing fixed contracts and our business, financial condition and results of operations may be adversely affected.

Further, we are significantly dependent on our key suppliers and sub-contractors to provide us with critical components and raw materials, parts and assemblies that we need to manufacture our products which is a substantial portion of these materials sourced from specific geographical locations, including through imports. This reliance on limited number of key suppliers and specific regions exposes the Company to a variety of risks. Disruptions in the supply chain, whether from the suppliers themselves or from factors impacting the relevant geographical region, could significantly affect the Company's operations. These disruptions may arise from a wide range of factors, including, but not limited to, changes in trade policies, tariff adjustments, fluctuations in currency exchange rates, transportation bottlenecks, natural disasters, political instability, social unrest, labor strikes, or regulatory changes in the supplier countries or in the countries from which goods are imported. Our business, therefore, could be adversely impacted by factors affecting our suppliers, by increased costs of such components or Government regulation of supplier's country. It may be difficult for us to find a replacement for certain suppliers without significant delay, thereby impacting our ability to complete our customer obligations in a satisfactory and timely manner. Further we are exposed to the price volatility of some critical imported raw materials such as Roving, Resin and Fiber Cloth from a number of countries. In view of the fluctuation in the value of the Rupee against the foreign currencies in which we pay for such imports, we face a degree of foreign exchange risk. We do not hedge against currency rate fluctuations in respect of our purchase contracts, given the duration of our purchase contracts. This exposes us to exchange rate movements which may have a material effect on our operating results in a given period. Thus, we cannot assure that we will not suffer any loss because of the fluctuation of the value of the Rupee, which may have a material adverse effect on our cash flows, revenue and financial condition.

In summary, any disruptions to our supply chain, particularly in the import process from specific geographical regions, could lead to delays in the availability of raw materials, cost increases, or, in the worst case, the complete unavailability of critical components. Such events, compounded by our geographical dependency on particular regions, would not only disrupt our production schedules and impact our ability to meet customer demand but also lead to higher operational costs as we may need to source alternative suppliers or pay premium prices for expedited shipments or more expensive materials. Therefore, our geographical dependency on these key suppliers increases the vulnerability of our business to external factors that are often beyond our control.

Our top ten suppliers contribute 93.88, 76.36%, 86.39%, and 95.17% of our total purchase for the seven months period ended on October 31, 2024 and for the financial year ended on March 31, 2024, March 31, 2023, March 31, 2022 respectively based on restated financial statement. The details of this concentration are provided in the following table:

(₹ in Lakhs)

| Particulars* | For the period and Financial Year ended |       |                |       |                |       |                |       |
|--------------|-----------------------------------------|-------|----------------|-------|----------------|-------|----------------|-------|
|              | October 31, 2024                        |       | March 31, 2024 |       | March 31, 2023 |       | March 31, 2022 |       |
|              | Purchase                                | In %  | Purchase       | In %  | Purchase       | In %  | Purchase       | In %  |
| Supplier 1   | 362.28                                  | 40.04 | 270.97         | 18.95 | 399.15         | 27.50 | 298.68         | 38.63 |
| Supplier 2   | 136.30                                  | 15.06 | 155.17         | 10.85 | 207.59         | 14.30 | 163.24         | 21.12 |
| Supplier 3   | 84.92                                   | 9.38  | 142.50         | 9.96  | 131.80         | 9.08  | 110.69         | 14.32 |
| Supplier 4   | 64.32                                   | 7.11  | 87.38          | 6.11  | 121.73         | 8.39  | 53.90          | 6.97  |
| Supplier 5   | 61.07                                   | 6.75  | 82.18          | 5.75  | 105.82         | 7.29  | 41.84          | 5.41  |
| Supplier 6   | 48.58                                   | 5.37  | 81.98          | 5.73  | 84.86          | 5.85  | 23.53          | 3.04  |
| Supplier 7   | 32.57                                   | 3.60  | 81.22          | 5.68  | 61.20          | 4.22  | 19.03          | 2.46  |
| Supplier 8   | 27.15                                   | 3.00  | 71.32          | 4.99  | 61.12          | 4.21  | 11.68          | 1.51  |
| Supplier 9   | 16.19                                   | 1.79  | 63.33          | 4.43  | 45.12          | 3.11  | 7.09           | 0.92  |
| Supplier 10  | 16.16                                   | 1.79  | 56.07          | 3.92  | 35.41          | 2.44  | 6.07           | 0.78  |

|              |               |              |                |              |                |              |               |              |
|--------------|---------------|--------------|----------------|--------------|----------------|--------------|---------------|--------------|
| <b>Total</b> | <b>849.55</b> | <b>93.88</b> | <b>1092.12</b> | <b>76.36</b> | <b>1253.81</b> | <b>86.39</b> | <b>735.76</b> | <b>95.17</b> |
|--------------|---------------|--------------|----------------|--------------|----------------|--------------|---------------|--------------|

*\* Note: Names of our top 10 suppliers have not been disclosed due to lack of receipt of consent and confidentiality reasons*

## **2. The company's significant dependence on polymers as a primary raw material presents several risks**

For manufacturing its GFRP/FRP products, the Company mostly depends on polymers as a main raw material. Although polymers are readily available in India and other countries guarantees a consistent supply, the Company is nevertheless subject to changes in raw material costs impacted by dynamics of world supply and demand. Variations in polymer pricing could result from changes in input costs, geopolitical events, and market conditions as well as from others. Although the company tries to control these swings by means of pricing changes and procurement policies, there is no guarantee that all cost increases will be entirely passed on to consumers, therefore affecting profitability.

Like any manufacturing company, the Company also faces possible supply chain issues like changes in regulatory rules, supplier-related interruptions, or transportation delays. Although the company actively tracks and distributes its supply sources to reduce such risks, any unanticipated disturbance could cause temporary operational changes.

Moreover, developments in material science and the introduction of substitute, more environmentally friendly materials could affect market patterns over time. The Company is still dedicated to innovation and keeps evaluating sector advancements to match consumer needs. Although these elements offer possible difficulties, the Company thinks its proactive approach to operational efficiency, compliance policies, and raw material procurement will help it to properly negotiate these risks.

## **3. Our business operations, which involve maintaining large inventories and extending credit to customers, lead to high holding days for both inventory and trade receivables, impacting cash flow**

Our Company's business operations require maintaining a significant level of inventory and extending credit terms to customers, resulting in high holding days for inventory and trade receivables. As of October 31, 2024, our inventory holding period stood at 128 days, and our trade receivables collection period was 87 days. High inventory holding days expose our Company to risks related to obsolescence, damage, or changes in market demand, which may impact our profitability and working capital requirements. A prolonged holding period increases storage costs and the risk of valuation write-downs, adversely affecting our financial position.

Similarly, a high collection period for trade receivables impacts on our liquidity and cash flow management. Delays in customer payments may necessitate increased reliance on external borrowings, leading to higher finance costs. Additionally, any deterioration in customer creditworthiness or an economic downturn could result in an increase in bad debts, further straining our financial health.

While we take measures to optimize inventory management and credit control policies, there is no assurance that these measures will be effective in reducing our holding periods. Any failure to manage these risks effectively could have a material adverse effect on our business, financial condition, and results of operations.

## **4. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.**

We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. We are also in direct competition with the leading units in India as well as the local units. Our Competitiveness is also measured by the technology we adopt as the industry is rapidly growing in India and in International Markets. Some of our clients might export their final products which in turn compel us to meet international standards also. Our inability to compete with this intense competition; local, national and international will have material adverse impact on our Company's financial position

## **5. Potential Delays in Acquisition of Industrial Land for expanding its manufacturing facilities due to Dependency on Issue Proceed**

The acquisition of the proposed land is contingent upon the availability of funds proposed to be raised through this issue. As the company is dependent on the proceeds from the issue to complete the land purchase, the land is not currently registered in the name of the issuer. Consequently, there exists a risk that any delay in receipt of the proceeds will directly impact the timeline for land acquisition. This, in turn, may cause corresponding delays in the implementation of all subsequent project activities planned on the proposed land.

**9. *The Restated Financial Statements have been provided by Peer Reviewed Chartered Accountants who is not Statutory Auditor of our Company.***

The Restated Financial Statements of our Company for the seven months period ended October 31, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, have been provided by M/s. Jay Gupta and Associates, (previously known as Gupta Agarwal & Associates), Chartered Accountants, who are Peer Reviewed firm but not the Statutory Auditors of our Company. The Financial Statements of our Company for the seven months period ended October 31, 2024 and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, have been audited by M/s. Vineet Kedia & Co., Chartered Accountants, who are the Statutory Auditors of our Company.

**9. *Our Company has entered into Business Transfer Agreement dated June 01, 2009 with M/s. ARC Insulation and Insulators. All the asset and Liabilities are required to be transferred in the name of "M/s. ARC Insulation and Insulators Limited" from "Mr. Manish Bajoria" pursuant to this BTA, but still Property having address Pargana Magura, Mouza Samali, J.L No 23, R.S No. 156, R.S. Khatian No 498, 465 in R. S. Dag No. 87, Bishnupur West Bengal, India is still in the process of transfer.***

~~Our company has entered into Business Transfer Agreement dated June 01, 2009 with M/s. ARC Insulation and Insulators. All the asset and Liabilities are required to be transferred in the name of "M/s. ARC Insulation and Insulators Private Limited now M/s. ARC Insulation and Insulators Limited" from "M/s. ARC Insulation and Insulators" pursuant to this BTA, but still Property having address Pargana Magura, Mouza Samali, J.L No 23, R.S No. 156, R.S. Khatian No 498, 465 in R. S. Dag No. 87, Bishnupur West Bengal, India is still in the process of transfer. Our company has this premises as a vacant agricultural land. Company shall be taking necessary steps for transferring the property in name of our Company. Any failure could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.~~

**10. *Unable to trace the bank statement of the company for the allotment made in past.***

The absence of a bank statement for the shareholders including promoters poses several significant risk factors for the business. It raises concerns about the financial transparency and credibility, which may undermine confidence among investors, creditors, and stakeholders. Below are the transactions for which we are unable to trace the bank statement of the shareholders and of the company as mentioned below:

- Allotment made on June 30, 2009, to Yugberry Marketing Private Limited and Facit Sales Private Limited for 1,00,000 and 75,000 respectively for which we are unable to trace the bank statement of the company and the shareholders.
- ~~Allotment made on December 31, 2011, and March 31, 2012, to Mr. Manish Bajoria for which we are unable to trace the bank statement of Mr. Manish Bajoria and of the company. We have taken the Management Representation letter from the company regarding the receipt of amount from Mr. Manish Bajoria.~~
- ~~Allotment made on March 31, 2012, to Ms. Neelam Bajoria for which we are unable to trace the bank statement of Ms. Neelam Bajoria and of the company. We have taken the Management Representation letter from the company regarding the receipt of amount from Ms. Neelam Bajoria.~~

The percentage of shareholding at the time of allotment and as on the date of DRHP are as follows: -

| Name of the Shareholder            | No of shares allotted | % of holding as on 30.06.2009 | % of holding as on 22.01.2025* |
|------------------------------------|-----------------------|-------------------------------|--------------------------------|
| Yugberry Marketing Private Limited | 100,000               | 19.05%                        | 1.38%                          |

|                                    |               |               |              |
|------------------------------------|---------------|---------------|--------------|
| <b>Facit Sales Private Limited</b> | <b>75,000</b> | <b>14.29%</b> | <b>1.03%</b> |
|------------------------------------|---------------|---------------|--------------|

*\*This is just the indication of percentage as on the date of DRHP, however Yugberry Marketing Private Limited and Facit Sales Private Limited are no longer the shareholder of the company w.e.f. June 01, 2010.*

Furthermore, the absence of bank records may make it more difficult for the business to find investors or obtain funding. Before investing money, lenders and investors usually need a clear picture of the promoter's financial stability in order to gauge risk levels. In the absence of such paperwork, the company would find it difficult to gain the trust of possible investors, which could restrict access to funding or raise borrowing prices. Regulatory or compliance concerns may also result from this lack of documentation, particularly if the company is asked to produce thorough financial records for reporting or auditing purposes.

**11. A high employee attrition rate can significantly disrupt our business operations and hinder overall performance.**

Employee turnover can disrupt operations, hinder our ability to scale effectively, and undermine investor confidence. The departure of key personnel may result in the loss of critical knowledge, experience, and relationships that are integral to the company's success. This could lead to delays in product development, operational inefficiencies, and diminished performance, which may negatively affect our financial results and growth prospects. Additionally, a high turnover rate can elevate recruitment and training costs, diverting resources that could otherwise be invested in enhancing business operations. As we move forward with our IPO, ensuring stability within our workforce is crucial to maintaining strong market perception, meeting strategic goals, and driving long-term growth.

The attrition rate of employees for last three years and stub period is 10%, 0%, 0%, and 27.91% for the year 2021-22, 2022-23 & 2023-24 and October 24 respectively.

**12. There are certain discrepancies / errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.**

We monitor compliances with applicable laws and regulations by implementing stringent internal checks and controls. Although we have generally been in compliance with applicable laws, there have been certain instances of discrepancies/errors in statutory filings. Although no regulatory action has been taken against us with respect to the aforesaid non-compliances/errors, there can be no assurance that regulatory action shall not be taken by the relevant authorities against us in the future. In an event such an action is taken, we may be subject to penalties and other consequences that may adversely impact our business, reputation, and results of operation and there can be no assurance that we shall be able to successfully defend any action/allegation raised by such regulatory authorities. Our team meticulously follows a detailed compliance calendar providing for compliances under various applicable laws, including but not limited to the Companies Act. As we continue to grow, there can be no assurance that deficiencies in our internal controls shall not arise, or that we shall be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. There may be recurrences of similar discrepancies/errors in the future that could subject our Company to penal consequences under applicable laws. Any such action could adversely impact our business, reputation, and results of operation. The details of non-compliances or delayed filings is given as follows:

- The Company did not comply with the provisions of SS-1 and SS-2 of the Companies Act, 2013 when preparing the documents for form filing. However, after identifying this non-compliance, the Company is now adhering to these regulations.

**The discrepancies/ non compliances in a tabular format along with the measures undertaken towards the rectification of the same is mentioned below:**

| <b>Nature of non-compliance/Discrepancy</b>                                              | <b>Measures undertaken</b>                                    | <b>Details of impact of such non-compliance/discrepancy</b> |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|
| <u>Non-compliance of SS-1 and SS-2 of the Companies Act, 2013 are as mentioned below</u> | 1. Standard operating procedure (SOP) has been introduced for | 01. Failure to comply with SS-1 and SS-                     |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Proof of Sending notice of Board Meeting dated August 25, 2015, August 27, 2015, September 30, 2015 and Annual General Meeting Dated September 30, 2015.</p> <p>2. Signing of Attendance Sheet/ Register dated August 25, 2015, August 27, 2015, and September 30, 2015.</p> <p>3. Circulation of Draft Minutes dated August 25, 2015, August 27, 2015 and September 30, 2015 to all member of the Boards within 15 days from the conclusion of the meeting.</p> <p>4. Entry of Minutes dated August 25, 2015, August 27, 2015 and September 30, 2015 within 30 days from the Conclusion of the meeting.</p> <p>5. Circulation of Signed Minutes dated August 25, 2015, August 27, 2015 and September 30, 2015.</p> | <p>maintaining proper proof of delivery via email or signed copy of hand delivery or postal tracking.</p> <p>2. Practice of circulating the attendance sheet for signatures during the meeting has been implemented.</p> <p>3. Timelines have been introduced with internal reminders and the Board of Directors and Company Secretary has been assigned to ensure draft minutes are circulated within prescribed time limit.</p> <p>4. A compliance calendar is now in place to track and ensure timely entry of minutes into the Minutes Book.</p> <p>5. Circulation of signed minutes is now being tracked and acknowledged by each member.</p> <p>6. Further the company is also strengthening communication with external consultants to ensure full compliance on timely manner.</p> | <p>2 can lead to penalties or fines imposed by MCA</p> <p>02. Loss of Corporate Status</p> <p>03. Inspection by Authorities</p> <p>04. Loss of Trust from Stakeholders</p> <p>05. Reduced Investor Confidence</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Although the above non-compliances of cannot be ratified now but hence forth we shall make sure these non-compliances doesn't occur in future.

- The MGT-14 filed for the conversion of the company contains an incorrect attachment of the Articles of Association (AoA). There was a delay in filling of Various Forms by the company for various Financial Years. However, the Company has filed the form by paying the requisite additional fees as per the Companies Act, 1956/2013. The details of the delayed forms are mentioned below
  - Form 23AC/ACA for financial years 2009, 2010, 2011, 2012, 2013 and 2014 had been delayed.
  - Form 20B for financial years 2009, 2010, 2011 and 2012 had been delayed.
  - Form 5 dated November 03, 2009, and December 05, 2011, had been delayed.
  - Form 2 dated June 01, 2009, June 30, 2009, March 15, 2010, December 11, 2011, and March 31, 2012, had been delayed.
  - There was a delay in filing E-Form MGT-14 pursuant to Section 179 of the Companies Act, 2013 for the resolutions passed by the Company. However, the Company has since filed the form, paying the required additional fees as per the Companies Act, 2013.
  - Form 66 for the financial years 2010, 2011, 2012, 2013 and 2014 had been delayed.
  - Form DPT-3 for the financial years 2019, 2020, 2021, 2022, 2023 and 2024 had been delayed.
  - Form ADT-1 for the year 2014 and 2024 had been delayed
  - Form AOC-4 and Form MGT-7 for the financial years 2022, 2023 and 2024 had been delayed.
- In some of the forms filed, there were irregularities in the data entered, missing documents in the attachments, and instances of unsigned or unstamped documents. We acknowledge these oversights and are taking steps to ensure that all future submissions are accurate, complete, and properly authenticated.

Our company has missed to comply with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. There are few discrepancies noticed in some of our corporate records relating to adhering with

the provisions of SS-1 and SS-2 of the Companies Act, 2013 which inter alia includes non-stamped and unsigned documents attached in the forms, time of conclusion of the meeting not included in the certified true copy of resolution, date of the Board Meeting mentioned in the resolution was incorrect. Other errors in the forms, such as wrong date of meeting, requisite attachments were not attached, late filing of forms, etc. However, as there was no error on the MCA master data hence no major action were taken for the same. Some forms were filed after the due date of the respective forms. Supporting documents attached in some of the Forms are not signed and stamped by the requisite authority. Though the Company is ensuring to comply with all the shortcomings, however any penalty or action taken by any regulatory authority in future for non-compliance with provisions of corporate and other law could impact financial position of the company to that extent. Although no notices have been issued upon our Company yet but there may be instances where by notices may be issued to our company and fines or penalties may also be imposed upon our Company, which may adversely affect our administration from compliance perspective. There can be no assurance that no penal action will be taken against us by the regulatory authorities with respect to the non-compliances. If any adverse actions are taken against us, our financial results could be affected. **Additionally, we have strengthened our internal compliance system by introducing the 'Maker Checker' System and have undertaken steps to update the internal database with latest circulars and amendments to ensure future compliance. In the event the Company fails to submit the requisite disclosures to the regulators in the future, then the Company may be penalised by the regulators and the same may affect our results of operations.**

Further, Following are the Measures which have been taken to correct such non-compliances:

1. We have appointed in house company secretary for the secretarial compliances.
2. We have developed a detailed calendar with deadlines for each form and key milestones to ensure timely submission.
3. We have prepared checklists to ensure that all necessary forms are filed before deadline and Senior executives are regularly monitoring the timely compliance.

We shall attempt to comply in spirit and in law with all the laws applicable to the issuer company.

**~~13.— Delay in Issuance of No Objection Certificate by Hero Fincorp Limited, a Secured Lender.~~**

~~— Hero Fincorp Limited ("Hero Fincorp Limited"), a Non Banking Financial Company (NBFC) and a secured lender to our Company, has been requested to issue a No Objection Certificate (NOC) to facilitate the filing of this Draft Red Herring Prospectus (DRHP) and the completion of the proposed Initial Public Offering (IPO). While we have made requisite applications and are actively engaging with Hero Fincorp Limited to expedite the issuance of the NOC, it has not been received as on the date of this DRHP.~~

~~— In the event of non issuance of the NOC, the NBFC may recall the credit facilities availed by the Company and it may impact the financial liquidity and business operations.~~

**16. Our business is dependent on technology and any disruption or failure of our technology systems may affect our operations.**

We believe that our technological capabilities play a key role in helping us effectively manage our pan-India operations, maintain operational and fiscal controls, and support our efforts to enhance client service levels. Our business is significantly dependent on the efficient and uninterrupted operation of our technology infrastructure and systems. For further details, see "**Our Business**" on page 138.

Our operations are vulnerable to interruption by events beyond our control such as fire, earthquake, power loss, telecommunications or internet failures, terrorist attacks and computer viruses. We are also subject to hacking or other attacks on our IT systems, and we cannot assure you that we will be able to successfully block or prevent all such attacks. Any breaches of our IT systems may require us to incur further expenditure on repairs or more advanced security systems. A significant system failure could adversely affect our ability to manage overall operations, thereby affecting our ability to deliver our services to our clients, affecting our reputation and revenues. We may also be exposed to multiple claims for failed delivery of goods. If such interruption is prolonged, our business, operations, financial condition and results of operations may be materially and adversely affected.

We expect our clients to continue to demand more sophisticated and customized solutions. We may lose clients and our business could be affected if we fail to implement and maintain our technology systems or fail to upgrade or replace our technology systems to handle increased volumes, meet the demands of our clients and protect against disruptions of our

operations. Our operating efficiency may decline, and our growth may suffer if our technology systems are unable to handle additional volume of our operations as we grow. Some of our existing technologies and processes in the business may become obsolete or perform less efficiently compared to newer and better technologies and processes in the future. Certain of our competitors may have access to similar or superior technology or may have better adapted themselves to technological changes. The cost of upgrading or implementing new technologies, upgrading our equipment or expanding their capacity could be significant and could adversely affect our business, operations, financial condition and results of operations. **However, the Company does not have any past instances of technology failure however the same can occur in future which may impact the business of the Company.**

**20. We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition**

Our factory has significant electricity requirements and any interruption in power supply may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins.

Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories and production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

**The Company does not have any past instances of interruption in Power Supply or any irregular or significant hike in power tariffs however the same may occur in future which may impact the business of the Company.**

**23. There have been some instances of delays in the filing of statutory and regulatory dues in the past with the various government authorities.**

In the past, there have been certain instances of delays in filling statutory & regulatory dues with respect to GSTR 3B, TDS, Tax Liabilities, ESIC, and EPF. These delays were majorly due to the following reasons:

GST: The reasons for delay in GSTR 3B was due to absence of staff, Inadvertent delay from the consultant filing the GST Returns and New Law, took time for getting updated. The details of such delays including period of delay, payment dates are as follows:

| Financial Year | Period of Return | Due Date    | Date of Filing | Period of Delay |
|----------------|------------------|-------------|----------------|-----------------|
| 2023-2024      | Jan-24           | 20-Feb-2024 | 22-Feb-2024    | 2               |
| 2022-2023      | Jan-23           | 20-Feb-2023 | 25-Feb-2023    | 5               |
|                | Jun-22           | 20-Jul-2022 | 28-Jul-2022    | 8               |
|                | Aug-22           | 20-Sep-2022 | 11-Oct-2022    | 21              |
|                | Nov-22           | 20-Dec-2022 | 21-Dec-2022    | 1               |
|                | Jul-22           | 20-Aug-2022 | 30-Aug-2022    | 10              |
|                | Oct-22           | 20-Nov-2022 | 30-Nov-2022    | 10              |
| 2021-2022      | Apr-21           | 20-May-2021 | 19-Jun-2021    | 30              |
|                | Feb-22           | 20-Mar-2022 | 24-Mar-2022    | 4               |
|                | Mar-22           | 20-Apr-2022 | 2-May-2022     | 12              |
|                | Dec-21           | 20-Jan-2022 | 31-Jan-2022    | 11              |
|                | Nov-21           | 20-Dec-2021 | 22-Dec-2021    | 2               |
|                | Sep-21           | 20-Oct-2021 | 21-Oct-2021    | 1               |
|                | May-21           | 20-Jun-2021 | 16-Jul-2021    | 26              |
|                | Jul-21           | 20-Aug-2021 | 21-Aug-2021    | 1               |
| 2020-2021      | Jun-20           | 20-Jul-2020 | 18-Aug-2020    | 29              |
|                | Jul-20           | 20-Aug-2020 | 29-Sep-2020    | 40              |
|                | May-20           | 27-Jun-2020 | 17-Aug-2020    | 51              |

|           |        |             |             |     |
|-----------|--------|-------------|-------------|-----|
|           | Jan-21 | 20-Feb-2021 | 9-Mar-2021  | 17  |
|           | Mar-21 | 20-Apr-2021 | 24-Apr-2021 | 4   |
|           | Apr-20 | 20-May-2020 | 27-Jun-2020 | 38  |
|           | Aug-20 | 20-Sep-2020 | 12-Oct-2020 | 22  |
| 2019-2020 | Nov-19 | 20-Dec-2019 | 17-Jan-2020 | 28  |
|           | Oct-19 | 20-Nov-2019 | 25-Dec-2019 | 35  |
|           | Dec-19 | 20-Jan-2020 | 20-Feb-2020 | 31  |
|           | May-19 | 20-Jun-2019 | 26-Jul-2019 | 36  |
|           | Aug-19 | 20-Sep-2019 | 19-Nov-2019 | 60  |
|           | Jul-19 | 20-Aug-2019 | 3-Oct-2019  | 44  |
|           | Jun-19 | 20-Jul-2019 | 6-Aug-2019  | 17  |
|           | Sep-19 | 20-Oct-2019 | 25-Nov-2019 | 36  |
|           | Jan-20 | 20-Feb-2020 | 20-Mar-2020 | 29  |
|           | Mar-20 | 20-Apr-2020 | 24-Jun-2020 | 65  |
|           | Feb-20 | 20-Mar-2020 | 24-Jun-2020 | 96  |
|           | Apr-19 | 20-May-2019 | 25-Jul-2019 | 66  |
| 2018-2019 | Dec-18 | 20-Jan-2019 | 23-May-2019 | 123 |
|           | Nov-18 | 20-Dec-2018 | 23-May-2019 | 154 |
|           | Oct-18 | 20-Nov-2018 | 23-May-2019 | 184 |
|           | Jun-18 | 20-Jul-2018 | 21-Nov-2018 | 124 |
|           | Sep-18 | 25-Oct-2018 | 24-Nov-2018 | 30  |
|           | Aug-18 | 20-Sep-2018 | 21-Nov-2018 | 62  |
|           | Jul-18 | 24-Aug-2018 | 21-Nov-2018 | 89  |
|           | May-18 | 20-Jun-2018 | 4-Oct-2018  | 106 |
|           | Apr-18 | 20-May-2018 | 30-May-2018 | 10  |
|           | Jan-19 | 22-Feb-2019 | 25-May-2019 | 92  |
|           | Feb-19 | 20-Mar-2019 | 27-May-2019 | 68  |
|           | Mar-19 | 20-Apr-2019 | 27-Jun-2019 | 68  |
| 2017-2018 | Oct-17 | 20-Nov-2017 | 30-Dec-2017 | 40  |
|           | Nov-17 | 20-Dec-2017 | 31-Dec-2017 | 11  |
|           | Feb-18 | 20-Mar-2018 | 27-Apr-2018 | 38  |
|           | Jul-17 | 25-Aug-2017 | 29-Dec-2017 | 126 |
|           | Mar-18 | 20-Apr-2018 | 22-May-2018 | 32  |
|           | Sep-17 | 20-Oct-2017 | 30-Dec-2017 | 71  |
|           | Aug-17 | 20-Sep-2017 | 30-Dec-2017 | 101 |
|           | Dec-17 | 22-Jan-2018 | 5-Feb-2018  | 14  |

*There were instances of delayed filing of PF/ESIC for which the company has taken the corrective measures and currently the same is on track and is filed on time.*

| Financial Year | Monthly Contribution | Year and Months | Date of Payment | Due Date    | Delay in Days |
|----------------|----------------------|-----------------|-----------------|-------------|---------------|
| 2016-17        | 22,472.00            | Dec-16          | 20-Feb-2017     | 15-Jan-2017 | 36            |
|                | 22,752.00            | Jan-17          | 21-Feb-2017     | 15-Feb-2017 | 6             |
|                | 24,580.00            | Feb-17          | 18-Mar-2017     | 15-Mar-2017 | 3             |
|                | <b>69,804.00</b>     |                 |                 |             |               |
| 2017-18        | 20,713.00            | Apr-17          | 20-May-2017     | 15-May-2017 | 5             |
|                | 18,028.00            | May-17          | 19-Jun-2017     | 15-Jun-2017 | 4             |
|                | 19,774.00            | Jul-17          | 19-Aug-2017     | 15-Aug-2017 | 4             |
|                | 19,914.00            | Aug-17          | 29-Sep-2017     | 15-Sep-2017 | 14            |
|                | 21,822.00            | Sep-17          | 24-Oct-2017     | 15-Oct-2017 | 9             |
|                | 18,303.00            | Oct-17          | 24-Nov-2017     | 15-Nov-2017 | 9             |
|                | 18,683.00            | Nov-17          | 25-Dec-2017     | 15-Dec-2017 | 10            |

|         |                    |        |             |             |    |
|---------|--------------------|--------|-------------|-------------|----|
|         | 17,043.00          | Dec-17 | 17-Jan-2018 | 15-Jan-2018 | 2  |
|         | 15,835.00          | Feb-18 | 31-Mar-2018 | 15-Mar-2018 | 16 |
|         | 15,509.00          | Mar-18 | 18-Apr-2018 | 15-Apr-2018 | 3  |
|         | <b>1,85,624.00</b> |        |             |             |    |
| 2018-19 | 14,519.00          | Apr-18 | 21-May-2018 | 15-May-2018 | 6  |
|         | 14,997.00          | May-18 | 21-Jun-2018 | 15-Jun-2018 | 6  |
|         | 16,533.00          | Jul-18 | 23-Aug-2018 | 15-Aug-2018 | 8  |
|         | 16,555.00          | Aug-18 | 19-Sep-2018 | 15-Sep-2018 | 4  |
|         | 19,928.00          | Sep-18 | 22-Oct-2018 | 15-Oct-2018 | 7  |
|         | 19,378.00          | Oct-18 | 27-Nov-2018 | 15-Nov-2018 | 12 |
|         | 18,058.00          | Dec-18 | 24-Jan-2019 | 15-Jan-2019 | 9  |
|         | 18,434.00          | Feb-19 | 26-Mar-2019 | 15-Mar-2019 | 11 |
|         | 19,514.00          | Mar-19 | 17-Apr-2019 | 15-Apr-2019 | 2  |
|         | <b>1,57,916.00</b> |        |             |             |    |
| 2019-20 | 19,512.00          | May-19 | 19-Jun-2019 | 15-Jun-2019 | 4  |
|         | 17,266.00          | Jun-19 | 17-Jul-2019 | 15-Jul-2019 | 2  |
|         | 18,185.00          | Jul-19 | 26-Aug-2019 | 15-Aug-2019 | 11 |
|         | 17,754.00          | Aug-19 | 19-Sep-2019 | 15-Sep-2019 | 4  |
|         | 19,207.00          | Sep-19 | 17-Oct-2019 | 15-Oct-2019 | 2  |
|         | 17,748.00          | Oct-19 | 20-Nov-2019 | 15-Nov-2019 | 5  |
|         | 17,758.00          | Nov-19 | 20-Dec-2019 | 15-Dec-2019 | 5  |
|         | 18,366.00          | Feb-20 | 23-Mar-2020 | 15-Mar-2020 | 8  |
|         | 5,438.00           | Mar-20 | 29-Apr-2020 | 15-Apr-2020 | 14 |
|         | <b>1,51,234.00</b> |        |             |             |    |
| 2020-21 | 1,833.00           | Apr-20 | 25-Jun-2020 | 15-May-2020 | 41 |
|         | 6,151.00           | May-20 | 2-Jul-2020  | 15-Jun-2020 | 17 |
|         | 15,724.00          | Jun-20 | 18-Jul-2020 | 15-Jul-2020 | 3  |
|         | 16,985.00          | Jul-20 | 18-Aug-2020 | 15-Aug-2020 | 3  |
|         | 17,103.00          | Aug-20 | 24-Sep-2020 | 15-Sep-2020 | 9  |
|         | 17,069.00          | Sep-20 | 21-Oct-2020 | 15-Oct-2020 | 6  |
|         | 23,393.00          | Feb-21 | 17-Mar-2021 | 15-Mar-2021 | 2  |
|         | <b>98,258.00</b>   |        |             |             |    |
| 2021-22 | 10,554.00          | May-21 | 16-Jun-2021 | 15-Jun-2021 | 1  |
|         | 23,559.00          | Aug-21 | 18-Sep-2021 | 15-Sep-2021 | 3  |
|         | 26,961.00          | Nov-21 | 28-Feb-2022 | 15-Dec-2021 | 75 |
|         | 22,814.00          | Dec-21 | 28-Feb-2022 | 15-Jan-2022 | 44 |
|         | 22,994.00          | Jan-22 | 28-Feb-2022 | 15-Feb-2022 | 13 |
|         | 26,898.00          | Feb-22 | 19-May-2022 | 15-Mar-2022 | 65 |
|         | 19,581.00          | Mar-22 | 19-May-2022 | 15-Apr-2022 | 34 |
|         | <b>1,53,361.00</b> |        |             |             |    |
| 2022-23 | 23,151.00          | Apr-22 | 19-May-2022 | 15-May-2022 | 4  |
|         | 25,856.00          | Jun-22 | 25-Jul-2022 | 15-Jul-2022 | 10 |
|         | 26,353.00          | Jul-22 | 26-Aug-2022 | 15-Aug-2022 | 11 |
|         | 34,394.00          | Aug-22 | 15-Nov-2022 | 15-Sep-2022 | 61 |
|         | 26,668.00          | Sep-22 | 31-Oct-2022 | 15-Oct-2022 | 16 |
|         | 25,394.00          | Feb-23 | 18-Mar-2023 | 15-Mar-2023 | 3  |
|         | <b>161,816.00</b>  |        |             |             |    |
| 2023-24 | 33,130.00          | Jun-23 | 18-Jul-2023 | 15-Jul-2023 | 3  |
|         | 35,245.00          | Jul-23 | 19-Aug-2023 | 15-Aug-2023 | 4  |
|         | 36,056.00          | Aug-23 | 19-Sep-2023 | 15-Sep-2023 | 4  |
|         | 36,472.00          | Sep-23 | 2-Dec-2023  | 15-Oct-2023 | 48 |
|         | 38,342.00          | Oct-23 | 2-Dec-2023  | 15-Nov-2023 | 17 |
|         | 38,250.00          | Nov-23 | 19-Dec-2023 | 15-Dec-2023 | 4  |

|         |                    |        |             |             |    |
|---------|--------------------|--------|-------------|-------------|----|
|         | 56,591.00          | Dec-23 | 16-Feb-2024 | 15-Jan-2024 | 32 |
|         | 75,383.00          | Jan-24 | 7-Mar-2024  | 15-Feb-2024 | 21 |
|         | 72,537.00          | Feb-24 | 19-Mar-2024 | 15-Mar-2024 | 4  |
|         | 74,572.00          | Mar-24 | 18-Apr-2024 | 15-Apr-2024 | 3  |
|         | <b>496,578.00</b>  |        |             |             |    |
| 2024-25 | 71,878.00          | Apr-24 | 17-May-2024 | 15-May-2024 | 2  |
|         | 69,891.00          | May-24 | 6-Jul-2024  | 15-Jun-2024 | 21 |
|         | 68,533.00          | Jun-24 | 30-Jul-2024 | 15-Jul-2024 | 15 |
|         | 75,732.00          | Jul-24 | 14-Sep-2024 | 15-Aug-2024 | 30 |
|         | 74,296.00          | Sep-24 | 31-Oct-2024 | 15-Oct-2024 | 16 |
|         | <b>3,60,330.00</b> |        |             |             |    |

As a result, the Company has filed returns and payments with delay penalty. However, the Board of Directors of our company has taken note of these delays in fulfilling our statutory and regulatory obligations. There can be no assurance that delays or default with respect to payment of statutory and regulatory dues will not occur in the future which in turn may affect our reputation and financial results.

The Company has taken comprehensive steps to enhance regulatory compliance and mitigate the risk of inadvertent delay in filing. We have implemented a “maker and checker” control mechanism to ensure greater accuracy and accountability across all regulatory filings. Under this system, one individual (the maker) is responsible for preparing or entering information, while a second individual (the checker) independently reviews and verifies the information for accuracy before final submission.

**25. We derived a significant portion of our revenue from the sale of top 5 products i.e. GFRP Rebars, FRP/GRP Pipes, FRP Sheets, FRP/GFRP Structural/ Pultruded Profiles, FRP/GRP Ladders. Any decline in the sales of our top 5 products could have an adverse effect on our business, results of operations and financial condition.**

We generate a significant portion of our revenue from sale of top 5 products i.e. GFRP Rebars, FRP/GRP Pipes, FRP Sheets, FRP/GFRP Structural/ Pultruded Profiles, FRP/GRP Ladders which contributed to 96.15% of our Revenue from Operations in for the seven months ended, October 31, 2024, amounting to ₹ 1,805.98 lakhs. Any decline in the sales of GFRP Rebars, FRP/GRP Pipes, FRP Sheets, FRP/GFRP Structural/ Pultruded Profiles, FRP/GRP Ladders on account of any reason including increased competition, pricing pressures or fluctuations in the demand for or supply of such products may adversely affect our business, results of operations and financial condition. We cannot assure you that we will be able to maintain the same levels of sales in the future. Any inability on our end to anticipate and adapt to technological changes or evolving consumer preferences and/or any decrease in the demand for our key product may adversely impact on our business prospects and financial performance.

**Details of Top 5 products which majorly contribute to the revenue of the Company for the previous three financial year and stub period are stated below:**

(₹ in Lakhs)

| S<br>L | Products                                   | For the seven months ended |                          |                   | For financial year ended |                   |                          |                   |                          |
|--------|--------------------------------------------|----------------------------|--------------------------|-------------------|--------------------------|-------------------|--------------------------|-------------------|--------------------------|
|        |                                            | October<br>31, 2024        | % of<br>Total<br>Revenue | March<br>31, 2024 | % of<br>Total<br>Revenue | March<br>31, 2023 | % of<br>Total<br>Revenue | March<br>31, 2022 | % of<br>Total<br>Revenue |
| 1      | GFRP Rebars                                | 1,249.12                   | 66.50%                   | 2,003.43          | 70.90%                   | 1,283.32          | 53.51%                   | 383.74            | 33.25%                   |
| 2      | FRP/GRP Pipes                              | 122.57                     | 6.53%                    | 153.19            | 5.42%                    | 299.34            | 12.48%                   | 194.17            | 16.82%                   |
| 3      | FRP Sheets                                 | 124.62                     | 6.63%                    | 5.94              | 0.21%                    | 2.19              | 0.09%                    | 56.79             | 4.92%                    |
| 4      | FRP/GFRP Structural/<br>Pultruded Profiles | 284.30                     | 15.14%                   | 71.77             | 2.54%                    | 196.90            | 8.21%                    | 155.27            | 13.45%                   |
| 5      | FRP/GRP Ladders                            | 25.38                      | 1.35%                    | 109.63            | 3.88%                    | 36.91             | 1.54%                    | 28.93             | 2.51%                    |
|        | <b>Total</b>                               | <b>1,805.98</b>            | <b>96.15%</b>            | <b>2,343.96</b>   | <b>82.95%</b>            | <b>1,818.66</b>   | <b>75.83%</b>            | <b>818.90</b>     | <b>70.95%</b>            |

**25. ~~Certain Agreements, deeds or licenses may be in the previous name of the company.~~**

Our certain agreements, deeds or licenses of our Company is in the name of the erstwhile name of the company i.e. ARC

~~Insulation & Insulators Private Limited. We are in process to change the name in our new name i.e. ARC Insulation & Insulators Limited, however in case we fail to change the name of the company in the agreements, deeds or licenses, that were entered before conversion into a public company, it may cause adverse effect on the status and viability of those agreements. For further information, please refer to the chapters/section titled “Our Business”, beginning on page 138 of this Draft Red Herring Prospectus.~~

**29. Compliance with and changes in safety, health and environment laws and regulations may adversely affect our business, prospects, financial condition and results of operations**

Due to the nature of our business, we anticipate being subject to extensive and increasingly stringent environmental, health, and safety laws and regulations, as well as various labour and workplace regulations. Specifically, we are governed by some environmental laws and regulations and state specific laws including, but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- West Bengal Tax on Profession, Trade, Callings and Employment Act, 1979
- Factories Act 1948
- Other regulations issued by the Pollution Control Boards of West Bengal

These laws regulate the discharge, emission, storage, handling, and disposal of various substances that may be used in or generated by our operations. The scope and impact of new environmental regulations, along with their effects on our operations, are difficult to predict. Consequently, the costs and management resources required to comply with these regulations could be significant.

Amendments to existing statutes may introduce additional compliance obligations for our Company, potentially leading to expenses related to clean-up and remediation, as well as damages, fines, penalties, and the possible closure of production facilities for non-compliance. Such liabilities and related litigation could adversely affect our business, prospects, financial condition, and operational results.

**The Company does not have any past instances of expenses related to clean-up and remediation, as well as damages, fines, penalties, and the possible closure of production facilities for non-compliance, however the same may occur in future which may impact the business of the Company.**

**38. We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.**

Our manufacturing facility relies heavily on plant and machinery, making us vulnerable to significant repair and maintenance costs in the event of a malfunction or breakdown. Such issues could also cause operational delays. While we strive to maintain adequate supplies of spare parts and maintenance equipment, delays in procuring necessary parts or completing repairs could disrupt our manufacturing operations, adversely affecting our operational results and financial condition. Additionally, we do not carry insurance for machinery breakdowns, meaning any associated costs would be our responsibility and could negatively impact our financial condition and operational results.

**The Company does not have any past instances related to break-down of machinery. However, the same may occur in future which may impact the business of the Company.**

**44. Misconduct or errors by manpower engaged by us could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.**

Misconduct or errors by manpower engaged by us could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such misconduct includes breach of security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective.

The risks associated with the deployment of manpower engaged by us include, among others, possible claims relating to:

- actions or inactions, including matters for which we may have to indemnify our clients;
- our failure to adequately verify personnel backgrounds and qualifications resulting in deficient services;
- failure of manpower engaged by us to adequately perform their duties or absenteeism;
- errors or malicious acts or violation of security, privacy, health and safety regulations; and
- damage to our clients' facilities or property due to negligence or criminal acts.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name. We may also be affected in our operations by the acts of third parties, including sub-contractors and service providers. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and adversely affect our brand and our reputation, and consequently, our business, financial condition, results of operations and prospects.

**The Company does not have any past instances of misconduct and error by manpower. However, the same may occur in future which may impact the business of the Company**

#### **60. Risk of Capital Constraints and Impact on Expansion Plans.**

We require significant amount of capital for purchasing the GFRP/FRP manufacturing equipment such as GFRP/FRP Pultrusion Machines, GFRP/FRP Grating Machines, GFRP/FRP Rod Line machines etc. and failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow our business and increase/maintain our future profitability. As of October 31, 2024, and March 31, 2024, 2023 and 2022 our net investment towards plant and machinery were Rs. 339.12 lakhs, Rs. 364.92 lakhs, Rs. 284.64 lakhs and Rs. 202.38 lakhs, respectively which accounts for 50.00%, 56.00%, 53.00% and 44.00% of the total net block for the respective period.

As a result, we may need to incur additional indebtedness in the future to meet the requirement of our capital expenditure. Our ability to obtain such financing on acceptable terms is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, levels of our existing indebtedness, future financial condition, results of operations and cash flows and other factors beyond our control. However, in past the company has raised required debt and/or equity funding with substantial comfort to support the business growth, there can be no assurance that we will be able to raise additional financing on favorable terms in a timely manner or at all. If we are unable to raise additional funds whenever required, or on terms favorable/acceptable to us, we may be required to scale down or abandon our expansion & growth plans and/or reduce capital expenditures and the size of our operations, any of which could materially and adversely affect our business, financial position and results of operations

Our capital expenditure requirements and growth strategy require continued access to significant amounts of capital on acceptable terms, as our continuous cash flows are the source for purchase of new equipment, which is directly responsible for our business growth. We cannot assure you that market conditions and other factors will permit financing through debt or equity, on terms acceptable to us or at all. We strive to maintain strong relationships with banks to increase our financing flexibility. However, we cannot assure you that our relationships with lenders will not change or that lenders will continue lending practices we are familiar with. Our lenders may implement new credit policies, adopt new pre - qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs, or prevent us from obtaining financings totally. As a result, our revenue growth may reduce, and our business, financial condition and results of operations may be materially and adversely affected. All of these factors may result in an increase in the amount of our borrowings and the continued increase in capital requirements may have an adverse effect on our financial condition and results of operations. For further details, kindly refer section titled "Financial Information of the Company" beginning on Page 216 of this Draft Red Herring Prospectus.

#### **61. Reliance on In-House Designing and Engineering Team for GFRP/FRP Product.**

The company depends on its in-house designing and engineering team for the development and production of Glass Fiber

Reinforced Plastic (GFRP)/ Fiber Reinforced Plastic (FRP) products. Any loss of key employees or a reduction in the team's capability, due to factors such as turnover, illness, or other unforeseen events, could negatively impact the quality and efficiency of the production process. This may result in delays, compromised product quality, or increased production costs. Such disruptions could materially affect the company's business operations, customer satisfaction, and, ultimately, its financial condition. However, there have been no such occurrence or instances of the disclosed event since past of the company. The risk mentioned above shows the risks which may or may not occur in future which may impact the business of the Company.

**62. *Inability to Accurately Forecast Customer Demand or Manage Inventory Could Materially Harm Operating Results.***

The Company's ability to maintain efficient operations and meet customer expectations relies heavily on its ability to accurately forecast customer demand for products and effectively manage inventory. If the Company fails to predict demand trends accurately, it could result in either excess inventory or stockouts. Excess inventory may lead to increased holding costs, obsolescence, or the need for significant markdowns, while stockouts could result in lost sales, reduced customer satisfaction, and damage to brand reputation. Furthermore, mismanagement of inventory can lead to inefficiencies in the supply chain, negatively impacting profitability and cash flow. Given the dynamic nature of customer preferences and market conditions, the Company faces ongoing challenges in forecasting demand accurately, and any failure in this area could have a material adverse effect on its operating results.

**63. *There may be potential conflict of interests between the Company and Swabhumi Distributors Private Limited promoted by our promoters.***

Our promoters, Mr. Manish Bajoria and Mrs. Neelam Bajoria promote Swabhumi Distributors Private Limited. The main business object / activities of the Company permit it to undertake similar business to that of our business, which may create a potential conflict of interest and which in turn, may have an implication on our operations and profits. Conflicts of interests may arise in allocating business opportunities between the Company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interest.

**64. *Risk of Failure in Expanding and Penetrating New Export Markets***

While the Company has successfully entered several international markets, including the UAE, Thailand, Kenya, Saudi Arabia, Philippines, etc. there remains a risk that it may not be able to effectively penetrate additional new export markets. Expanding into new international markets involves various challenges, such as navigating unfamiliar local regulations, understanding cultural differences, adapting to changing geopolitical environments, and dealing with established competition. Moreover, fluctuations in exchange rates, trade policies, tariffs, and import/export restrictions may further complicate market entry and expansion.

The Company's success in these markets, including the existing ones, will depend on its ability to effectively adapt its products, marketing strategies, and operational models to the specific needs and preferences of each region. Despite having a presence in some international markets, there is no guarantee that the Company will be able to replicate this success in other regions, which could adversely affect its growth prospects, market share, and overall financial performance. Consequently, the Company faces the risk that its expansion strategy may not achieve the desired outcomes, potentially impacting its long-term objectives and profitability.

**65. *Challenges in Sustaining the Effective Implementation of Business and Growth Strategies for GFRP/FRP Products***

The Company may face significant challenges in sustaining the effective implementation of its business and growth strategies for Glass Fiber Reinforced Plastic (GFRP/FRP) products, due to factors such as changing market conditions, economic downturns, evolving customer preferences, and increasing competition. Key initiatives, including diversification of the GFRP/FRP product portfolio, market expansion, product innovation, competitive pricing, and cost management, carry inherent risks and may not be executed as planned. This could potentially result in financial underperformance, loss of market share, or failure to achieve targeted growth objectives.

Furthermore, the Company's reliance on key personnel and resources introduces additional risks, as any unavailability, mismanagement, or turnover of these critical assets could disrupt the execution of its strategies. The Company's ability to navigate market dynamics, adapt to technological advancements, and efficiently manage operational costs will be essential

to maintaining competitiveness in the GFRP/FRP sector. Any delays or failure in effectively executing these strategies could significantly impact the Company's profitability, market position, and overall business performance.

#### 66. **Disclaimer Regarding Assumptions and Risks in Production Capacity and Utilization Projections**

The information relating to the production capacities and historical capacity utilization of our production facilities, as disclosed in the Draft Red Herring Prospectus (DRHP), is based on certain assumptions and estimates. These figures have also been subjected to rounding off. Consequently, the actual production capacity and future capacity utilization may differ from the projected values, and such variations could be influenced by various factors, including but not limited to market demand fluctuations, operational inefficiencies, supply chain disruptions, regulatory changes, technological advancements, and unforeseen economic conditions.

Investors should be aware that these assumptions may not materialize as anticipated, and any deviation from projected capacity utilization or production levels could materially affect the Company's operational performance, financial results, and growth prospects. Therefore, future production and capacity utilization levels are subject to uncertainties and risks that could impact the Company's ability to achieve its business objectives.

**The following table sets forth annual installed production capacity and annual utilized capacity in respect of different products is tabulated as below:**

| Product Name <sup>^</sup> | Installed Capacity (In Tons) | Installed Actual Capacity (In Tons) Utilization Year wise |            |          |            |          |            |          |            |
|---------------------------|------------------------------|-----------------------------------------------------------|------------|----------|------------|----------|------------|----------|------------|
|                           |                              | March 25 (Annualised)                                     | Utilised % | March 24 | Utilised % | March 23 | Utilised % | March 22 | Utilised % |
| FRP Rebars                | 1320                         | 1029.6                                                    | 78%        | 844.8    | 64%        | 752.4    | 57%        | 369.6    | 28%        |
| FRP Grating               | 57.93                        | 48.00                                                     | 80%        | 40.55    | 70%        | 34.76    | 60%        | 24.33    | 42%        |
| FRP Pultrusion            | 507.23                       | 515.32                                                    | 86%        | 390.56   | 77%        | 355.06   | 70%        | 228.25   | 45%        |
| FRP Pipe                  | 93.29                        | 69.75                                                     | 75%        | 66.96    | 72%        | 74.63    | 80%        | 49.44    | 53%        |

\*Chartered Mechanical Engineer capacity utilization certificate dated January 06, 2025.

<sup>^</sup>All FRP Products mentioned in table above includes GFRP Products also.

#### 67. **Strategic Risk Assessment for Importing raw materials from China**

Importing raw materials from China involves several risks such as Geopolitical tensions, trade restrictions, and tariffs can impact costs and supply availability, while supply chain disruptions, such as port delays or lockdowns, which may affect production timelines. Currency fluctuations can lead to unpredictable costs, and variations in quality or regulatory non-compliance may result in legal issues or product recalls. Rising freight costs, customs delays, and intellectual property risks further add to the challenges. Additionally, changes in China's economic policies, taxation, or export regulations can disrupt supply, while financial risks like fraud or supplier defaults require careful due diligence. To manage these risks, company should diversify suppliers, establish clear quality standards, and closely monitor economic and geopolitical developments. However, there are no such instances occurred in the past but any unfavourable changes in these factors or broader economic conditions could negatively impact our business.

#### 68. **Challenges Affecting Revenue Generation in the Infrastructure Industry for GFRP/ FRP Businesses**

The infrastructure sector is highly sensitive to regulatory and policy changes, as shifts in government spending, policy reforms, or delays in environmental clearances can adversely affect project timelines and financial outcomes. Economic conditions also play a crucial role, with downturns potentially leading to reduced government expenditure on infrastructure. Operational risks such as labor strikes, material shortages, and logistical challenges further contribute to revenue unpredictability. Moreover, if international contracts or foreign funding are involved, foreign exchange fluctuations can pose additional financial risks. Competitive pressures within the industry can also lead to pricing wars, squeezed margins, and loss of market share. To mitigate these risks, diversifying the project portfolio, maintaining strong government and regulatory relationships, implementing robust project management practices, and employing financial hedging strategies are essential. This comprehensive risk landscape underscores the need for strategic foresight to ensure stable and sustainable revenue growth in the infrastructure sector.

## SECTION VI: CAPITAL STRUCTURE

### *In the chapter “CAPITAL STRUCTURE”*

*a) A new paragraph has been added as point no. 13 on page 86 as follows:*

**13.** “All issuances of securities made by our Company since its incorporation till the date of filing of this Draft Red Herring Prospectus were in compliance with the Companies Act, 1956 and the Companies Act, 2013, as applicable.”

## SECTION VII: PARTICULARS OF THE OFFER OBJECT OF THE OFFER

### *In the chapter “OBJECT OF THE OFFER”*

- a) Under the head “Requirements of Funds”, on page no.93, the details has been updated.
- b) Under the head “Utilization of Net Fresh Offer Proceeds” on page no. 94, the table has been updated
- c) Under the head “Means of Finance”, table containing the details of Firm arrangements have been added.
- d) Under the head “Details of Object” The heading “Capital Expenditure towards set up of Factory shed for New Manufacturing Unit” and “Capital Expenditure toward Plant & Machinery for New Manufacturing Unit” on page no.96 has been merged and updated as “Capital Expenditure toward setup of New Manufacturing Facility”.
- e) Under the heading “Purchase of New Office Space” on page 100 a new paragraph has been added after 1<sup>st</sup> para
- f) Under the heading “Purchase of New Office Space” on page 100 area in square metres has been updated..
- g) Under the head ‘Purchase of New Office Space’ on Page 101 a new paragraph i.e “The proposed schedule of implementation for New Office has been added after Summary of works.
- h) Under the head “Repayment/Pre-payment of Certain Debt Facilities” on Page 102 table of Repayment/Prepayment of Certain Debt Facilities has been updated.
- i) Under the head “To meet Working Capital Requirements” on Page 102 table of source of funding alongwith bifurcation of internal accruals and borrowings has been updated, and cash and cash component has been removed.
- j) Under the head “To meet Working Capital Requirements” on Page 104 under the sub heading “Quality Assurance and Compliance” below Assumptions for Holding Levels table a paragraph, has been added.
- k) Under the head “General Corporate Purpose” on page no 108, paragraph under subheading “Bridge Financing Facilities” has been rephrased and updated.

### **Requirements of Funds**

- i. Capital Expenditure towards set up of New Manufacturing unit.
- ii. Purchase of New Office Space
- iii. Repayment/Pre-payment of Certain Debt Facilities.
- iv. Working Capital Requirements
- v. General Corporate Purposes

### **Utilization of Net Fresh Offer Proceeds**

| Sr. No. | Particulars                                                  | Total Estimated Expenditure | Amount to be financed from Internal Accruals/ Borrowings | Amount to be financed and deployed from Net IPO Proceeds by the Financial Year ended March 31, 2026 | Amount to be financed and deployed from Net IPO Proceeds by the Financial Year ended March 31, 2027 |
|---------|--------------------------------------------------------------|-----------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 1       | Capital Expenditure towards set up of New Manufacturing unit | 734.60                      | --                                                       | 734.60                                                                                              | --                                                                                                  |
| 2       | Purchase of New Office Space                                 | 443.65                      | 52.65                                                    | 391.00                                                                                              | --                                                                                                  |
| 3       | Repayment/Pre-payment of Certain Debt Facilities             | 153.27                      | 20.50                                                    | 132.77                                                                                              | --                                                                                                  |
| 4       | Working Capital Requirements                                 | 4,115.66                    | 2,481.06                                                 | 1,000.00                                                                                            | 634.61                                                                                              |
| 5       | General Corporate Purposes                                   | [●]                         | --                                                       | [●]                                                                                                 | [●]                                                                                                 |
|         | <b>Total</b>                                                 | [●]                         | 2,554.21                                                 | [●]                                                                                                 | [●]                                                                                                 |

### **Means of Finance**

To meet the firm arrangement our company has availed the Fund based Cash Credit limit from the bank. The details of sanction are as follows:

| Name of Lender      | Date of Sanction | Facility    | Sanctioned Amount (₹ in lakhs) | Rate of Interest | Security                                                                                                                                                                                                                                                                                                                       |
|---------------------|------------------|-------------|--------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State Bank of India | April 09, 2025   | Cash Credit | 470.00                         | 8.90%            | Primary Security: Hypothecation of stock & receivables of present and future<br>Collateral Security: Equitable mortgage on Title Deed No. I-3548, I-2669, Registered on 27-Jun-09 at South 24 Parganas, West Bengal in the name of ARC Insulation & Insulators Ltd. and Personal Guarantee of Manish Bajoria & Neelam Bajoria. |

## Details of Object

### 1) Capital Expenditure toward setup of New Manufacturing Facility

#### A) Capital Expenditure towards set up of Factory shed for New Manufacturing Unit

The glass fiber-reinforced plastics (GFRP) composites market is experiencing significant growth, driven by the increasing demand across various industries for lightweight, durable, and high-strength materials. These composites, which combine glass fibers with a plastic matrix, are valued for their superior mechanical properties, including high strength-to-weight ratio, impact resistance, and corrosion resistance.

The automotive and aerospace industries are major contributors to market expansion, as manufacturers seek to enhance fuel efficiency and performance while reducing vehicle and aircraft weights.

The construction sector is increasingly adopting GFRP composites for their durability and low maintenance requirements in structural applications. The marine industry also benefits from GFRP composites due to their resistance to water and environmental degradation.

The marine industry is one of the sectors which is driving a surge in demand for glass fiber reinforced plastics (GFRP) composites, particularly in boat and shipbuilding. As global maritime activities increase, there is a growing need for materials that can withstand the harsh conditions of the marine environment, including saltwater exposure, high humidity, and varying temperatures. GFRP composites are exceptionally well-suited for these applications due to their inherent properties of corrosion resistance, durability, and lightweight nature. The marine industry's emphasis on reducing maintenance costs and enhancing the longevity of vessels aligns perfectly with the benefits offered by GFRP composites. As advancements in composite manufacturing technology continue to improve the performance and affordability of GFRP materials, their use in the marine industry is expected to expand further which represent significant opportunities for GFRP composites, driven by the need for durable, efficient, and cost-effective solutions in boat and shipbuilding. The material's ability to meet the rigorous demands of the marine environment positions it as a valuable asset in the ongoing evolution of maritime technology.

Global glass fiber-reinforced plastics (GFRP) market size was valued at USD 47.61 billion in 2023 and is projected to reach USD 79.09 billion by 2031, with a CAGR of 6.55% during the forecast period of 2024 to 2031.

(Source : [https://www.databridgemarketresearch.com/reports/global-glass-fiber-reinforced-plastics-gfrp-market?srltid=AfmBOoqa4QDag2jqtuIxs9ah-NV39wjs-1aI89AVQtXw-SWyFK\\_c9CQ](https://www.databridgemarketresearch.com/reports/global-glass-fiber-reinforced-plastics-gfrp-market?srltid=AfmBOoqa4QDag2jqtuIxs9ah-NV39wjs-1aI89AVQtXw-SWyFK_c9CQ))

Our Company has been manufacturing its products since 2008 at its freehold land situated at Village – Ramdevpur, PO-Bawali, Bishnupur2, Parganas South, Bishnupur, West Bengal, India 743384. As an anticipated plan of expansion and tapping the market of GFRP/FRP industry, our company intends to expand our manufacturing unit by setting up a new manufacturing unit of Glass Fiber Reinforced Polymers (GFRP), Fiber Reinforced Polymers (“FRP”) composite/constituency products such

as GFRP/FRP Rebars, GFRP/FRP Granting Walkways, GFRP/FRP Pipelines, GFRP/FRP Tubes, GFRP/FRP Fencing for Transformers, GFRP/FRP Cable Trays, and other related products designed for industrial, energy and marine's sectors. We supply our products for application in diverse industries including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining and others.

Our company is expanding and our management is of the opinion that its better in the interest of the company to purchase another land to set up a new manufacturing unit and expand its operations. The company has identified an industrial land situated at District: Paschim Midnapore, Thana: Kharagpur, Gram Panchayat: SANKOA, Mouza: Sanmaninathpur, Jl No: 350, Pin- 721301, West Bengal measuring land area of about 163 decimal (6,596 sq mtr approx.). We have also obtained feasibility report from Cost Accountant, Ankit Gupta report dated January 07, 2025. Our company has entered into the agreement of sale with the owner of the land i.e. Shraddha Overseas Private Limited dated December 04, 2024. Hence for the same the company has to pay a sum of ₹ 4,03,00,000/- (Rupees Four Crores Three Lakhs Only). Further the company will incur Land registration cost and Stamp duty approximately ₹4.03 lakhs and ₹ 24.18 lakhs respectively. The company has already paid an advance amount of ₹ 5.00 Lakhs at the time of agreement and the company is proposed to pay the balance amount including Land registration cost and Stamp duty of ₹ 426.21 Lakhs through its internal accrual.

Details pertaining to the said land is as follows:

| Sl.No. | Mouza with JL no. & PS                     | Khatian No. (LR) at the time of Conversion | Khatian no. (LR) at the time of agreement | LR plot no. noted in the deed | Area (in Decimal) | Proposed buy area (in Decimal) |
|--------|--------------------------------------------|--------------------------------------------|-------------------------------------------|-------------------------------|-------------------|--------------------------------|
| 1.     | Sanmaninathpur JL no. 350<br>PS: Kharagpur | 590                                        | 551                                       | 46                            | 20                | 20                             |
| 2.     | Sanmaninathpur JL no. 350<br>PS: Kharagpur | 590                                        | 552                                       | 46                            | 143               | 143                            |

Setting up of additional manufacturing unit is an initiative of expansion of the current business activity of the company. This will increase the capacity of overall facility, thereby increasing production and increase in revenue with increase in production, the company will also aim at achieving economies of scale, thereby increasing profit margins.

The company is acquiring industrial land as mentioned above and it shall apply for Factory License, Trade License and any other applicable approvals after the registration of land in company's name, further refer to please see the chapter titled **“Government and Other Approvals”** beginning on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus .

Our Company intends to make capital expenditure towards construction and civil work and setting up additional manufacturing unit on the aforementioned land and accordingly proposed to construct a factory shed having approximately 4,645 sq. mtr. build up area. We have prepared a cost estimate for executing, designing, supervision and procuring all relevant construction and installation. The total estimated cost for setting up the factory is around ₹ 357.38 lakhs, out of which the entire amount is intended to be funded from the Net Proceeds. This has been estimated by our management based on quotations received from third party suppliers/ service providers. The detailed break-down of the same along with details of the quotation, as applicable, is set forth below:

#### Summary of works:

| Nature of Work                                        | Supplier                                          | Quotation Date | Validity | Amount (₹ in Lakhs) |
|-------------------------------------------------------|---------------------------------------------------|----------------|----------|---------------------|
| Craned Shed (Supply of Pre-Fabricated Steel Building) | Kirby Building Systems & Structures India Pvt Ltd | 09.01.2025     | 30 Days  | 235.00*             |
| Craned Shed (Erection price)                          | Kirby Building Systems & Structures India Pvt Ltd | 09.01.2025     | 30 Days  | 23.00               |
| Flooring Works (VDF)                                  | Dey's Trading Corporation                         | 10.12.2024     | 180 Days | 98.53               |
| Foundation Work (2200*2200*300 HT)                    |                                                   |                |          | 0.49                |

|                                       |  |  |  |               |
|---------------------------------------|--|--|--|---------------|
| Foundation Work<br>(1800*1800*300 HT) |  |  |  | 0.33          |
| Tie Beam                              |  |  |  | 0.02          |
| <b>TOTAL</b>                          |  |  |  | <b>357.38</b> |

\* Inclusive of GST @ 18%

Note : Any additional cost if any on the above items will be borne from the internal accruals of the company.

### B) Capital Expenditure toward Plant & Machinery For New Manufacturing Unit

In order to increase production capacity at our manufacturing facilities and to cater our manufacturing requirements, our Company intends to make capital expenditure towards purchase of additional plant & machinery to be installed at our proposed manufacturing unit as mentioned above, this will increase our production capacity of GFRP Rebars by 225 MT per month with new Bend machine and 48000 Sq. Mtr. per month with new Mesh machine. The company planned to install on-grid Solar power plants for the purpose of captive consumption with a total capacity of 380 kw to reduce its power & fuel expenditure. The company planned to install on-grid Solar power plants for the purpose of captive consumption with a total capacity of 380 kw to reduce its power & fuel expenditure

Our Company proposes to use part of Net Proceeds to the extent to ₹ 377.22 Lakhs to meet capital expenditure based on the quotations received from third party suppliers in relation to the following details of plant and machinery that the Company intends to procure as part of this project is given below:

| Sr. No. | Date of Quotation | Name of Vendor                      | Brief Discription                                                                                                                        | Qty (In Nos) | Rate                     | Conversion Rate as on 16.01.2025 | Amount (INR in Lakhs) | Validity   |
|---------|-------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------|----------------------------------|-----------------------|------------|
| 1       | 13.01.2025*       | Armplast Group of Companies, Russia | AGP- line- 2.01 (Production of bent elements from 4 to 16 mm diameter, the production on rate is 4960 items with a length of 1.7 meters) | 4            | 12,160,000 Russian Ruble | 0.85                             | 103.36                | 31.12.2026 |
|         |                   |                                     | The creel for 48 bobbins                                                                                                                 | 1            |                          |                                  |                       |            |
|         |                   |                                     | The alignment device/ device to optimize the humidity fiberglass yarns                                                                   | 1            |                          |                                  |                       |            |
|         |                   |                                     | Capacity for impregnating fiberglass roving/Highly efficient extraction of the compound (900 mm width)                                   | 1            |                          |                                  |                       |            |
|         |                   |                                     | Node power winding periodic profile                                                                                                      | 1            |                          |                                  |                       |            |
|         |                   |                                     | Polymerization furnace with electronic temperature sensors (5 meters)                                                                    | 1            |                          |                                  |                       |            |
|         |                   |                                     | Pulling coil winder for winding shapes                                                                                                   | 2            |                          |                                  |                       |            |
|         |                   |                                     | The Polymerization oven is mobile for the final baking of products                                                                       | 1            |                          |                                  |                       |            |
|         |                   |                                     | The control unit with fine-tuning the line speed                                                                                         | 1            |                          |                                  |                       |            |
|         |                   |                                     | Device for twisting fiberglass roving                                                                                                    | 1            |                          |                                  |                       |            |
|         |                   |                                     | Umbrella on the hood                                                                                                                     | 2            |                          |                                  |                       |            |
|         |                   |                                     | Power supply 380 volts and 220 volts, voltage 50 Hertz                                                                                   | -            |                          |                                  |                       |            |

|              |            |                                     |                                                                                                                             |   |                          |       |               |            |
|--------------|------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---|--------------------------|-------|---------------|------------|
| 2            | 2.9.2024   | Armplast Group of Companies, Russia | AGP- line- 2.01 (Production of composite mesh with a width of 2 meters, cells 50*50 to 200*200 mm. Diameter from 2 to 8 mm) | 2 | 11,996,000 Russian Ruble | 0.85  | 101.97        | 31.12.2026 |
|              |            |                                     | The Control Panel                                                                                                           | 1 |                          |       |               |            |
|              |            |                                     | Roving racks                                                                                                                | 4 |                          |       |               |            |
|              |            |                                     | Impregnation baths with heated roving                                                                                       | 3 |                          |       |               |            |
|              |            |                                     | The returnee                                                                                                                | 1 |                          |       |               |            |
|              |            |                                     | Polymerization furnace                                                                                                      | 1 |                          |       |               |            |
|              |            |                                     | Cooling bath (water)                                                                                                        | 2 |                          |       |               |            |
|              |            |                                     | The pulling knot                                                                                                            | 1 |                          |       |               |            |
|              |            |                                     | Cutting unit                                                                                                                | 1 |                          |       |               |            |
|              |            |                                     | Reception desk                                                                                                              | 1 |                          |       |               |            |
|              |            |                                     | Alignment node                                                                                                              | 1 |                          |       |               |            |
|              |            |                                     | Power supply 380 volts and 220 volts, voltage 50 Hertz                                                                      | - |                          |       |               |            |
|              |            |                                     | The twist of the finished mesh into rolls                                                                                   | 1 |                          |       |               |            |
|              |            |                                     | The twist/binding node of the grid                                                                                          | 1 |                          |       |               |            |
| 3            | 19.12.2024 | Green Power Solutions               | Rooftop On-Grid Solar Power Plant                                                                                           | 1 | -                        | -     | 100.70        | 45 Days    |
| 4            | 3.12.2024  | Agora Freight LLC                   | Freight and Insurance                                                                                                       |   | 62,640 USD               | 86.62 | 54.26         | NA         |
| 5            | NA         |                                     | Import Duty                                                                                                                 |   |                          |       | 16.94         | NA         |
| <b>Total</b> |            |                                     |                                                                                                                             |   |                          |       | <b>377.22</b> |            |

\* The Original quotation was dated July 8, 2024 has been re-confirmed on January 13, 2025 vide Mail to be valid till December 31, 2026.

Note :

1. Currency exchange rate is considered as on January 16, 2025 (Source: www.xe.com)
2. Includes Installation, Sea Freight, Insurance, Duty on CIF @ 8.25%. All Procurements are excluding GST
3. ~~Executed contract / purchase order in place hence validity date is not relevant.~~

The company planned to install on-grid Solar power plants for the purpose of captive consumption with a total capacity of 380 kwp to reduce its power & fuel expenditure, the company is expecting to achieve break even for cost of Solar plant in five years in terms of savings in electricity expenditure. The detailed working for break even of solar plant is as follows:

(₹ In Lakhs)

| Particulars                                                            | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Opening WDV of Solar Plant (A)                                         | 100.70 | 60.42  | 36.25  | 21.75  | 13.05  |
| Depreciation Rate (B)                                                  | 40%    | 40%    | 40%    | 40%    | 40%    |
| Depreciation Amount (C=A*B)                                            | 40.28  | 24.17  | 14.50  | 8.70   | 5.22   |
| Closing WDV (D=A-C)                                                    | 60.42  | 36.25  | 21.75  | 13.05  | 7.83   |
| Tax effect on Depreciation (E=C*26%)                                   | 10.47  | 6.28   | 3.77   | 2.26   | 1.36   |
| Depreciation Amount (1-t) (F=C-E)                                      | 29.81  | 17.88  | 10.73  | 6.44   | 3.86   |
| Tax Adjusted Savings per annum on Power cost (Refer working below) (G) | 35.42  | 35.42  | 35.42  | 35.42  | 35.42  |
| Net Savings per annum (H=F-G)                                          | 5.62   | 17.54  | 24.69  | 28.98  | 31.56  |

|                    |      |       |       |       |        |
|--------------------|------|-------|-------|-------|--------|
| Cumulative Savings | 5.62 | 23.15 | 47.85 | 76.83 | 108.39 |
|--------------------|------|-------|-------|-------|--------|

Working for Tax adjusted Savings per annum on Power Cost:

| Particulars                                                | Amount   |
|------------------------------------------------------------|----------|
| Current Grid Tariff per unit (A)*                          | 8.84     |
| Capacity of Solar Plant in kwp (B)                         | 380      |
| No. of units produced per kwp per annum** (C)              | 1500     |
| Total electricity produced to be per annum (Units) (D=B*C) | 5,70,000 |
| Total electricity produced (₹ In Lakhs) (E=A*D)            | 50.39    |
| Operation and Maintenance Cost*** (₹ In Lakhs) (F)         | 2.52     |
| Savings in Power Cost (₹ In Lakhs) (G=E-F)                 | 47.87    |
| Tax impact on Power Cost (₹ In Lakhs) (H=G*26%)            | 12.45    |
| Tax Adjusted Savings on Power Cost (₹ In Lakhs) (I=G-H)    | 35.42    |

\*Current tariff rate is considered based on the average tariff rate calculated as per the electricity bill for the month of December 2024.

\*\*Number of units produced per kwp is 1400-1600 units per annum. We have considered average of 1500  $((1400+1600)/2)$  for the purpose of calculation.

(Source: [https://www.eai.in/ref/ae/sol/rooftop/power\\_output#:~:text=1%20KWp%20of%20panel%20will,vary%20based%20on%20meteorological%20conditions.](https://www.eai.in/ref/ae/sol/rooftop/power_output#:~:text=1%20KWp%20of%20panel%20will,vary%20based%20on%20meteorological%20conditions.))

\*\*\*We have assumed that Operation and Maintenance Cost is 5% per annum of total cost.

Notes:

1. We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary as per the best possible offer available with us.
2. All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, 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 render the services or at the same costs.
3. The construction service and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of supply or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other service, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of construction service, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 15% of the amount raised by our Company through this Offer.
4. We are not acquiring any second-hand machinery.
5. The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of services proposed to be acquired by us at the actual time of provision of service, resulting in increase in the estimated cost. Further, cost will be escalated on account of freight expenses, installation charges, packaging & forwarding, custom duty etc. Such cost escalation would be met out of our **internal accruals**.

**Further, the new manufacturing unit proposed to be set up from the IPO proceeds shall be used for manufacture of Glass Fiber Reinforced Polymers (GFRP), Fiber Reinforced Polymers ("FRP") composite/constituency.**

The details of overall installed capacity of GFRP/FRP Manufacturing facility shall be as follows:

| Particulars                 | Installed Capacity              |
|-----------------------------|---------------------------------|
| Existing Manufacturing Unit | FRP REBAR – 1320 Tons Per Annum |

|                                              |                                                                                                                                 |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
|                                              | <b>FRP GRATINGS-</b> 57.93 Tons Per Annum<br><b>PULTRUSION-</b> 507.23 Tons Per Annum<br><b>FRP PIPES-</b> 93.29 Tons Per Annum |
| Proposed New additional Manufacturing Unit * | <b>FRP REBAR</b><br>- With Bend machine 225 MT Per Month<br>- With Mesh machine 48000 Sq. Mtr. Per month                        |

\* Additional units to be produced, the installed capacity of proposed new additional manufacturing unit is based on the Chartered Engineer certificate issued by Ankit Gupta, Chartered Engineer dated January 06, 2025.

### Proposed Schedule of Implementation

The proposed schedule of implementation for installation of Manufacturing facilities is as follows:

| Particulars                        | Estimated Month of Completion |
|------------------------------------|-------------------------------|
| Placing of Order*                  | June' 2025                    |
| Delivery of Plant & Machinery      | September' 2025               |
| Erection/Installation of Machinery | October' 2025                 |
| Trial Runs                         | November' 2025                |
| Commercial Production              | December' 2025                |

\*Assuming we receive the IPO Proceeds in the month of June' 2025.

### 3) Purchase of New Office Space

We propose to expand our existing business by buying an office space located at Unit No. OU107 & OU108, both on the 9<sup>th</sup> floor having carpet area of unit admeasuring 69.03 Sq mtr and 68.47 Sq mtr more or less respectively corresponding to super built up area of 104.05 Sq mtr and 103.77 Sq mtr more or less respectively along with two mechanical car parking no. 23 & 24 on 4<sup>th</sup> floor at **Primarc Chambers**, 1839 Laskarhat Road, Kolkata 700 039, under construction. We have executed a sale agreement dated October 07, 2024 with **Primarc Projects Private Limited**. The company has already paid ₹. 30.83 Lakhs as advance payment against purchase of Office.

“The Company is acquiring a new office which will be used as registered as well as corporate office of the company, which will accommodate its admin, marketing and professionals’ staffs”.

Purchasing an office in a prime city locality can offer several strategic advantages for growing our business. Here are some key reasons why we choose to make this investment:

- **Connectivity:** Presently our office is situated at the factory premises itself. The same is situated at Bishnupur, PO Bawali, North 24 Pgs. Now we are in the process of setting up another factory at West Midnapore, Kharagpur. Both the locations are far away from the city limits. Bishnupur is away from the city by 30 KM whereas Kharagpur is far from the city by 140 KM. City office is necessary for the connectivity of all the stakeholders of the company for better management and execution.
- **Proximity to Clients:** A central city office gives business easy access to a broader range of clients. Being in a high-visibility area can increase foot traffic and spontaneous visits from potential clients or collaborators. Also we are focusing on increase our exports and to communicate with overseas clients we do require a good office space in a prestigious locality.
- **Team Building:** It is difficult to appoint qualified and skilled people for working on remote locations. The distance for our factory does not suit the talented employees, making us compromise while employing new talent. We find it difficult to convince employees to travel that much for attending office.
- **Reliable Services:** In a city setting, essential services (like high-speed internet, postal services, and utilities) are more reliable and readily available. This supports smoother daily operations and ensures fewer disruptions.
- **Transport Links:** City areas usually offer better public transport connectivity, making it easier for both employees and clients to access office. This can enhance productivity and make the business more convenient for everyone involved.

Purchasing an office in a city locality can greatly enhance our ability to grow our business by providing access to a larger market, improving brand visibility, and offering better infrastructure. It also helps attract top talent, fosters innovation through

networking, and supports future scalability. By investing in such an office space, our company can thrive in an environment that maximizes opportunity, productivity, and growth.

Utilization towards purchase of New Office Space in the manner set out in the following table:

(₹ in Lakhs)

| Sr. No. | Particulars                                                                                | Total Estimated Expenditure | Amount to be financed from Internal Accruals/ Borrowings | Amount to be financed and deployed from Net IPO Proceeds by the Financial Year ended March 31, 2026 |
|---------|--------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 1       | Purchase of Capital Expenditure towards New Office space                                   | 361.82                      | 30.82                                                    | 331.00                                                                                              |
| 2       | Capital Expenditure towards Purchase and installation of Furniture in the New Office space | 81.83                       | 21.83                                                    | 60.00                                                                                               |
|         | <b>Total</b>                                                                               | <b>443.65</b>               | <b>52.65</b>                                             | <b>391.00</b>                                                                                       |

#### Summary of works:

*The proposed schedule of implementation for New Office is as below: -*

| Particulars                                 | Estimated Month of Completion |
|---------------------------------------------|-------------------------------|
| Registration of Agreement for Sale          | March, 2025                   |
| Possession of property for Fit Outs         | March, 2025                   |
| Commencement of Furniture and Interior Work | April, 2025                   |
| Completion of Furniture and Interior Work   | August, 2025                  |
| Shifting to the New Office                  | September, 2025               |

*\*Assuming we receive the IPO Proceeds in the month of June, 2025.*

#### 4) Repayment/Pre-payment of Certain Debt Facilities

Our Company has entered into various financing arrangements with banks and financial institutions. The loan facilities entered into by our Company include borrowings in the form of term loans and fund-based facilities. For further details, including indicative terms and conditions of such loan facilities, see “**Statement of Financial Indebtedness**” beginning on page 233. of this Draft Red Herring Prospectus. As at October 31, 2024, the amount outstanding under the loan facilities (part of which are proposed to be repaid to the extent of ₹ 132.77 Lakh from the Objects of the Offer) availed by our Company was ₹ 153.27 Lakh on a standalone basis. Our Company proposes to utilise an aggregate amount of ₹ 132.77 Lakh from the Net Proceeds towards full / partial repayment or prepayment of certain borrowing availed by our Company from bank / financial institution. The selection and extent of loans proposed to be repaid from our Company’s borrowings mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenure of the loan, presence of onerous terms and conditions under the facility, levy of any prepayment charges, foreclosure charges and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of prepayment to lenders, if any and mix of credit facilities provided by lenders. Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced loans or repayment of any additional loan facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of loans (including refinanced or additional loans availed, if any), in part or full, would not exceed ₹ 132.77 Lakh. The prepayment or repayment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The following table provides details of loans availed by our Company as on October 31, 2024 on a standalone basis, out of which all or any of the facilities may be prepaid or repaid, in full or in part, from the Net Proceeds to the extent of an aggregate amount of ₹ 132.77 Lakh:

| Name of Bank             | Date of Sanction | Loan Type                           | Sanctioned Amt (In Lakhs) | Disbursement Date | Rate of Interest (p.a.) | Primary Securities                                                                                                                                                                            | Repayment Terms (Months) | Outstanding as on October 31, 2024 as per books of accounts (₹ in Lakhs) |
|--------------------------|------------------|-------------------------------------|---------------------------|-------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------|
| Hero Finance Corporation | 30-04-2019       | Corporate Term Loan-working capital | 160.00                    | 06-05-2019        | 13.00 %                 | Mortgage against land held in name of Manish Bajoria at mouza-samali, police station-Bishnupur, J.L.No.23, R.S. Khatian Nos.2298, R.S. and L.R. Dag Nos.86 and 87, District-Parganas South.   | 72                       | 41.75                                                                    |
| Kotak Mahindra Bank      | 31-05-2022       | Loan against Property               | 128.00                    | 01-06-2022        | 9.85%                   | Mortgage against property held in name of Company at-Dag No 713, 721, 722, 723 under Mouza Ramdevpur, P.O Bawali, Bishnupur, South 24 Parganas and personal guarantee given by Manish Bajoria | 120                      | 111.52                                                                   |
| <b>Total</b>             |                  |                                     |                           |                   |                         |                                                                                                                                                                                               |                          | <b>153.27</b>                                                            |

As certified by M/s. Jay Gupta & Associates, Chartered Accountants, pursuant to their certificate dated January 07, 2025 the above-mentioned loans have been deployed towards the purposes mentioned in the respective loan agreements. In due course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements provide for the levy of prepayment penalties. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of its internal accruals.

## 5) To Meet Working Capital Requirements

We finance our working capital requirement from our internal accruals. Considering the existing and future growth and the orders and service agreements in hand, the working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ 4,277.18 Lakhs for FY 2025-2026. We intend to meet our working capital requirements to the extent of ₹ 1,634.61 Lakhs from the Net Proceeds of this Offer.

### *Basis of estimation of working capital*

The details of our Company's composition of working capital as at March 31, 2022, March 31, 2023, March 31, 2024, October 31, 2024, March 31, 2025 and March 31, 2026 based on the Restated Summary Statements and working capital estimates. Further the source of funding of the same are as set out in the table below:

(₹ in Lakhs)

| Particulars                 | 31-Mar-22     | 31-Mar-23       | 31-Mar-24       | 31-Oct-24       | 31-Mar-25       | 31-Mar-26       | 31-Mar-27       |
|-----------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                             | Restated      | Restated        | Restated        | Restated        | Unaudited       | Estimated       | Projected       |
| <b>Current Assets</b>       |               |                 |                 |                 |                 |                 |                 |
| Trade Receivables           | 212.13        | 651.88          | 446.74          | 1,095.41        | 1,212.40        | 1,512.54        | 2,600.00        |
| Inventories                 | 328.60        | 430.52          | 558.62          | 607.66          | 751.45          | 1,459.21        | 1,684.69        |
| Short term Loans & Advances | 112.33        | 96.17           | 48.22           | 108.73          | 163.02          | 322.86          | 521.00          |
| Other Current Assets        | 27.45         | 10.47           | 14.76           | 1.54            | 1.37            | 20.00           | 40.00           |
| <b>Total (I)</b>            | <b>680.51</b> | <b>1,189.04</b> | <b>1,068.34</b> | <b>1,813.34</b> | <b>2,128.24</b> | <b>3,314.61</b> | <b>4,845.69</b> |
| <b>Current Liabilities</b>  |               |                 |                 |                 |                 |                 |                 |

|                                     |               |               |               |               |                 |                 |                 |
|-------------------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| Trade Payables                      | 329.10        | 331.58        | 477.31        | 641.86        | 561.67          | 549.10          | 604.01          |
| Other Current Liabilities           | 95.72         | 225.50        | 60.23         | 88.42         | 64.91           | 50.00           | 55.00           |
| Short Term Provisions               | 4.31          | 83.27         | 159.51        | 113.03        | 214.65          | 46.03           | 71.02           |
| <b>Total (II)</b>                   | <b>429.13</b> | <b>640.35</b> | <b>697.05</b> | <b>843.31</b> | <b>841.23</b>   | <b>645.13</b>   | <b>730.03</b>   |
| <b>Net Working Capital (I)-(II)</b> | <b>251.38</b> | <b>548.69</b> | <b>371.29</b> | <b>970.03</b> | <b>1,287.01</b> | <b>2,669.47</b> | <b>4,115.66</b> |
| <b>Funding Pattern:</b>             |               |               |               |               |                 |                 |                 |
| Cash and Cash Equivalents           | 7.34          | 4.65          | 37.09         | 64.01         | 94.83           | 104.65          | 213.15          |
| Short term borrowings               | 183.86        | 245.83        | 76.62         | 47.44         | 222.26          | -               | -               |
| Part of the IPO Proceeds 2026       | -             | -             | -             | -             | -               | 1,000.00*       | 1,000.00*       |
| Part of the IPO Proceeds 2027       |               |               |               |               |                 |                 | 634.61*         |
| From Internal Accrual               | 60.18         | 298.21        | 257.58        | 858.58        | 969.92          | 1,564.82        | 2,267.91        |

\*It is assumed that IPO Proceeds will be received in the month of June 2025. We hereby undertake to update relevant schedule of implementation at the time of filing Red Herring Prospectus.

#### Assumptions for working capital requirement

(In days)

| Particulars                 | Basis of Calculation    | Holding Level as on March 31, 2022 | Holding Level as on March 31, 2023 | Holding Level as on March 31, 2024 | Holding Level as on October 31, 2024 | Holding Level as on March 31, 2025 | Holding Level as on March 31, 2026 | Holding Level as on March 31, 2027 |
|-----------------------------|-------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <b>Current Assets</b>       |                         |                                    |                                    |                                    |                                      |                                    |                                    |                                    |
| Inventories                 | Cost of Goods Sold      | 134                                | 88                                 | 123                                | 128                                  | 157                                | 129                                | 109                                |
| Trade Receivables           | Revenue from Operations | 65                                 | 66                                 | 70                                 | 87                                   | 93                                 | 81                                 | 84                                 |
| Short Term Loans & Advances |                         | 36                                 | 15                                 | 6                                  | 12                                   | 18                                 | 19                                 | 21                                 |
| Other Current Assets        |                         | 9                                  | 2                                  | 2                                  | 0                                    | 0                                  | 1                                  | 2                                  |
| <b>Current Liabilities</b>  |                         |                                    |                                    |                                    |                                      |                                    |                                    |                                    |
| Trade Payables              | Purchase                | 120                                | 83                                 | 103                                | 132                                  | 118                                | 59                                 | 42                                 |
| Other Current Liabilities   | Cost of Goods Sold      | 41                                 | 52                                 | 15                                 | 19                                   | 16                                 | 6                                  | 4                                  |
| Short-term Provisions       | Cost of Goods Sold      | 2                                  | 19                                 | 40                                 | 25                                   | 51                                 | 7                                  | 5                                  |

| Particulars       | Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inventories       | Inventory levels are maintained by our Company depending upon the demand and delivery schedules. Inventory level for the F.Y. 2022-23 was decreased to 88 days as compared to 134 days in F.Y. 2021-22 due to a big order delivered towards end of the financial year. Further inventory holding period increase to 123 days in F.Y. 2023-24 as compared to 88 days in F.Y. 2022-23 reason being strategic decision driven by factors like meet anticipated future demand, reduce the risk of stockouts, take advantage of bulk purchasing discounts which was continued to 128 days in the 7 months period ended October 31, 2024. Our inventory holding period for the year ended March 31, 2025 is 157 days which is marginally higher as compared to inventory turnover days for March 31, 2024 which is 123 days. This is due to strategic planning, risk management, and operational efficiency of the company to inventory management, ensuring that the organization can meet customer demands while optimizing costs and minimizing risks. We have assumed to maintain inventory holding period of 129 days in the FY 2025-26 and 109 days in FY 2026-27 as new production facility would commence from December 2025. |
| Trade Receivables | Our Company's general credit terms vary across export sales and domestic sales. Over the past three FY, the company maintained approximately same level of Trade receivables holding period of 65 days, 66                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | days and 70 days in FY 2021-22, 2022-23 and 2023-24 respectively as the company follows clear credit policies and collection procedure that are working well. This holding period increased to 87 days in 7 months period ended October 31, 2024 due to giving higher credit period to customers to increase their engagement. Further, holding period was maintained at 93 days in FY 2024-25 inline with increase in Revenue growth, we anticipate maintaining our holding period of 81 days in FY 2025-26 and 84 days in FY 2026-27 to manage strategic decision influenced by market conditions, customer relationships, and broader financial goals and to balancing the potential risks with the benefits of improved customer satisfaction and sales growth, the organization can position itself for long-term success while managing cash flow effectively.                                                                                                                                                                                                                          |
| Short Term Loan & advances | Short term Loan and Advance majorly includes advance to suppliers, short term deposits etc. Our Short Term Loans & Advances turnover days for the F.Y. 2021-22, 2022-23 and 2023-24 was 36 days, 15 days and 06 days respectively mainly due to decrease in deposits and efficient working capital management of the company. The holding period reached 12 days in 7 months period ended October 31, 2024 mainly due to increase in advances to supplier. The company has holding period of 18 days in FY 2024-25 and it is anticipated to be 19 days in FY 2025-26 and 21 days in FY 2026-27 as per estimated requirements for advance payment to suppliers to get competitive advantage as company is looking for imports for procurement of raw material which generally takes two months period to deliver.                                                                                                                                                                                                                                                                              |
| Other Current Assets       | Other current assets include advances to employees, balance with Government Authorities for Income tax net off Provision for Tax, duty draw back receivables and other balances with revenue authorities. Our Other current assets holding period for the F.Y. 2021-22, 2022-23 and 2023-24 were 9 days, 2 days and 2 days respectively which was further reduced to 0 days in 7 months period ended on October 31, 2024. There has been decrease over the years in the holding period due to better asset utilization, more efficient financial management, and improved cash flow. The company maintained 0 days in FY 2024-25 and further anticipate to maintain Other current assets holding days of 1 day for FY 2025-26 and 2 days for FY 2026-27 as per requirements and as projected by the company.                                                                                                                                                                                                                                                                                  |
| Trade Payables             | Trade Payables holding period is 120 days, 83 days and 103 days for the F.Y. 2021-22, 2022-23 and 2023-24 respectively. The reason for decrease in holding period in the F.Y. 2022-23 as compared to F.Y. 2021-22 is efficient cash flow and supplier management. For the FY 2023-24 while there was increase in holding period from 83 to 103 days due to optimization of cash flows, negotiation with supplier for better terms. Due to better negotiation with the suppliers holding days were increased to 132 days in 7 month period ended October 31, 2024 from 103 days in the FY 2023-24. For FY 2024-25, the holding period are reduced 118 days with efficient cash flow and supplier management with better payment terms to suppliers, as company. The company is planning to increase imports in FY 2025-26 which are generally procured in advance, hence credit purchase is not intended on imports, making the overall creditors balance fall in the FY 2025-26 as a result the holding period is estimated to reduce to 59 days and further reduce to 42 days in FY 2026-27. |
| Other Current Liabilities  | Other Current Liabilities mainly includes Advance from customers, Expenses payables and statutory dues. Other current liability holding days for the F.Y. 2021-22, 2022-23 and 2023-24 are 41 days, 52 days and 15 days respectively. The holding level for F.Y. 2023-24 was decreased due to improved liquidity, faster settlement of short-term obligations, and effective cash flow or working capital management. It reflects a company's commitment to maintaining financial health, minimizing costs, and reducing financial risks. The holding period for the 7 month period ended October 31, 2024 was maintained to same level being 19 days which is slightly reduced to 16 days in FY 2024-25. Further the same is expected to reduce to 6 days in 2025-26 and 4 days in FY 2026-27. We have assumed lower holding level of Other current liability by paying off the liabilities to maintain effective working capital management.                                                                                                                                                |
| Short-term Provisions      | Short term provisions comprise of Provisions for Current year's net Income Tax Payable and Provision for Current liability of Gratuity. Short term provision holding period was 2 days, 19 days, 40 days and 25 days in F.Y. 2021-22, 2022-23, 2023-24 and 7 months period ended October 31, 2024 respectively. This year-on-year increase was due to increase in Net Current tax liabilities on account of increase in Revenue and Profitability. Further it is increased to 51 days in FY 2024-25 due to higher profitability and is estimated to be 7 days for FY 2025-26 and 5 days in FY 2026-27 as the company is estimating to pay advance tax.                                                                                                                                                                                                                                                                                                                                                                                                                                        |

### Assumptions for Holding Levels

“The company had made a purchase of ₹ 483 Lakhs in the months of Sep and Oct 2024. As the purchases were made towards the end of the period ended 31st October 2024 and it caused an increase in the trade payable holding period as on the period ended 31st October 2024.”

### **Bridge Financing Facilities**

As on the date of this Draft Red Herring Prospectus, our Company has not raised any bridge loans from any bank or financial institution or other independent agency, which are required to be repaid from the Net Proceeds. However, the Company has ~~executed a sale agreement~~ entered into an agreement for sale dated October 07, 2024, with Primarc Projects Private Limited for purchasing office space which is currently under construction at 1839, Laskarhat Road, Kolkata 700 039, West Bengal for which they may avail bridge financing in case of requirement which shall be repaid from the Net Proceeds.

## SECTION VIII: ABOUT THE ISSUER COMPANY OUR BUSINESS

### ***In the chapter “OUR BUSINESS”***

- a) Under the head “Our Revenue Breakup” on Page no. 140 the “industry-wise revenue bifurcation” and the details of Revenue generated from “Others” industries in tabular format has been added.
- b) Under the head “Our Revenue Breakup” on Page no. 141 the product Wise Breakup of our Revenue for the previous three financial years and stub period has been updated and New Customers added by the Company for the previous three financial years and stub period in tabular format has been added.
- c) Under the head “Our Journey” on Page no. 141 “positioning itself as a competitive player in the international market” has been removed and updated;
- d) Under the head “Our Products” on Page no. 143 “the definition for word GFRP/FRP has been included;
- e) Under the head “Our Manufacturing Process” on Page no. 152 pictorial presentation w.r.t Set Up the Grating Mould has been updated.
- f) Under the head “Our Competitive Strengths” on Page no. 157 under “Customer Diversification”, the word “as well as through traders and stockists” has been removed and updated
- g) Under the head “Our Business Strategy” on Page no. 158 a new table w.r.t. “R&D Expenses” has been added.
- h) Under the head “Infrastructure facilities for Utilities like Electricity Water & Power” Subheading “Water” on page 161, details of Water Requirements are added and updated as follows.
- i) Under the head “Human Resources” on page 162, a new line for contractual employees, attrition rate and the detailed break-up of our employees table has been updated.
- j) Under the heading “Our Properties” on page 163 the area mentioned in decimals to square meter, the detail of property which was owned by the company has been updated.
- k) The properties owned by the Mr. Manish Bajoria which was inadvertently added to the list on page no. 165 has been removed.
- l) Under the heading “Insurance Policies” on page no.165 insurance table has been updated.

### **OUR REVENUE BREAKUP**

*The details of industry-wise revenue bifurcation for the previous three financial years and stub period is stated below:*

**(₹ In lakhs)**

| INDUSTRY                                                               | For the seven months ended, October 31, 2024 | For financial year ended March 31, 2024 | For financial year ended March 31, 2023 | For financial year ended March 31, 2022 |
|------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Chemical                                                               | 9.57                                         | 48.06                                   | 15.83                                   | 30.55                                   |
| Composite                                                              | 425.14                                       | 43.42                                   | 12.75                                   | 41.36                                   |
| Cooling Tower                                                          | 209.56                                       | 190.77                                  | 277.26                                  | 229.86                                  |
| Electrical Substation                                                  | 78.63                                        | 32.33                                   | 311.53                                  | 43.42                                   |
| Infrastructure                                                         | 1,047.84                                     | 1,992.24                                | 1,459.62                                | 501.06                                  |
| Metal & Mining                                                         | 18.85                                        | 30.02                                   | 5.83                                    | 60.52                                   |
| Power                                                                  | 27.91                                        | 426.14                                  | 258.86                                  | 167.11                                  |
| Others*                                                                | 60.83                                        | 62.77                                   | 56.57                                   | 80.29                                   |
| <b>Total Revenue from Operations Excluding Other Operating Revenue</b> | <b>1,878.29</b>                              | <b>2,825.75</b>                         | <b>2,398.25</b>                         | <b>1,154.17</b>                         |

*The details of Revenue generated from “Others” industries is as follows:*

**(₹ in Lakhs)**

| INDUSTRY                           | For the seven months ended, October 31, 2024 | For financial year ended March 31, 2024 | For financial year ended March 31, 2023 | For financial year ended March 31, 2022 |
|------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Automobile                         | -                                            | 10.72                                   | -                                       | -                                       |
| Construction                       | 51.51                                        | 9.60                                    | 16.90                                   | 24.37                                   |
| Electrical Infrastructure Industry | 1.90                                         | 9.07                                    | 24.23                                   | 23.88                                   |

|                                     |              |              |              |              |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Energy                              | 2.22         | 18.44        | 0.03         | 2.94         |
| Fiber Reinforced Materials Industry | 3.20         | 2.97         | 7.71         | 11.74        |
| Hospitality                         | -            | 7.22         | -            | -            |
| Manufacturing Unit                  | -            | 0.71         | -            | -            |
| Metallurgical Industry              | -            | -            | 4.32         | 6.04         |
| Process Engineering                 | -            | 3.23         | 3.39         | 10.68        |
| Railway                             | 2.00         | 0.80         | -            | 0.64         |
| <b>Total</b>                        | <b>60.83</b> | <b>62.77</b> | <b>56.57</b> | <b>80.29</b> |

**The product Wise Breakup of our Revenue for the previous three financial years and stub period is as follows:**

(₹ in Lakhs)

| SL | Products                                | For the seven months ended, October 31, 2024 | For financial year ended                |                                         |                                         |
|----|-----------------------------------------|----------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
|    |                                         |                                              | For financial year ended March 31, 2024 | For financial year ended March 31, 2023 | For financial year ended March 31, 2022 |
| 1  | GFRP Rebars                             | 1,249.12                                     | 2,003.43                                | 1,283.32                                | 383.74                                  |
| 2  | FRP Grating                             | 6.80                                         | 52.98                                   | 43.31                                   | 119.84                                  |
| 3  | FRP/GRP Pipes                           | 122.57                                       | 153.19                                  | 299.34                                  | 194.17                                  |
| 4  | FRP Tube                                | 2.80                                         | 8.70                                    | 118.50                                  | 59.81                                   |
| 5  | FRP Cable Trays                         | 0.02                                         | 3.23                                    | 3.44                                    | 35.13                                   |
| 6  | FRP Checker Plates                      | -                                            | -                                       | 43.27                                   | -                                       |
| 7  | FRP Earthing Discharge Rods             | -                                            | 281.16                                  | 195.34                                  | 17.01                                   |
| 8  | FRP Sheets                              | 124.62                                       | 5.94                                    | 2.19                                    | 56.79                                   |
| 9  | FRP/GFRP Structural/ Pultruded Profiles | 284.30                                       | 71.77                                   | 196.90                                  | 155.27                                  |
| 10 | GFRP Rods                               | 0.11                                         | 2.33                                    | 6.50                                    | 12.39                                   |
| 11 | FRP/GRP Ladders                         | 25.38                                        | 109.63                                  | 36.91                                   | 28.93                                   |
| 12 | FRP/GRP Tanks                           | -                                            | 0.71                                    | -                                       | 3.45                                    |
| 13 | FRP Battery Stand                       | 7.45                                         | 47.65                                   | -                                       | 1.80                                    |
| 14 | FRP/GRP Handrails                       | 33.36                                        | 53.87                                   | 10.90                                   | 3.49                                    |
| 15 | FRP Fencing                             | 3.31                                         | 10.04                                   | 24.57                                   | 5.32                                    |
| 16 | GFRP Rockbolts                          | 18.50                                        | 21.12                                   | 133.76                                  | 77.02                                   |
|    | <b>Total</b>                            | <b>1,878.33</b>                              | <b>2,825.75</b>                         | <b>2,398.25</b>                         | <b>1,154.17</b>                         |

New Customers added by the Company:

The below are the number of new customers added by the Company in the previous three financial year and stub period.

| Particulars      | For the seven months ended, October 31, 2024 |                     | For financial year ended March 31, 2024 |                     | For financial year ended March 31, 2023 |                     | For financial year ended March 31, 2022 |                     |
|------------------|----------------------------------------------|---------------------|-----------------------------------------|---------------------|-----------------------------------------|---------------------|-----------------------------------------|---------------------|
|                  | Customer (nos.)                              | Amount (₹ in lakhs) | Customer (nos.)                         | Amount (₹ in lakhs) | Customer (nos.)                         | Amount (₹ in lakhs) | Customer (nos.)                         | Amount (₹ in lakhs) |
| Repeat customers | 19                                           | 849.18              | 29                                      | 1420.58             | 20                                      | 1055.24             | 38                                      | 558.49              |
| Unique customers | 36                                           | 1029.1              | 54                                      | 1405.17             | 57                                      | 1,343.02            | 54                                      | 595.68              |
| <b>Total</b>     | <b>55</b>                                    | <b>1,878.29</b>     | <b>83</b>                               | <b>2,825.75</b>     | <b>77</b>                               | <b>2,398.25</b>     | <b>92</b>                               | <b>1,154.17</b>     |

## OUR JOURNEY

### ➤ Expansion (2009-2010)

As part of its growth strategy, the company expanded its operations to a larger manufacturing facility, added four advanced machines to increase production capacity, and successfully entered international markets. The company began exporting its products to Egypt, Kuwait, and the UAE, marking a significant milestone in its global expansion efforts and positioning itself as a competitive player in the international market

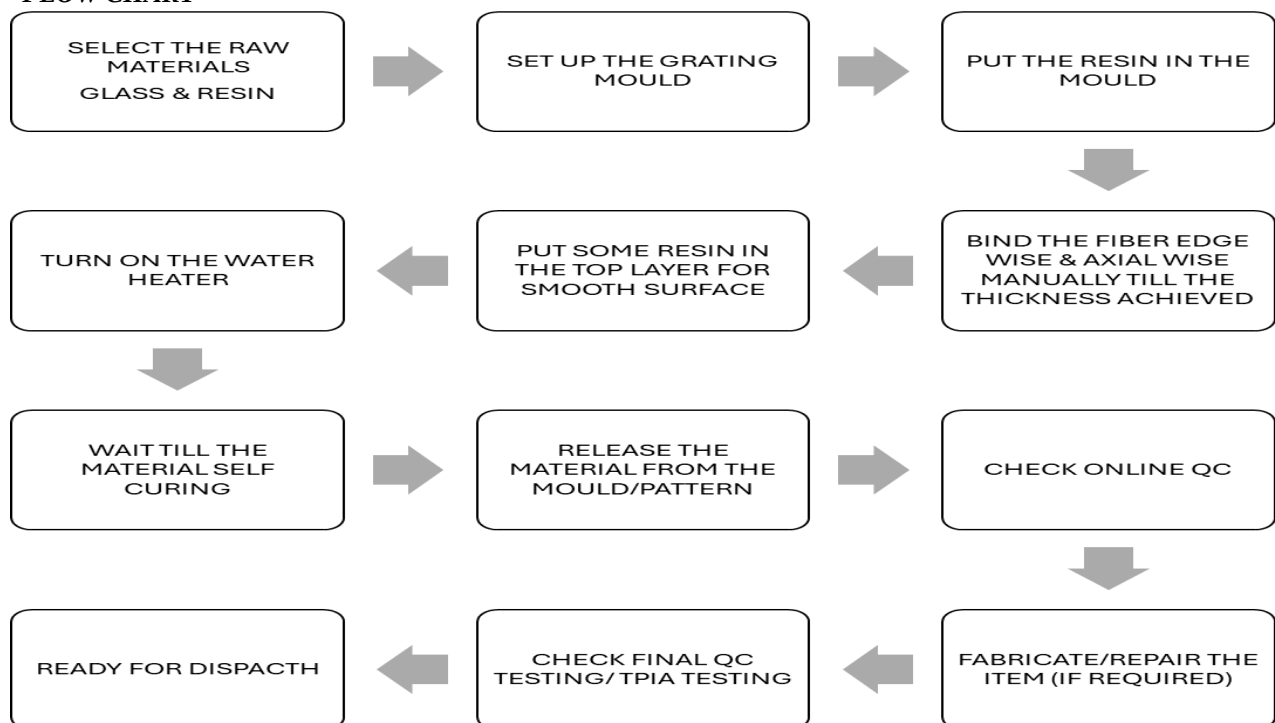
## OUR PRODUCTS

The Company is currently producing Glass fibre reinforcement polymer products, which is known as GFRP or FRP within the industry in which the company operates. Both names are synonym in this industry and are being used interchangeably.

## OUR MANUFACTURING PROCESS

### Manufacturing Process for GFRP/ FRP Moulded Gratings:

#### FLOW CHART



## OUR COMPETITIVE STRENGTHS

### • Customer Diversification

We market and sell our products both domestically and internationally. Within the domestic market, our products are distributed directly to end customers as well as through traders and stockists. Since commencing our export operations in 2010, we have successfully reached 11 countries.

## OUR BUSINESS STRATEGY

### Diversification of Product Portfolio:

The details of R&D expenses incurred by the Company for the previous three financial years and stub period is as follows:  
(₹ in Lakhs)

| Particulars         | For period ended<br>October 31, 2024 | For financial year<br>ended March 31,<br>2024 | For financial year<br>ended March 31,<br>2023 | For financial year<br>ended March 31,<br>2022 |
|---------------------|--------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Calibration Charges | -                                    | 0.53                                          | 1.97                                          | 0.25                                          |
| Consumables Stores  | 2.07                                 | 6.50                                          | 8.62                                          | 9.35                                          |

|                    |             |              |              |              |
|--------------------|-------------|--------------|--------------|--------------|
| Lab Expenses       | -           | 0.06         | -            | -            |
| Salary Expenditure | 4.40        | 4.46         | 4.07         | 3.04         |
| Testing Charges    | 0.76        | 11.05        | 1.00         | 0.79         |
| <b>Total</b>       | <b>7.23</b> | <b>22.60</b> | <b>15.66</b> | <b>13.43</b> |

## INFRASTRUCTURE FACILITIES FOR UTILITIES LIKE ELECTRICITY WATER & POWER

### Water

Water is a key and indispensable resource requirement in our production process. Water is often used in cooling systems for curing processes and to maintain optimal temperatures for machinery and moulds. Our Company has made adequate arrangements to meet its water requirements.

The water requirements are met through two sources municipal supply and borewells. This dual- source approach ensures a consistent and reliable water supply, supporting our manufacturing process.

## HUMAN RESOURCE

There are no contractual employees in our Business at the time filing of Draft Red Herring Prospectus

The attrition rate of employees for last three years and stub period is 10%, 0%, 0%, and 27.91% for the year 2021-22, 2022-23 & 2023-24 and October 24 respectively.

As of the date of February 28, 2025, there are total of 57 employees.

The details of number of employees of the company as on February 28, 2025 is as follows:

| Functions/ Department                           | Number of Employees as on February 28, 2025 |
|-------------------------------------------------|---------------------------------------------|
| Top Level Management                            | 4                                           |
| Accounts & Finance                              | 2                                           |
| Compliance                                      | 1                                           |
| Maintenance                                     | 3                                           |
| Production & Operations                         | 9                                           |
| Quality                                         | 2                                           |
| Labour engaged in principal business activities | 36                                          |
| <b>Total Employees</b>                          | <b>57</b>                                   |

## OUR PROPERTIES

The detail of our properties owned or leased by our Company are as follows which are yet to be registered in the name of the Company:

1). Details of properties owned in the name of ARC Insulation & Insulators Private Limited.

| Sr. No. | Date of Agreement | Area       | Square Metres | License / Leased / Owned | Location of the Property                                                                                                                                                                                                | Purpose                     |
|---------|-------------------|------------|---------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1.      | 24-Jun-09         | 15 Decimal | 606.90        | Owned                    | Village - Ramdevpur, PO - Bawali Parganas South, Bishnupur - 700137, West Bengal, India                                                                                                                                 | Registered office & Factory |
| 2       | 01-May-09         | 84 Decimal | 3398.64       | Owned                    | R.S. & Lr- Dag No. Lr 170, 718,719, Khatian No.112,152,59,205,388,88,438,53,65, 22,49/2,60,66/1,58,168,190,333,425,5 3,65 Mouza Ramdevpur And Bishnupur, Khagramuri Gram Panchayat, District South 24 Parganas – 743384 | Registered office & Factory |

|    |           |                  |        |       |                                                                                                                                                                                           |                                |
|----|-----------|------------------|--------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 3  | 14-Aug-18 | 3.3<br>Decimal   | 133.52 | Owned | Plot No.- LR 721, 722, 723 Khatian No.- LR-69, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140                                                  | Registered office & Factory    |
| 4  | 26-Mar-19 | 8.35<br>Decimal  | 337.84 | Owned | Plot No.- LR 721, 722, 723 Khatian No.- LR-49/1, L.R. 49/1, L.R. 49/1, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140                          | Registered office & Factory    |
| 5  | 28-Mar-19 | 3<br>Decimal     | 121.38 | Owned | Plot No.- LR 721, 722, 723, Khatian No.- LR-761, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140                                                | Registered office & Factory    |
| 6  | 01-Apr-19 | 8.352<br>Decimal | 337.92 | Owned | Plot No.- LR 721, 722, 723 Khatian No.- LR-49/1, L.R. 49/1, L.R. 49/1, District-Parganas South, P.S-Bishnupur Gram, Panchayat-Khagramuri, Mouza Ramdebpur-700140                          | Registered office & Factory    |
| 7  | 29-Jan-21 | 8<br>Decimal     | 323.68 | Owned | Plot No. L.R.-713, Khatian No. 788, District Parganas South, P.S. Bishnupur, Mouza, Ramdebpur-700140                                                                                      | Registered office & Factory    |
| 8  | 29-Jan-21 | 8<br>Decimal     | 323.68 | Owned | Plot No. L.R.-713, Khatian No. 788, District Parganas South, P.S. Bishnupur, Mouza, Ramdebpur-700140                                                                                      | Registered office & Factory    |
| 9  | 26-Sep-22 | 2.10<br>Decimal  | 84.97  | Owned | R.S & L.R Plot No-721, L.R Khatian No. 69 & 761, Mouza-Ramdebpur, P.S. Bishnupur, J.L No. 7, Touzi No. 63, Parganas South, West Bengal                                                    | Labour Quarter for Daily Wages |
|    |           | 2.10<br>Decimal  | 84.97  |       | R.S & L.R Plot No -722, L.R Khatian No. 69 & 761, Mouza-Ramdebpur, P.S. Bishnupur, J.L No. 7, Touzi No. 63, Parganas South, West Bengal, India                                            |                                |
| 10 | 26-Sep-22 | 2.10<br>Decimal  | 84.97  | Owned | R.S & L.R Plot No-723, L.R Khatian No. 69 & 761, Mouza-Ramdebpur, P.S. Bishnupur, J.L No. 7, Touzi No. 63, Parganas South, West Bengal                                                    | Labour Quarter for Daily Wages |
| 11 | 27-Mar-23 | 6<br>Decimal     | 242.76 | Owned | Mouza-Samali, R.S. Dag & L.R. Dag No. 96, R.S. Khatian No. 525, L.R. Khatian No. 3589, Bishnupur, J.L No. 23, R.S. No. 91, Tiuzzi No. 14, Parganas South – 700104, West Bengal            | Vacant Land                    |
| 12 | 27-Mar-23 | 6<br>Decimal     | 242.76 | Owned | Mouza-Samali in R.S. Dag & L.R. Dag No. 96, R.S. Khatian No. 525, L.R. Khatian No. 3590, Bishnupur Magura District J.L No. 23, R.S. No. 91, Tiuzzi No. 14, Parganas South, Alipore-700104 | Vacant Land                    |
| 13 | 31-Mar-23 | 11<br>Decimal    | 445.06 | Owned | Mouza-Samali, L.R. Dag No. 88, L.R. Khatian No. 2067, J.L. No. 23, Touzi No. 14, R.S. No. 91, Bishnupur, Parganas South – 700104, West Bengal                                             | Vacant Land                    |

|    |           |                 |         |       |                                                                                                                                                                                                                              |             |
|----|-----------|-----------------|---------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 14 | 21-Jun-23 | 12<br>Decimal   | 485.52  | Owned | Mouza-Samali, L.R. Dag No. 88, L.R. Khatian No. 2067, J.L. No. 23, Touzi No. 14, R.S. No. 91, Bishnupur, Parganas South – 700104, West Bengal                                                                                | Vacant Land |
| 15 | 20-Jul-23 | 13<br>Decimal   | 525.98  | Owned | Mouza-Samali, R.S. No. 156, Touzi No. 14, R.S. & L.R. Dag No. 93, 95 R.S. Khatian No. 535, L.R. Khatian No. 702, 1712, 1401, 1437, 408, 1437, 1496, 691, Pargana-Magura, Alipore, Parganas South -700104, West Bengal, India | Vacant Land |
| 16 | 07-Aug-23 | 6.83<br>Decimal | 276.34  | Owned | Mouza-Samali, J.L. No. 23, Touzi No. 1, R.S. No. 91, Bishnupur, Parganas South -700104, West Bengal                                                                                                                          | Vacant Land |
| 17 | 07-Aug-23 | 5.66<br>Decimal | 229.00  | Owned | Mouza-Samali, J.L. No. 23, Touzi No. 1, R.S. No. 91, Bishnupur, Parganas South -700104, West Bengal                                                                                                                          | Vacant Land |
| 18 | 24-Sep-24 | 17<br>Decimal   | 687.82  | Owned | R.S. & L.R. Dag No. 88, L.R. Khaitan No. 372, 425, 2304, 2457, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S. No. 91, Bishnupur, Parganas South - 700104, West Bengal                                       | Vacant Land |
| 19 | 24-Sep-24 | 14<br>Decimal   | 566.44  | Owned | R.S. & L.R. Dag No. 95, L.R. Khaitan No. 1401, 2257, 2318, 2319, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S. No. 91, Bishnupur, Parganas South - 700104, West Bengal                                     | Vacant Land |
| 20 | 24-Sep-24 | 32<br>Decimal   | 1294.72 | Owned | R.S. & L.R. Dag No. 97, L.R. Khaitan No. 372, 425, 477, 2117, 2653, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S. No. 91, Bishnupur, Parganas South - 700104, West Bengal                                  | Vacant Land |
| 21 | 24-Sep-24 | 19<br>Decimal   | 768.74  | Owned | R.S. & L.R. Dag No. 96, L.R. Khaitan No. 3588, 3589, 3675, 3676, Mouza-Samali, J.L. No. 23, Touzi No. 14, Pargana – Magura, R.S. No. 91, Bishnupur, Parganas South - 700104, West Bengal                                     | Vacant Land |

1. Details of Properties owned in the name of Our Promoter Mr. Manish Bajoria which were transferred through a business Transfer agreement dated June 01, 2009 but are still process of name transfer:-

| Sr. No. | Date of Agreement | Name of the Owner  | Area         | License/ Leased/ Owned | Location of the Property                                                                                           | Purpose     |
|---------|-------------------|--------------------|--------------|------------------------|--------------------------------------------------------------------------------------------------------------------|-------------|
| 1.—     | October 11, 2006  | Mr. Manish Bajoria | 12.4 Decimal | Owned                  | Pargana Magura, Mouza Samali, J.L. No. 23, R.S. Khatian No. 498, in R. S. Dag No. 87, Bishnupur West Bengal, India | Vacant Land |
| 2.—     | October 11, 2006  | Mr. Manish Bajoria | 12.4 Decimal | Owned                  | Pargana Magura, Mouza Samali, J.L. No. 23, R.S. Khatian No. 498, in R. S. Dag No. 87, Bishnupur West Bengal, India | Vacant Land |

|     |                  |                    |                 |       |                                                                                                                                                               |                        |
|-----|------------------|--------------------|-----------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 3.— | October 13, 2006 | Mr. Manish Bajoria | 24.8<br>Decimal | Owned | <del>Pargana Magura, Mouza Samali, J.L No 23, R.S. Khatian No 498, in R. S. Dag No. 87, Bishnupur West Bengal, India</del>                                    | <del>Vacant Land</del> |
| 4.— | July 15, 2008    | Mr. Manish Bajoria | 0.03<br>Decimal | Owned | <del>Pargana Magura, Mouza Samali, J.L No 23, R.S No. 156, R.S. Khatian No-465, in R. S. Dag No. 87, L.R. Khaitan No. 1730 Bishnupur West Bengal, India</del> | <del>Vacant Land</del> |
| 5.— | July 15, 2008    | Mr. Manish Bajoria | 12.4<br>Decimal | Owned | <del>Pargana Magura, Mouza Samali, J.L No 23, R.S. Khatian No 498, in R. S. Dag No. 87, Bishnupur West Bengal, India</del>                                    | <del>Vacant Land</del> |

#### INSURANCE POLICIES

| Sr. No | Name of the Insurance Policy Company            | Type of Policy                                       | Policy No.                | Validity Period                          | Sum Insured (₹) | Premium (₹) * | Frequency of Premium | Purpose of insurance                                 |
|--------|-------------------------------------------------|------------------------------------------------------|---------------------------|------------------------------------------|-----------------|---------------|----------------------|------------------------------------------------------|
| 1.     | ICICI Lombard General Insurance Company Limited | Private Car Package Policy                           | 3001/25809<br>2424/02/000 | September 15, 2024 to September 14, 2025 | 34,46,100.00    | 25,784.00     | Yearly               | Covers damages due to accidents                      |
| 2.     | Reliance General Insurance Company Limited      | Open Policy-Inland & Import/Export *                 | 1517225242<br>3M000425    | May 19, 2025 to May 18, 2026             | 11,00,00,000.00 | 19,470.00     | Yearly               | Covers goods in transit (domestic and international) |
| 3.     | Zuno General Insurance Limited                  | Vehicle Insurance Policy*                            | 900673301                 | June 04, 2024 to June 03, 2025           | 3,83,498.00     | 10,351.00     | Yearly               | Covers damages due to accidents                      |
| 4.     | Zuno General Insurance Limited                  | Stand-Alone Own Damage Private Car Insurance Policy* | 900830311                 | April 05, 2025 to April 04, 2026         | 7,42,000.00     | 18,721.00     | Yearly               | Covers damages due to accidents                      |
| 5.     | SBI General Insurance Company Limited           | Burglary Insurance Policy*                           | 0000000042<br>903498      | April 10, 2025 to April 09, 2026         | 6,60,47,400.00  | 5,900.00      | Yearly               | Covers losses due to theft of goods                  |

|    |                                            |                                            |                  |                                          |                 |             |        |                                                                            |
|----|--------------------------------------------|--------------------------------------------|------------------|------------------------------------------|-----------------|-------------|--------|----------------------------------------------------------------------------|
| 6. | SBI General Insurance Company Limited      | SBI General Bharat Laghu Udyam Suraksha*   | 0000000042883390 | April 10, 2025 to April 09, 2026         | 20,72,17,840.00 | 4,37,686.00 | Yearly | Covers losses due to fire, including damage to building, machinery, goods. |
| 7. | Tata AIG General Insurance Company Limited | Auto Secure - Private Car Package Policy** | 620342443800 00  | September 18, 2024 to September 17, 2025 | 9,63,868.00     | 15,106.00   | Yearly | Covers damages due to accidents                                            |

\* Please note that the premium payable is inclusive of GST.

\*\* The insurance policy is in the name of private limited - ARC Insulation & Insulators Private Limited

## KEY INDUSTRY REGULATIONS AND POLICIES

### *In the chapter “KEY INDUSTRY REGULATIONS AND POLICIES”*

- a) *Under the heading “Key Industry Regulations and Policies” under “INDUSTRY SPECIFIC REGULATIONS” policies on The Bureau of Indian Standards Act, 2016 and Fire Safety Regulations and UNDER “GENERAL LAWS”, The Energy Conservation (Amendment) Act, 2022 has been added;*

#### **The Bureau of Indian Standards Act, 2016**

The Bureau of Indian Standards Act, 2016 ("BIS Act") establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India, replacing the Bureau of Indian Standards Act, 1986. The Act empowers BIS to formulate, certify, and enforce Indian Standards across goods, processes, services, and systems to ensure quality, safety, and reliability. It provides for compulsory certification of certain products through Quality Control Orders (QCOs) issued by the Central Government and mandates hallmarking of precious metals. The Act also introduces conformity assessment schemes, including voluntary and mandatory certification, and penalizes the unauthorized use or misrepresentation of BIS certification through fines and imprisonment.

#### **Fire Safety Regulations**

The fire safety regulations applicable to a manufacturing unit in West Bengal are primarily governed by the West Bengal Fire Services Act, 1950, along with national regulations such as the National Building Code of India, 2016 (NBC 2016) and the Factories Act, 1948. The company must obtain a Fire License (Fire NOC) from the West Bengal Fire & Emergency Services (WBF&ES), ensuring compliance with prescribed fire prevention measures, including fire exits, hydrants, extinguishers, alarm systems, and evacuation protocols. Additionally, the unit must adhere to the West Bengal Factories Rules, 1958, which mandate fire safety audits and periodic inspections. Sector-specific guidelines issued by regulatory bodies such as the Petroleum and Explosives Safety Organization (PESO) may also apply, depending on the nature of manufacturing activities. Non-compliance with fire safety norms can lead to penalties, closure notices, or prosecution under state and central laws.

#### **The Energy Conservation (Amendment) Act, 2022**

As per the Clause 14 (a) and 14(b) of Energy Conservation Act, 2001 (EC Act), Central Government in consultation with Bureau of Energy Consumption (BEE) specifies norms for the processes and energy consumption standards for any equipment, appliances, vehicle and vessel. It may also specify under Clause 14(e) any user or class of user as a ‘Designated Consumer’ in regards to intensity or quantity of energy consumed and amount of investment required for switching over to energy efficient equipment and capacity.

The products manufactured by our Company have not been notified by Central Government to be specified under the EC Act. Further, our industry is not specified as Designated Consumer under Clause 14(e) of EC Act.

In view of the above, The Energy Conservation (Amendment) Act, 2022 is not applicable to our Company or its products.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### *In the Chapter “OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS”*

- a) *Under the head “Details Regarding Acquisition of Business / Undertakings, Mergers, Amalgamations or Revaluation of Assets” on page 182 after 1st paragraph, a paragraph has been added.*
- b) *A sub heading on page 184 has been created as “Other Confirmations” and a paragraph has been added.*

### **DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATIONS OR REVALUATION OF ASSETS**

Except as stated below, Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

“Our Company acquired the running business on a going concern basis with the assets and liabilities of M/s ARC Insulation & Insulators, sole proprietorship concern of our promoter Mr. Manish Bajoria vide Business Transfer Agreement dated and effective from June 01, 2009. All assets and liabilities of the proprietorship firm has been transferred to the Company through this agreement in the year 2009.

### **OTHER CONFIRMATIONS**

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries and its directors and our Group Companies and its directors.

There is no conflict of interest between the lessors of immovable properties (crucial for operations of the Company) and our Company, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries and its directors and our Group Companies and its directors

There are no material clauses of our Articles of Association that have been left out from disclosures having a bearing on the Offer or this Draft Red Herring Prospectus.

## OUR MANAGEMENT

### *In the Chapter “OUR MANAGEMENT”*

- a) Under the Heading “Brief Profile of Key Managerial Personnel” the profile of Ms. Shraddha Dhacholia -  
b) Company Secretary & Compliance Officer on page 203 has been amended and updated.

#### **BREIF PROFILE OF KEY MANAGERIAL PERSONNEL:**

##### **Ms. Shraddha Dhacholia – Company Secretary & Compliance Officer.**

Ms. Shraddha Dhacholia, aged 34 years, is the Company Secretary & Compliance Officer of our Company. She was appointed as the Company Secretary & Compliance Officer of our Company at the meeting of the Board of Directors with effect from September 03, 2024. She has done her bachelor’s in commerce from the University of Calcutta in the year 2011. She is a qualified Company Secretary and a Fellow member of the Institute of Company Secretaries of India since the year 2012.

She has experience of more than a decade. She had worked as a Company Secretary in M/s. Apex Capital Markets Limited from September 2013 to June 2020 and later she was the Practicing Company Secretary for Shraddha & Associates from December 2020 to August 2024 and surrendered her COP with effect from August 29, 2024. She is currently responsible for the overall Corporate Governance and Secretarial Compliance of our Company.

|                                            |                                                                                          |
|--------------------------------------------|------------------------------------------------------------------------------------------|
| <b>Term of Office with expiration Date</b> | Appointed as Company Secretary & Compliance Officer with effect from September 03, 2024. |
| <b>Details of service contract</b>         | Not Applicable                                                                           |
| <b>Function and areas of experience</b>    | Overall Corporate Governance and Secretarial Compliance of our Company.                  |

**SECTION IX: FINANCIAL INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATION**

***In the chapter, "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATION"***

- a. *Under the heading "RESULTS OF OUR OPERATIONS", on page 223 under the heading "COMPARISON OF FY 2022-23 WITH FY 2021-22", additional explanation under "Revenue from Operations" has been updated.*

**COMPARISON OF FY 2022-23 WITH FY 2021-22**

***Revenue From Operations***

The Total Income for FY 2022-23 increased by ₹1,275.45 lakhs compared to FY 2021-22, primarily driven by a rise in Revenue from Operations. This growth resulted from an increase in the company's actual production and a higher average revenue per ton. Additionally, Other Income recorded a slight increase, attributed to favorable foreign exchange rate fluctuations and non-operational income. The detailed breakup of increase in total income is as follows:

| Particulars                                                                    | FY 22-23 | FY 21-22 |
|--------------------------------------------------------------------------------|----------|----------|
| Total Income (₹ in Lakhs)                                                      | 2,448.01 | 1,172.56 |
| Increase in Total Income (₹ in Lakhs)                                          | 1,275.45 |          |
| Increase in Total Income (%)                                                   | 108.77%  |          |
| Total Revenue from Operations (₹ in Lakhs)                                     | 2,398.25 | 1,154.17 |
| Total Actual Production (Tons)                                                 | 1,216.85 | 671.62   |
| Average Revenue Per Ton (₹ in Lakhs) <sup>(1)</sup>                            | 1.97     | 1.72     |
| Increase in average revenue per ton (₹ in Lakhs) in 22-23 as compared to 21-22 | 0.25     |          |
| Increase in Actual Production (Tons) in 22-23 as compared to 21-22             | 545.23   |          |
| Additional revenue on account of increase in average revenue (₹ in Lakhs)      | 307.11   |          |
| Additional revenue on account of increase in actual production (₹ in Lakhs)    | 936.97   |          |
| Total Increase in Revenue from Operations (₹ in Lakhs)                         | 1,244.08 |          |
| Total Increase in Revenue from Operations as a % of Increase in Total Income   | 106.10%  |          |
| Total Other Income (₹ in Lakhs)                                                | 49.76    | 18.39    |
| Total Increase in Other Income (₹ in Lakhs)                                    | 31.37    |          |
| Total Increase in Other Income (%)                                             | 2.68%    |          |
| Increase in Total Income (%)                                                   | 108.77%  |          |

During the FY 24 the company attained geographical expansion by creating a new market or increasing its sales in 11 states. The comparison of Sales, of those 11 states and 2 Countries, in FY 23 and FY 24 with increase in sales is given below: -

(₹ in Lakhs)

| Particulars                  | For financial year ended March 31, 2024 | For financial year ended March 31, 2023 | % Change |
|------------------------------|-----------------------------------------|-----------------------------------------|----------|
| <b><u>Domestic Sales</u></b> |                                         |                                         |          |
| Andhra Pradesh               | 32.33                                   | 0.89                                    | 3533%    |
| Arunachal Pradesh            | 0.75                                    | -                                       | 100%     |
| Chhattisgarh                 | 153.48                                  | -                                       | 100%     |
| Delhi                        | 430.16                                  | 106.83                                  | 303%     |
| Goa                          | 0.99                                    | -                                       | 100%     |
| Gujarat                      | 177.18                                  | 25.97                                   | 582%     |
| Haryana                      | 3.43                                    | 2.19                                    | 57%      |
| Madhya Pradesh               | 302.65                                  | 51.99                                   | 482%     |
| Maharashtra                  | 119.33                                  | 23.13                                   | 416%     |
| Odisha                       | 10.90                                   | -                                       | 100%     |
| West Bengal                  | 355.71                                  | 250.34                                  | 42%      |
|                              |                                         |                                         |          |
| <b><u>Export Sales</u></b>   |                                         |                                         |          |
| Kuwait                       | 18.43                                   | -                                       | 100%     |
| Saudi Arabia                 | 25.06                                   | -                                       | 100%     |

## STATEMENTS OF FINANCIAL INDEBTEDNESS

***In the chapter, “STATEMENT OF FINANCIAL INDEBTEDNESS”***

- a) Under the heading “Secured Loan from Banks and Financial Institutions” on page 233 the table has been modified and updated.
- b) Under the subheading “Unsecured Loans from Related Party” on page 233 the table has been modified and updated.

Brief details on the financial indebtedness of the “ARC INSULATION AND INSULATORS LIMITED” as on October 31, 2024, are as under:

### **SECURED LOAN FROM BANKS AND FINANCIAL INSTITUTIONS**

| Name of Lender                   | Date of Sanction | Purpose               | Sanctioned Amount (₹ in lakhs) | Rate of Interest | Primary Securities                                                                                                                                                                                                        | Repayment Terms (Months) | Remaining term of the loan as on 31.10.2024 | Outstanding as on 31.10.2024 (₹ in lakhs) (Balances as per books of accounts) |
|----------------------------------|------------------|-----------------------|--------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------------|-------------------------------------------------------------------------------|
| ICICI Bank Limited               | 18-09-2021       | Car Loan              | 14.60                          | 7.80% p.a.       | Hypothecation of Car against Loan                                                                                                                                                                                         | 60                       | 25                                          | 6.55                                                                          |
| ICICI Bank Limited               | 30-03-2022       | Car Loan              | 10.00                          | 7.50% p.a.       | Hypothecation of Car against Loan                                                                                                                                                                                         | 36                       | 6                                           | 1.83                                                                          |
| Hero Finance Corporation Limited | 30-04-2019       | Corporate Term Loan   | 160.00                         | 13.00% p.a.      | Mortgage against land held in name of Manish Bajoria at Mouza– Samali, Police Station-Bishnupur, J.L.No.23, R.S. Khatian Nos.465 and 498, L.R. Khatian No.2298, R.S. and L.R. Dag Nos.86 and 87, District-Parganas South. | 72                       | 15                                          | 41.75                                                                         |
| Kotak Mahindra Bank Limited      | 31-05-2022       | Loan against Property | 128.00                         | 9.85% p.a.       | Mortgage against property and personal guarantee given by Manish Bajoria                                                                                                                                                  | 120                      | 111                                         | 111.52                                                                        |
| <b>TOTAL:</b>                    |                  |                       | <b>312.60</b>                  |                  |                                                                                                                                                                                                                           |                          |                                             | <b>161.65</b>                                                                 |

### **UNSECURED LOANS FROM RELATED PARTY:**

| Name of Lender | Relation          | Purpose                     | Outstanding as on 31.10.2024 (₹ in lakhs) (Balances as per books of accounts) |
|----------------|-------------------|-----------------------------|-------------------------------------------------------------------------------|
| Manish Bajoria | Managing Director | Working Capital Requirement | 12.34                                                                         |
| <b>Total:</b>  |                   |                             | <b>12.34</b>                                                                  |

## SECTION X: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

#### *In the Chapter “OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS”*

- a) Under the heading “Litigations involving the Promoters and Directors” on page 234 the latest status of litigation by Promoter and Directors has been updated.
- b) Under the heading “Tax Proceedings” on page 236 the amount of TDS defaults and the status of notice received by Manish Bajoria HUF has been updated.
- c) Under the heading “Amount owned to small scale undertakings and other creditors” on page no 237 clarification for amount owned to MSME shall be added after details of outstanding dues owed table.

#### **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

##### **a) Criminal proceedings filed by the Promoters & Directors of the Company**

In the criminal case no. 2112/2021 filed by our promoter Manish Bajoria against Dilip Mandal and Kiran Mandal, the next date of hearing has been fixed as April 08, 2025 for Show Cause.

In the Money Suit No.428/2021 filed by our promoter Manish Bajoria against Dilip Mandal and Kiran Mandal, the next date of hearing was fixed as March 17th, 2025 for Argument. The respondent did not attend the hearing on the scheduled date. Further update from the Court is awaited.

#### **D. TAX PROCEEDINGS**

| Nature of Proceedings                      | Number of cases | Amount involved* (₹ in lakh) | Status (Description)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------|-----------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Of the Company</b>                      |                 |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Direct Tax (Income Tax) Outstanding Demand | 4               | 69.14                        | <ol style="list-style-type: none"><li>1. Outstanding Demand of ₹ 47,89,790 with accrued interest of ₹ 12,77,280 has been raised on December 13, 2018 u/s 250 of the Income Tax Act, 1961 for the AY 2013-14. Against the Assessment, the Company filed an appeal before Commissioner Income Tax-Appeal, which was rejected vide order dated September 28, 2018. The impugned order of the Ld. CIT(A) on this entire issue relating to addition made by the AO u/s 68 and further enhanced by the Ld. CIT(A) is accordingly set aside and the matter is remitted back to the Ld. CIT(A) for deciding the same afresh in accordance with law after giving the assessee proper and sufficient opportunity of being heard.</li><li>2. Outstanding Demand of ₹ 8,950 with accrued interest of ₹ 1,480 has been raised on April 16, 2020 u/s 143(1)(a) of the Income Tax Act, 1961 for the AY 2019-20.</li><li>3. Outstanding Demand of ₹ 6,44,625 with accrued interest of ₹ 16,71,25 has been raised on January 10, 2019 u/s 143(1)(a) of the Income Tax Act, 1961 for the AY 2017-18</li><li>4. Outstanding Demand of ₹ 20,160 with accrued interest of ₹ 4,160 u/s 143(1)(a) of the Income Tax Act, 1961 for the AY 2018-19.</li></ol> |
| Income Tax e-proceedings                   | Nil             | Nil                          | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                       |             |      |                                                                                                                                                                                                                                                                                                                                            |             |
|-------------------------------------------------------|-------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Direct Tax (TDS)                                      | 15          | 6.03 | The TDS Default cases are pertaining to business transactions where Company has to deduct the TDS and deposit the amount. These amounts are the outstanding demand as shown on the ‘Traces’ portal. The Financial year wise bifurcation of demand is given hereunder:                                                                      |             |
|                                                       |             |      | Financial Year                                                                                                                                                                                                                                                                                                                             | Amount in ₹ |
|                                                       |             |      | 2009-10                                                                                                                                                                                                                                                                                                                                    | 2,330.00    |
|                                                       |             |      | 2010-11                                                                                                                                                                                                                                                                                                                                    | 12,840.00   |
|                                                       |             |      | 2012-13                                                                                                                                                                                                                                                                                                                                    | 1,18,120.00 |
|                                                       |             |      | 2013-14                                                                                                                                                                                                                                                                                                                                    | 74,880.00   |
|                                                       |             |      | 2014-15                                                                                                                                                                                                                                                                                                                                    | 9,560.00    |
|                                                       |             |      | 2015-16                                                                                                                                                                                                                                                                                                                                    | 29,290.00   |
|                                                       |             |      | 2016-17                                                                                                                                                                                                                                                                                                                                    | 21,020.00   |
|                                                       |             |      | 2017-18                                                                                                                                                                                                                                                                                                                                    | 11,230.00   |
|                                                       |             |      | 2018-19                                                                                                                                                                                                                                                                                                                                    | 6,500.00    |
|                                                       |             |      | 2019-20                                                                                                                                                                                                                                                                                                                                    | 62,720.00   |
|                                                       |             |      | 2020-21                                                                                                                                                                                                                                                                                                                                    | 35,560.00   |
|                                                       |             |      | 2021-22                                                                                                                                                                                                                                                                                                                                    | 51,820.00   |
|                                                       |             |      | 2022-23                                                                                                                                                                                                                                                                                                                                    | 43,720.00   |
|                                                       |             |      | 2023-24                                                                                                                                                                                                                                                                                                                                    | 39,650.00   |
|                                                       |             |      | 2024-25                                                                                                                                                                                                                                                                                                                                    | 82,600.00   |
| TOTAL                                                 | 6,02,020.00 |      |                                                                                                                                                                                                                                                                                                                                            |             |
| Indirect Tax (GST)                                    | Nil         | Nil  | Nil                                                                                                                                                                                                                                                                                                                                        |             |
| Of the Promoters and Directors                        |             |      |                                                                                                                                                                                                                                                                                                                                            |             |
| Manish Bajoria<br>(Income Tax)<br>Outstanding Demand  | 1           | 1.00 | 1. Outstanding Demand of ₹ 1,00,197 with accrued interest of ₹ 26,307 has been raised on March 20, 2013 u/s 143(1)(a) for the AY 2011-12.<br>2. Outstanding Demand of ₹ 370 has been raised on 30-December 30, 2024 u/s 143(1)(a) for the AY 2024.                                                                                         |             |
| Neelam Bajoria<br>(Income Tax)<br>Outstanding Demand  | 2           | 0.45 | 1. Outstanding demand of ₹ 29,292 with accrued interest of ₹ 13,272 has been raised on March 18, 2013 u/s 143(1)(a) for the AY 2011.<br>2. Outstanding demand of ₹ 1,678 with accrued interest of ₹ 408 has been raised on February 26, 2022 u/s 143(1)(a) for the AY 2021.                                                                |             |
| Ashish Bajoria<br>(Income Tax)                        | Nil         | Nil  | Nil                                                                                                                                                                                                                                                                                                                                        |             |
| Chetna Gupta<br>(Income Tax)                          | Nil         | Nil  | Nil                                                                                                                                                                                                                                                                                                                                        |             |
| Suruchi Jain<br>Virendra Kumar Jain                   | Nil         | Nil  | Nil                                                                                                                                                                                                                                                                                                                                        |             |
| Swabhumi Distributors Private Limited<br>(Income Tax) | Nil         | Nil  | Nil                                                                                                                                                                                                                                                                                                                                        |             |
| Manish Bajoria HUF                                    | 1           | 0.42 | The ITR form for AY 2016-17 was filed bearing acknowledgment no. 705418450280317 and claimed a refund of ₹ 41, 860. On May 10, 2017 a notice for defective ITR was received u/s 139(9) of Income Tax Act, 1961. As on date the HUF has not filed any response for this defective notice and the current status of Notice is still pending. |             |

#### E. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:

The Board of Directors of our Company considers dues exceeding ₹ 10,00,000 as per our Restated Financial Statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding ₹ 10,00,000 as per our last restated financial statements as material dues for the

Company. The trade payables for the seven months period ended on October 31, 2024 were ₹ 641.86 lakh. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 10,00,000. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on September 03, 2024. Based on these criteria, details of outstanding dues owed as on October 31, 2024 by our Company on are set out below:

(₹ in lakhs)

| Types of creditors                     | Number of creditors | Amount involved |
|----------------------------------------|---------------------|-----------------|
| A. Micro, small and medium enterprises | Nil                 | Nil             |
| B. Other Creditors                     | 148                 | 641.86          |
| <b>Total (A+B)</b>                     | 148                 | 641.86          |
| C. Material Creditors                  | 08                  | 572.88          |

***As the company does not owe any amount to parties registered within the meaning of MSME Act, no interest was payable to any of the party***

The details pertaining to net outstanding dues towards our material creditors as on October 31, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.arcinsulations.com](http://www.arcinsulations.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

### *In the Chapter “GOVERNMENT AND OTHER APPROVALS”*

- a) *Under the subheading “Approvals or Licenses applied but not received” on page no. 246 the status of approvals has been updated;*
- b) *The status of renewed certificates certificate in the name of “Arc Insulation and Insulators Limited” has been updated;*
- c) *The name Hero Fincorp has been replaced by the name Hero Fincorp Limited wherever applicable in DRHP.*
- d) *Under the subheading “Approvals or Licenses applied but not received” on page 246 the status of registration for Trademark has been updated.*

- a) ***Under the subheading “Approvals or Licenses applied but not received” on page no. 246 the status of approvals has been updated as follows:***

The following certificates/licenses/NOC have been applied by the Company but are still pending to be received:

1. No Objection Certificate from Fire Department
2. No Objection Certificate from the lender viz., Hero Fincorp Limited.

- b) ***The status of renewed certificates certificate in the name of “Arc Insulation and Insulators Limited” has been updated as follows:***

We have received the following renewed certificates in the name of Arc Insulation and Insulators Limited’:

- (1) GST Registration Certificate with no. 19AAHCA6355Q1ZX for West Bengal dated December 12, 2024.
- (2) ISO Certificate for ISO 9001:2015 issued by Universal Certification Private Limited with Date of Certification as November 08, 2024 and valid upto November 07, 2027.

We have applied for conversion of name in remaining certificates/licenses which are still pending.

- c) ***The name Hero Fincorp has been replaced by the name Hero Fincorp Limited wherever applicable in DRHP.***
- d) ***Under the subheading “Approvals or Licenses applied but not received” on page 246 the status of registration for Trademark has been updated as follows.***

The current status as on March 5, 2025 is still ‘Formalities Check Pass’. The registration certificate is yet to be issued.

## OTHER REGULATORY AND STATUTORY DISCLOSURE

### *In the Chapter “OTHER REGULATORY AND STATUTORY DISCLOSURE”*

- a) Under the heading “Eligibility for the Offer” on page no. 251 point no. 3 the hyperlink has been removed;
- b) Under the heading “Eligibility for the Offer” on page no. 252 point no. 5 has been modified and updated;
- c) Under the heading “Eligibility for the Offer” on page no. 253 confirmation by selling shareholder that offer for sale shall not exceed 20% of the total issue size has been added after point no. 16 as point no. 17;
- d) Disclosure of Price Information of Past Issues Handled by Gretex Corporate Services Limited” as mentioned on page 341 has been shifted on page no 254 under the heading “Price Information and The Track Record of The Past Issues Handled by The Book Running Lead Manager”.

### **ELIGIBILITY FOR THE OFFER**

3. The paid-up capital of the company is Rs. 725.24 lakhs comprising 72,52,380 equity shares.

5. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 3 financial years preceding the application is more than 1 crore and its net-worth as on March 31, 2024 is positive:

(₹ In Lakhs)

| Particulars                            | For the Period Ended |                | For Financial Year ended on |                |
|----------------------------------------|----------------------|----------------|-----------------------------|----------------|
|                                        | October 31, 2024     | March 31, 2024 | March 31, 2023              | March 31, 2022 |
| Networth <sup>(1)</sup>                | 2,125.50             | 1,245.28       | 634.88                      | 371.08         |
| Operating Profit EBITDA <sup>(2)</sup> | 744.31               | 905.23         | 428.93                      | 113.73         |

<sup>(1)</sup> Net worth has been computed as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as the aggregate value paid-up share capital and all reserves created out of profit and securities premium account and debit and credit balance of profit and loss account, after deducting the aggregate value of 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.

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Finance Costs - Other Income

17. The Company confirms that offer for sale (OFS) by selling shareholders in SME IPO shall not exceed 20% of the total issue size and selling shareholders will not sell more than 50% of their holding.

### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

| Sr. No.             | Issuer Name                           | Issue Size (Cr) | Issue Price (In ₹) | 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 |
|---------------------|---------------------------------------|-----------------|--------------------|------------------|-------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Main Board</b>   |                                       |                 |                    |                  |                               |                                                                                                        |                                                                                                        |                                                                                                         |
| 1                   | Akme Fintrade (India) Limited         | 132.00          | 120.00             | June 26, 2024    | 127.00                        | -11.82, [3.38]                                                                                         | -13.15, [7.93]                                                                                         | -28.58, [-0.17]                                                                                         |
|                     |                                       |                 |                    |                  |                               |                                                                                                        |                                                                                                        |                                                                                                         |
| <b>SME Platform</b> |                                       |                 |                    |                  |                               |                                                                                                        |                                                                                                        |                                                                                                         |
| 1                   | Transtee Seating Technologies Limited | 49.98           | 70.00              | November 6, 2023 | 88.90                         | -0.64, [7.86]                                                                                          | -2.47, [12.58]                                                                                         | -28.94, [15.78]                                                                                         |

|    |                                            |       |        |                   |        |                 |                  |                 |
|----|--------------------------------------------|-------|--------|-------------------|--------|-----------------|------------------|-----------------|
| 2  | Kalyani Cast-Tech Limited                  | 30.11 | 139.00 | November 17, 2023 | 264.10 | 44.32, [8.65]   | 78.90 [9.51]     | 75.28, [10.93]  |
| 3  | Amic Forging Limited                       | 34.80 | 126.00 | December 6, 2023  | 239.40 | 105.59, [3.42]  | 190.37, [5.78]   | 244.16, [9.78]  |
| 4  | Interiors & More Limited                   | 42.00 | 227.00 | February 23, 2024 | 270.00 | -8.99, [-0.52]  | -2.29, [1.73]    | -6.53, [11.51]  |
| 5  | Zenith Drugs Limited                       | 40.68 | 79.00  | February 27, 2024 | 110.00 | -40.37, [-0.58] | -37.14, [3.31]   | -7.80, [11.82]  |
| 6  | Owais Metal and Mineral Processing Limited | 42.69 | 87.00  | March 04, 2024    | 250.00 | 100.76, [0.13]  | 361.20, [0.56]   | 408.55, [12.26] |
| 7  | Associated Coaters Limited                 | 5.11  | 121.00 | June 06, 2024     | 142.00 | 51.59, [6.56]   | 55.67, [9.69]    | 40.10, [7.69]   |
| 8  | Rapid Multimodal Limited                   | 8.49  | 84.00  | August 30, 2024   | 103.00 | -36.12, [3.89]  | -44.63, [-4.03]  | N.A.            |
| 9  | Paramount Dye Tec Limited                  | 28.43 | 117.00 | October 08, 2024  | 109.90 | -23.31, [-3.25] | -18.73, [216.73] | N.A.            |
| 10 | Subam Papers Limited                       | 93.70 | 152.00 | October 08, 2024  | 142.00 | -6.57, [-2.56]  | -11.07, [-2.95]  | N.A.            |

**Sources:** All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

**Note:**

- The BSE SENSEX and NSE NIFTY are considered as the Benchmark Index.
- Price on BSE & NSE are considered for all the above calculations.
- In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day is not a trading day, the price / index of the immediately preceding working day has been considered.
- In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day, scripts are not traded then the share price is taken of the immediately preceding trading day.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the Lead Manager are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

| Financial Year | Total no. of IPOs | Total Funds Raised ('in Cr.) | No. of IPOs trading at Discount-30 <sup>th</sup> calendar day from listing day |                |               | No. of IPOs trading at Premium-30 <sup>th</sup> calendar day from listing day |                |               | No. of IPOs trading at Discount-180 <sup>th</sup> calendar day from listing day |                |               | No. of IPOs trading at Premium-180 <sup>th</sup> calendar day from listing day |                |               |
|----------------|-------------------|------------------------------|--------------------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------------------|----------------|---------------|---------------------------------------------------------------------------------|----------------|---------------|--------------------------------------------------------------------------------|----------------|---------------|
|                |                   |                              | 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% |
| Main Board     |                   |                              |                                                                                |                |               |                                                                               |                |               |                                                                                 |                |               |                                                                                |                |               |
| 2024-25        | 1^                | 132.00                       | --                                                                             | --             | 1             | --                                                                            | --             | --            | --                                                                              | 1              | --            | --                                                                             | --             | --            |
| SME Platform   |                   |                              |                                                                                |                |               |                                                                               |                |               |                                                                                 |                |               |                                                                                |                |               |
| 2022-23        | 9                 | 179.70                       | --                                                                             | --             | 3             | 2                                                                             | 1              | 3             | --                                                                              | 2              | 1             | 5                                                                              | --             | 1             |
| 2023-24        | 10^               | 300.86                       | --                                                                             | 1              | 3             | 2                                                                             | 2              | 2             | --                                                                              | 1              | 3             | 6                                                                              | --             | --            |
| 2024-25        | 4^                | 135.74                       | --                                                                             | 1              | 2             | 1                                                                             | --             | --            | --                                                                              | --             | --            | 1                                                                              | --             | --            |

Upto January 22, 2025

<sup>^</sup> The scrip of Rapid Multimodal Logistics Limited, Paramount Dye Tech Limited and Subam Papers Limited have not completed 180 Days from the date of listing.

## SECTION XII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### *In the chapter “MAIN PROVISIONS OF ARTICLES OF ASSOCIATION*

*a) On page no. 310 a new paragraph added at the start of the chapter.*

“Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below. No material clause of the Articles of Association having a bearing on the Offer, or the disclosures has been omitted”.

**SECTION XIII: OTHER INFORMATION  
DECLARATION**

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India, or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Regulation 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/ Red Herring Prospectus/ Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS OF OUR COMPANY**

| NAME AND DESIGNATION                                                                               | SIGNATURE   |
|----------------------------------------------------------------------------------------------------|-------------|
| <b>MR. MANISH BAJORIA</b><br><i>Managing Director</i><br><i>DIN: 02203237</i>                      | <i>Sd/-</i> |
| <b>MS. NEELAM BAJORIA</b><br><i>Executive Director</i><br><i>DIN: 02250051</i>                     | <i>Sd/-</i> |
| <b>MR. ASHISH BAJORIA</b><br><i>Non-Executive Director</i><br><i>DIN: 10662463</i>                 | <i>Sd/-</i> |
| <b>MS. CHETNA GUPTA</b><br><i>Independent Director</i><br><i>DIN: 02212440</i>                     | <i>Sd/-</i> |
| <b>MS. SURUCHI JAIN VIRENDRA KUMAR JAIN</b><br><i>Independent Director</i><br><i>DIN: 10205026</i> | <i>Sd/-</i> |

**SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY & COMPLIANCE OFFICER  
OF OUR COMPANY**

*Sd/-*

**MR. MANISH BAJORIA**  
*Chief Financial Officer*  
*PAN: ADOPB7586R*

*Sd/-*

**MS. SHRADDHA DHACHOLIA**  
*Company Secretary & Compliance Officer*  
*PAN: BLZPD6310D*

**Place: Kolkata**

**Date: May 30, 2025**

#### **DECLARATION BY SELLING SHAREHOLDER**

I, Mr. Manish Bajoria in my capacity as a Selling Shareholder, hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any statements, disclosures and undertakings made by, or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

#### **SIGNED BY THE SELLING SHAREHOLDER**

Sd/-

**Mr. Manish Bajoria**  
**Promoter Selling Shareholder**  
**Place: Kolkata**  
**Date: May 30, 2025**