



(Please scan this QR Code to view the Draft Red Herring Prospectus)



**INTERARCH BUILDING PRODUCTS LIMITED**  
**CORPORATE IDENTITY NUMBER: U45201DL1983PLC017029**

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
Farm No. 8, Khasara No. 56/23/2, Dera Mandi Road, Mandi Village, Mehrauli, New Delhi 110 047, Delhi, India	B 30, Sector 57, Noida 201 301, Uttar Pradesh, India	Nidhi Goel Company Secretary and Compliance Officer	compliance@interarchbuildings.com +91-12041 70200	www.interarchbuildings.com

**OUR PROMOTERS ARE ARVIND NANDA, GAUTAM SURI, ISHAAN SURI AND VIRAJ NANDA**

**DETAILS OF THE OFFER TO THE PUBLIC**

Type	Fresh Issue size	Offer for Sale size	Total Offer size <sup>(1)</sup>	Eligibility and share reservation among Qualified Institutional Buyers, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees
Fresh Issue and Offer for Sale	[●] Equity Shares of face value ₹10 each aggregating up to ₹ 2,000.00 million	Up to 4,447,630 Equity Shares aggregating to ₹ [●] million	[●] Equity Shares aggregating to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”). For details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 438. For details in relation to the share reservation among Qualified Institutional Buyers (“QIBs”), Non-Institutional Bidders (“NIBs”), Retail Individual Bidders (“RIBs”) and Eligible Employees (as defined hereinafter), see “Offer Structure” on page 458.

**DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE**

Name of Selling Shareholder	Type	Number of Equity Shares Offered	Weighted average cost of acquisition per Equity Share* (in ₹ per Equity Share)
Arvind Nanda	Promoter Shareholder Selling	Up to 720,000 Equity Shares aggregating to ₹ [●] million	4.99
Gautam Suri	Promoter Shareholder Selling	Up to 790,000 Equity Shares aggregating to ₹ [●] million	5.56
Ishaan Suri	Promoter Shareholder Selling	Up to 539,930 Equity Shares aggregating to ₹ [●] million	0.25
Shobhna Suri	Promoter Group Shareholder Selling	Up to 600,100 Equity Shares aggregating to ₹ [●] million	0.00
OIH Mauritius Limited	Investor Shareholder Selling	Up to 1,797,600 Equity Shares aggregating to ₹ [●] million	500.00

\*As certified by Manian & Rao, Chartered Accountants pursuant to the certificate dated March 18, 2024

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share. The Offer Price, Floor Price and Cap Price, as determined by our Company and the Selling Shareholders in consultation with the book running lead managers (“BRLMs” or “Book Running Lead Managers”), and on the basis of assessment of market demand for the Equity Shares by way of the book building process, in accordance with the SEBI ICDR Regulations and as stated under “Basis for Offer Price” on page 151, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 30.



**COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

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


**LISTING**

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the stock exchanges being BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" together with BSE, the "Stock Exchanges"). For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC (as defined hereinafter) in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 499.

**BOOK RUNNING LEAD MANAGERS**

NAME AND LOGO	CONTACT PERSON	TELEPHONE AND E-MAIL
 <b>Ambit Private Limited</b>	Nikhil Bhiwapurkar/Jatin Jain	<b>Tel:</b> +91 22 6623 3030 <b>E-mail:</b> interarch.ipo@ambit.co
 <b>Axis Capital Limited</b>	Simran Gadh/Harish Patel	<b>Tel:</b> +91 22 4325 2183 <b>E-mail:</b> interarch.ipo@axiscap.in

**REGISTRAR TO THE OFFER**

NAME OF REGISTRAR	CONTACT PERSON	TELEPHONE AND E-MAIL
 <b>Link Intime India Private Limited</b>	Shanti Gopalkrishnan	<b>Tel:</b> +91 81081 14949 <b>E-mail:</b> interarch.ipo@linkintime.co.in

**BID/OFFER PERIOD**

ANCHOR INVESTOR BID/ OFFER DATE*	[●]	BID/OFFER OPENS ON*	[●]	BID/OFFER CLOSSES ON***	[●]
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\*Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

<sup>(1)</sup> Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR").

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


**INTERARCH BUILDING PRODUCTS LIMITED**

Our Company was originally incorporated as "Luxalon Building Products Private Limited", a private limited company under the Companies Act, 1956, in New Delhi, pursuant to a certificate of incorporation dated November 30, 1983 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi. The name of our Company was changed to "Interarch Building Products Private Limited" pursuant to a Board resolution dated January 24, 1985 and a special resolution dated April 13, 1985 passed by the Shareholders, consequent upon which, a fresh certificate of incorporation dated August 9, 1985 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi. This change was undertaken as the Company had started marketing of other brands of international architectural building products. Subsequently, in accordance with Section 43A(1A) of the Companies Act, 1956, our Company became a deemed public limited company with effect from July 1, 1996 and the name of our Company was changed to "Interarch Building Products Limited". Our Board took notice of such conversion pursuant to resolution approved on August 25, 1997 consequent upon which, the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi endorsed such conversion on the certificate of incorporation dated August 9, 1985 with effect from July 1, 1996. Pursuant to the amendment in Section 43A of the Companies Act, 1956 by Companies Amendment Act, 2000, and the approval of our Board and our Shareholders on February 20, 2001 on March 22, 2001, respectively, our Company's status was converted from a deemed public company to a private limited company and consequently the name was changed to "Interarch Building Products Private Limited" and the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi endorsed such conversion on the certificate of incorporation dated August 9, 1985 with effect from January 11, 2002. Subsequently, pursuant to resolutions passed by our Board and Shareholders dated October 12, 2023 and October 13, 2023 respectively, our Company was converted into a public limited company and consequently, the name of our company was changed to "Interarch Building Products Limited", consequent upon which, a fresh certificate of incorporation dated December 15, 2023 issued by the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC"). For details of change in our Registered Office, see "History and Certain Corporate Matters – Changes in the Registered Office of our Company" on page 269.

Corporate Identity Number: U45201DL1983PLC017029

Registered Office: Farm No. 8, Khasara No. 56/23/2, Dera Mandi Road, Mandi Village, Mehrauli, New Delhi 110 047 Delhi, India

Corporate Office: B 30, Sector 57, Noida 201 301 Uttar Pradesh, India

Contact Person: Nidhi Goel, Company Secretary and Compliance Officer; Telephone: +91-12041 70200

E-mail: compliance@interarchbuildings.com; Website: www.interarchbuildings.com

**OUR PROMOTERS ARE ARVIND NANDA, GAUTAM SURI, ISHAAN SURI AND VIRAJ NANDA**

INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF INTERARCH BUILDING PRODUCTS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ [●] MILLION ("THE OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,447,630 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION COMPRISING OF UP TO 720,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY ARVIND NANDA, OF UP TO 790,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY GAUTAM SURI AND OF UP TO 539,930 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY ISHAAN SURI (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS"), OF UP TO 600,100 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY SHOBBHA SURI (THE "PROMOTER GROUP SELLING SHAREHOLDER") AND OF UP TO 1,797,600 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY OIH MAURITIUS LIMITED (PREVIOUSLY KNOWN AS INDIVISION INDIA PARTNERS) (THE "INVESTOR SELLING SHAREHOLDER" AND COLLECTIVELY, WITH THE PROMOTER SELLING SHAREHOLDERS AND PROMOTER GROUP SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES").

OUR COMPANY, IN CONSULTATION WITH THE BRLMS MAY CONSIDER A PRIVATE PLACEMENT OF EQUITY SHARES TO CERTAIN INVESTORS FOR AN AMOUNT AGGREGATING UP TO ₹ 400.00 MILLION, AS PERMITTED UNDER APPLICABLE LAWS ON OR PRIOR TO THE DATE OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●] % OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY AND THE SELLING SHAREHOLDERS MAY, IN CONSULTATION WITH THE BRLMS OFFER A DISCOUNT OF UP TO [●] % ON THE OFFER PRICE (EQUIVALENT TO ₹ [●] PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND, EMPLOYEE DISCOUNT (IF ANY) AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process (as defined hereinafter) in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (the "QIB Category"), provided that our Company in consultation with the BRLMS may allocate up to 60% of the QIB Category to Anchor Investors and the basis of such allocation will be on a discretionary basis, ("Anchor Investors") (the "Anchor Investor Category") in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds (defined hereinafter), subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). In the event of under-subscription or non-allocation in the Anchor Investor Category, the balance Equity Shares shall be added to the QIB Category (other than the Anchor Investor Category) (the "Net QIB Category"). Further, 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders (the "Non-Institutional Category") of which one-third of the Non-Institutional Category shall be available for allocation to Non-Institutional Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Non-Institutional Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders (the "Retail Category"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Category through the ASBA process. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. See "Offer Procedure" on page 462.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share. The Offer Price, Floor Price and Cap Price, as determined by our Company and the Selling Shareholders in consultation with the BRLMS and on the basis of assessment of market demand for the Equity Shares by way of the book building process, in accordance with the SEBI ICDR Regulations and as stated under "Basis for Offer Price" on page 151, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 30.

**COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 499.

**BOOK RUNNING LEAD MANAGERS**
**REGISTRAR TO THE OFFER**


**Ambit Private Limited**  
Ambit House, 449 Senapati Bapat Marg  
Lower Parel, Mumbai 400 013  
Maharashtra, India  
Tel: +91 22 6623 3030  
E-mail: interarch.ipo@ambit.co  
Investor grievance e-mail:  
customerservicemb@ambit.co  
Website: www.ambit.co  
Contact person: Nikhil Bhiwapurkar/Jatin Jain  
SEBI registration no.: INM000010585



**Axis Capital Limited**  
1<sup>st</sup> Floor, Axis House, C-2 Wadia International Centre  
P.B. Marg Worli, Mumbai 400 025  
Maharashtra, India  
Tel: +91 22 4325 2183  
E-mail: interarch.ipo@axiscap.in  
Investor grievance e-mail: complaints@axiscap.in  
Website: www.axiscapital.co.in  
Contact person: Simran Gadh/Harish Patel  
SEBI registration no.: INM000012029



**Link Intime India Private Limited**  
C-101, 1st Floor, 247 Park  
Lal Bahadur Shastri Marg, Vikhroli (West)  
Mumbai 400 083  
Maharashtra, India  
Tel: +91 81081 14949  
E-mail: interarch.ipo@linkintime.co.in  
Investor grievance e-mail: interarch.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

**BID/ OFFER PROGRAMME**

Anchor Investor Bid/ Offer Date [●] Bid/Offer Opens On [●] Bid/Offer Closes On [●]

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

\*\*Our Company and the Selling Shareholders, in consultation with the BRLMS, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification as amended, updated, supplemented, re-enacted or modified from time to time, and any reference to any statutory provision shall include a subordinate legislation made, from time to time, under such provisions.*

*Unless the context otherwise indicates, all references to “the Company”, and “our Company”, are references to Interarch Building Products Limited, a company incorporated under the Companies Act, 1956 with its Registered Office at Farm No. 8, Khasara No. 56/23/2, Dera Mandi Road, Mandi Village, Mehrauli, New Delhi 110 047 Delhi, India and its Corporate Office at B 30, Sector 57, Noida 201 301 Uttar Pradesh, India.*

*The words and expressions used but not defined in this Draft Red Herring Prospectus will (to the extent applicable) have the same meaning as assigned to such terms under the SEBI ICDR Regulations, Companies Act 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the Securities Contracts (Regulation) Act, 1956 (the “SCRA”), the Depositories Act, 1996, (the “Depositories Act”) or the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). Furthermore, unless the context otherwise indicates, all references to the terms “we”, “us” and “our” are to our Company.*

*In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined hereinafter), the definitions given below shall prevail.*

*Notwithstanding the foregoing, terms in the “Statement of Special Tax Benefits”, “Industry Overview”, “Our Business”, “Key Industry Regulations and Policies in India”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Financial Information”, “Outstanding Litigation and Other Material Developments”, “Offer Procedure”, and “Main Provisions of Articles of Association” on pages 161, 168, 224, 263, 151, 269, 300, 425, 462 and 482 will have the meaning ascribed to such terms in these respective sections.*

#### Company Related Terms

Term	Description
Amendment Agreement	The amendment cum waiver agreement dated March 8, 2024 entered among our Company, Arvind Nanda, Gautam Suri, Ishaan Suri, Shobhna Suri, OIH Mauritius Limited, Taipan Associates Private Limited and IGS Holdings Private Limited
Andhra Pradesh Project Report	Detailed project report dated March 9, 2024 for Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities obtained from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) in relation to the Project
Articles of Association / AoA / Articles	The articles of association of our Company, as amended from time to time
Aries	Aries Developers LLP. Aries Developers Private Limited was converted into Aries Developers LLP, pursuant to a certificate of incorporation dated April 21, 2023 issued by the Registrar of Companies
Audit Committee	The audit committee of our Board of Directors, as described in “Our Management – Board committees – Audit Committee” on page 281
Auditor / Statutory Auditors	The current statutory auditors of our Company, namely, S.R. Batliboi & Co. LLP, Chartered Accountants
Board / Board of Directors	The board of directors of our Company or a duly constituted committee thereof. See “Our Management – Our Board” on page 274
Chairperson	The chairperson of our Board of Directors. See “Our Management – Our Board” on page 274
Chief Financial Officer or CFO	The chief financial officer of our Company. See “Our Management – Key Managerial Personnel and Senior Management” on page 290
CRISIL MI&A/CRISIL	CRISIL Market Intelligence & Analytics (MI&A), a division of CRISIL Limited
CRISIL Report	Report on ‘Assessment of pre-engineered Steel Buildings Industry in India’ released in January 2024 prepared by CRISIL, commissioned and paid for by our Company, a copy of which is available on the website of our Company at

<b>Term</b>	<b>Description</b>
	<a href="https://www.interarchbuildings.com/crisil-report.asp">https://www.interarchbuildings.com/crisil-report.asp</a>
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company. See <b>“Our Management – Key Managerial Personnel and Senior Management”</b> on page 290
Corporate Office	The corporate office of our Company, situated at B-30, Sector -57, Noida 201 301, Uttar Pradesh, India
CSR Committee	The corporate social responsibility committee of our Board of Directors, as described in <b>“Our Management - Board committees- Corporate Social Responsibility Committee”</b> on page 286
Deeds of Adherence	Deeds of adherence each dated May 27, 2009 executed between Ishaan Suri and Gautam Suri and Gautam Suri and Shobhna Suri, respectively
Director(s)	The directors(s) on our Board. See <b>“Our Management – Our Board”</b> on page 274
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
ESOP 2023	Interarch Employee Stock Option Plan 2023, as amended, as described under <b>“Capital Structure – Employee Stock Option Scheme”</b> on page 103
Group Companies	Companies with which there were related party transactions during the period as covered by the Restated Financial Information, as covered under relevant accounting standards (i.e., Ind AS 24) and other companies as have been considered material by our Board in accordance with the Materiality Policy as described in <b>“Our Group Companies”</b> on page 436
Independent Director(s)	The independent director(s) on our Board. See <b>“Our Management – Our Board”</b> on page 274
IGS	IGS Holdings Private Limited
Key Managerial Personnel or KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in <b>“Our Management – Key Managerial Personnel and Senior Management”</b> on page 290
Kichha Manufacturing Facility	Our manufacturing facility located at Khasara No 276 A, Kishanpur. 2 Km on Kichha, Rudrapur Road, Kichha 263 148, Uttarakhand, India
Managing Director	The managing director of our Board. See <b>“Our Management – Our Board”</b> on page 274
Manufacturing Facilities	Together, Tamil Nadu Manufacturing Facilities, Pantnagar Manufacturing Facility and Kichha Manufacturing Facility
Materiality Policy	The policy adopted by our Board in its meeting dated March 14, 2024 for determining material outstanding litigation, outstanding dues to material creditors and material group companies, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time
Non-Executive Director(s)	The non-executive non-independent directors of our Board. See <b>“Our Management – Our Board”</b> on page 274
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors, as described in <b>“Our Management - Board committees – Nomination and Remuneration Committee”</b> on page 284
Nominee Director	The nominee director of our Board. See <b>“Our Management – Our Board”</b> on page 274
OIH Mauritius or Investor Selling Shareholder	OIH Mauritius Limited ( <i>previously known as Indivision India Partners</i> )
Pantnagar Manufacturing Facility	Our manufacturing facility located at Plot No 14, Sector-2, I.I.E, Pantnagar, U.S Nagar, Rudrapur 263 153, Uttarakhand, India
Planned Andhra Pradesh Manufacturing Facility	The planned manufacturing facility of our Company, comprising manufacturing units proposed to be set up in two phases, located at Plot No. 8-36, Ozili Mandal, Attivaram Village, APIIC Industrial Park, Attivaram, Tirupati, 524 421, Andhra Pradesh, India
Project	The setting up of a new pre-engineered steel building manufacturing unit at the Planned Andhra Pradesh Manufacturing Facility (classified as Phase 2 of our capacity development plan)
Promoter(s)	Promoters of our Company. See <b>“Our Promoters and Promoter Group – Our Promoters”</b> on page 294
Promoter Group	The individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. See <b>“Our Promoters and Promoter Group – Promoter Group”</b> on page 297
Promoter Group Selling Shareholder	Shobhna Suri
Promoter Selling Shareholders	Collectively, Arvind Nanda, Gautam Suri and Ishaan Suri
Registrar of Companies/RoC	Registrar of Companies, Delhi and Haryana at New Delhi earlier known as Registrar of Companies, National Capital Territory of Delhi and Haryana
Registered Office	The registered office of our Company situated at, Farm No. 8, Khasara No. 56/23/2, Dera Mandi Road, Mandi Village, Mehrauli, New Delhi 110 047 Delhi, India

<b>Term</b>	<b>Description</b>
Restated Financial Information	<p>The Restated Financial Information of our Company comprising the Restated Summary Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Summary Statement of Cash Flows and the Restated Summary Statement of Changes in Equity for the six months ended September 30, 2023 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the summary statement of material accounting policies and other explanatory information.</p> <p>The Restated Financial Information have been prepared in accordance with the requirements of:</p> <ul style="list-style-type: none"> <li>(i) Section 26 of Part I of Chapter III of the Companies Act, 2013;</li> <li>(ii) SEBI ICDR Regulations;</li> <li>(iii) ICAI Guidance Note; and</li> <li>(iv) The E-mail dated December 4, 2023 received from Book Running Lead Managers, which confirms that based on the email dated October 28, 2021 from SEBI to Association of Investment Bankers of India (“SEBI E-mail”), the Company should prepare financial statements in accordance with Ind AS for all the three years and the stub period.</li> </ul> <p>The Restated Financial Information have been compiled from:</p> <ul style="list-style-type: none"> <li>a) Audited interim financial statements of our Company as at and for the six months ended September 30, 2023 prepared in accordance with the accounting principle generally accepted in India including the Ind AS 34 along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable;</li> <li>b) Audited financial statements of our Company as at and for the year ended March 31, 2023 prepared in accordance with the accounting principles generally accepted in India including the Ind AS along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable; and</li> <li>c) Audited special purpose Ind AS financial statements of our Company as at and for the years ended March 31, 2022 and March 31, 2021, which were prepared by our Company after taking into the consideration the requirements of the SEBI E-mail.</li> </ul> <p>The special purpose Ind AS financial statements as at and for the years ended March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the Indian GAAP statutory financial statements as at and for the year ended March 31, 2022 and March 31, 2021 to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS - 101) consistent with that used at the date of transition (April 1, 2021) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the six months period ended September 30, 2023 pursuant to the SEBI E-mail.</p>
Risk Management Committee	The risk management committee of our Board of Directors, as described in “ <b><i>Our Management–Board Committees – Risk Management Committee</i></b> ” on page 287
Senior Management	Members of senior management of our Company in terms of the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in “ <b><i>Our Management – Key Managerial Personnel and Senior Management</i></b> ” on page 290
Selling Shareholders	Collectively, the Promoter Selling Shareholders, Promoter Group Selling Shareholder and Investor Selling Shareholder
Shareholder(s)	The holders of the Equity Shares from time to time
Shareholders Agreement	The shareholders agreement dated December 4, 2007 entered among our Company, Arvind Nanda, Gautam Suri, OIH Mauritius Limited, Taipan Associates Private Limited and IGS Holdings Private Limited read with the Deeds of Adherence and the Amendment Agreement



<b>Term</b>	<b>Description</b>
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board of Directors, as described in " <b>Our Management-Board committees – Stakeholders' Relationship Committee</b> " on page 285
Taipan	Taipan Associates Private Limited
Tamil Nadu Manufacturing Facilities	Together, Tamil Nadu Manufacturing Facility I and Tamil Nadu Manufacturing Facility II
Tamil Nadu Manufacturing Facility I	Our manufacturing facility located at F-19, 8th Main Road, First Cross, SIPCOT Industrial Park, Irungattukottai, Kancheepuram, 602 105, Tamil Nadu, India
Tamil Nadu Manufacturing Facility II	Our manufacturing facility located at Plot No. D-1/1, SIPCOT Industrial Park, Mambakkam, Sriperumbudur, Kancheepuram, 602 105, Tamil Nadu, India
Whole-time Director	The Whole-time Director of our Board. See " <b>Our Management – Our Board</b> " on page 274

## Offer Related Terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	A memorandum containing such salient features of a prospectus as may be specified by SEBI
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Ambit	Ambit Private Limited
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Category in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs on the Anchor Investor Bid/Offer Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Category, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price
Anchor Investor Pay-in Date	The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations Anchor Investor Bid/Offer Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Category	Up to 60% of the QIB Category which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors and basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
ASBA or Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder

<b>Term</b>	<b>Description</b>
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in “ <i>Offer Procedure</i> ” on page 462
Bid(s)	An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bid/Offer Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form
	The term ‘ <b>Bidding</b> ’ shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable.  In the case of Retail Individual Bidders Bidding at the Cut off Price, the Bid Amount is the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidders. In case of Eligible Employees applying in the Employee Reservation Portion and Bidding at the Cut Off Price, the Bid Amount will be the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located). In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites and terminals of the Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.  Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located)
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus  Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors  Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members

<b>Term</b>	<b>Description</b>
	of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	The book running lead managers to the Offer, being Ambit and Axis
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidders only ASBA Forms under UPI) to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/Offer Date
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Syndicate Members, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for, among other things, appointment of the Sponsor Bank(s), collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account, and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof
CDP(s) / Collecting Depository Participant(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Cut-Off Price	The Offer Price, which shall be any price within the Price Band, finalised by our Company and the Selling Shareholders in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Cut-Off Time	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Offer Closing Date
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated CDP Locations	Such centres of the Collecting Depository Participants where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidders only ASBA Forms under UPI). The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time
Designated Date	The date on which the funds from the Escrow Account(s) are transferred to the Public Offer Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediary(ies)	SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidder only ASBA Forms under UPI). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges at www.bseindia.com and

Term	Description
Designated SCSB Branches	www.nseindia.com and as updated from time to time Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated March 18, 2024 filed with SEBI and Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, and includes any addenda or corrigenda thereto
Eligible Employee(s)	Permanent employees of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form; or Director of our Company (excluding Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), whether a whole-time director or otherwise, who is eligible to apply under the Employee Reservation Portion under applicable law as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either by themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company  The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount)
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitute an invitation to purchase the Equity Shares
Employee Discount	Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating up to ₹ [●] million which shall not exceed 5% of the post Offer Equity Share capital of our Company, available for allocation to Eligible Employees
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid
Escrow Collection Bank(s)	Bank(s) which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●]
First or Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of [●] Equity Shares of face value ₹10 each aggregating up to ₹ 2,000.00 million by our Company. For information, see “ <i>The Offer</i> ” on page 75

Term	Description
	Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI and the UPI Circulars, each as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The gross proceeds of the Fresh Issue
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus
Mutual Fund Category	The category of the Net Offer being 5% of the Net QIB Category consisting of [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For details regarding the use of the Net Proceeds and the Offer related expenses, see " <i>Objects of the Offer – Net Proceeds</i> " on page 105
Net QIB Category	The category of the QIB Category less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders / NIBs	Bidders that are not QIBs or RIBs and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The category of the Net Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidder, subject to valid Bids being received at or above the Offer Price
NR/ Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FVCIs and FPIs
Offer	Initial public offering of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] million comprising the Fresh Issue and the Offer for Sale. The Offer comprises Net Offer and an Employee Reservation Portion
Offer Agreement	The agreement dated March 18, 2024 executed amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The Offer for Sale component of the Offer, comprising an offer for sale of up to 720,000 Equity Shares aggregating to ₹ [●] million by Arvind Nanda, up to 790,000 Equity Shares aggregating to ₹ [●] million by Gautam Suri, up to 539,930 Equity Shares aggregating to ₹ [●] million by Ishaan Suri, up to 600,100 Equity Shares aggregating to ₹ [●] million by Shobhna Suri and up to 1,797,600 Equity Shares aggregating to ₹ [●] million by OIH Mauritius
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Selling Shareholders in consultation with the BRLMs in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus  A discount of up to [●] % on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. Employee Discount, if any, will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the

<b>Term</b>	<b>Description</b>
Offered Shares	proceeds of the Offer for Sale which shall be available to the Selling Shareholders Up to 4,447,630 Equity Shares aggregating to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer
Pre-IPO Placement	Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereto. The Price Band, Employee Discount (if any) and minimum Bid Lot, as decided by our Company and the Selling Shareholders, in consultation with the BRLMs, will be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Sections 26 and 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Public Offer Account Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened, in this case being [●]
QIB Bidders	QIBs who Bid in the Offer
QIB Category	The category of the Net Offer, being not more than 50% of the Net Offer, or [●] Equity Shares, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Category (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price (for Anchor Investors)
QIBs / Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus / RHP	The Red Herring Prospectus of our Company to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Offer including any addenda or corrigenda thereto  The Red Herring Prospectus shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Bank	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and other applicable circulars issued by SEBI
Registrar Agreement	The agreement dated March 8, 2024 entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer / Registrar	Link Intime India Private Limited
Retail Individual Bidders(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs)

<b>Term</b>	<b>Description</b>
Retail Category	The category of the Net Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>  Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in Public Issues” displayed on SEBI website at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> . The said list shall be updated on SEBI website from time to time
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of Equity Shares being offered by each Selling Shareholder in the Offer for Sale portion of the Offer and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Sponsor Bank(s)	The Banker(s) to the Offer registered with SEBI which is to be appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and/or payment instructions of the UPI Bidders and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Together, BSE and NSE
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations in this case being [●]
Syndicate/Members of the Syndicate	Together, the BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company, Registrar to the Offer and the Selling Shareholders, entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as Retail Individual Bidders in the Retail Category, Eligible Employees who applied in the Employee Reservation Portion and individuals applying as Non-Institutional Bidders with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Category, Bidding under the UPI Mechanism

<b>Term</b>	<b>Description</b>
	Pursuant to the SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	The SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, SEBI master circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular (SEBI/HO/CFD/PoD-2/P/CIR/2023/00094) dated June 21, 2023, SEBI circular (SEBI/HO/CFD/TPD1/CIR/P/2023/140) dated August 9, 2023, NSE circulars (23/2022) dated July 22, 2022 and (25/2022) dated August 3, 2022, the BSE notices (20220722-30) dated July 22, 2022 and (20220803-40) dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard from time to time
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI, and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai, Maharashtra, India are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the expression “Working Day” shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression ‘Working Day’ shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI

### Technical/Industry Related Terms

<b>Term</b>	<b>Description</b>
Asset Turnover Ratio	Asset Turnover Ratio is computed as revenue from operations divided by average total assets. Average total assets refer to average of opening total assets and closing total assets.
Basic earnings per Equity Share (₹)	Basic earnings per Equity Share is computed as restated profit attributable to Shareholders of our Company for the year/period divided by weighted average number of Equity Shares outstanding during the year/period computed in accordance with Ind AS 33
BU	Built-up sections such as H-shaped structures and I-shaped structures
BU Accessories	BU including angle bracings
Capital Employed	Capital employed is calculated as total equity minus intangible assets plus total debt



<b>Term</b>	<b>Description</b>
Cash Conversion Cycle	Cash conversion cycle is computed as days of inventory outstanding plus days of receivables outstanding minus days of payables outstanding. Trade receivable days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years and 183 days for six months period. Inventory days is calculated as average inventory divided by revenue from operations multiplied by 365 for a Fiscal and 183 days for six months period. Trade payable days is calculated as average trade payables divided by revenue from operations multiplied by 365 for a Fiscal and 183 days for six months
CF	Galvanized cold formed C and Z sections made from galvanized coils
CNC	Computer numerical control
Customer Group	Customer Groups are identified as customers forming part of the same corporate group
Diluted earnings per Equity Share (₹)	Diluted earnings per Equity Share is computed as restated profit attributed to Shareholders of our Company divided by weighted average number of shares outstanding during the years/period are adjusted for the effects of all dilutive potential Equity Shares
EBIT	EBIT is calculated as restated profit for the years/period plus total tax expense plus finance costs
EBITDA	EBITDA is calculated as restated profit plus total tax expense, finance costs, depreciation and amortization expense less other income for the year/period
EBITDA Margin	EBITDA margin is calculated as EBITDA divided by revenue from operations
ERP	Enterprise resource planning
EV	Electric Vehicle
FMCG	Fast-moving consumer goods
GVA	Gross value added
Installed Capacity (in MT)	Installed Capacity is the capacity available at the Manufacturing Facilities of the Company for the given period
LGFS	Light gauge framing systems
MT	Metric tonnes
MTPA	Metric tonnes per annum
Net asset value per Equity Share	Net Worth at the end of the year/period divided by the number of Equity Shares outstanding at the end of the year/period
Net Debt	Net Debt is computed as Company's total debt less cash and cash equivalents
Net Debt to EBITDA	Net Debt to EBITDA ratio is computed as Net Debt divided by EBITDA
Net Debt to Equity	Net Debt to Equity ratio is computed as Net Debt divided by the total equity
Net Worth	Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off but does not include reserves created out of revaluation of assets, capital reserve, write back of depreciation and amalgamation. Accordingly, we have calculated it as Total equity excluding the fair value gain (net of tax) recognised on measurements of assets at fair value and reserves not created out of the profits
Number of manufacturing plants related to PEB/structural steel	Number of manufacturing plants is the number of manufacturing plants of our Company which were operational for the given year/ period
Profit Margin	Profit margin is calculated as restated profit for the year/ period divided by revenue from operations
PEB	Pre-engineered steel buildings
PEB Contracts	Pre-engineered steel buildings contracts wherein we provide complete PEBs on a turn-key basis to our customers, and as a part of which, we also provide on-site project management capabilities for the installation and erection of PEBs
PEB Sales	Sale of pre-engineered steel building materials which includes sale of metal ceilings and corrugated roofing, metal roofing and cladding systems and permanent/metal decking (lost shuttering) over steel framing
Repeat Orders	Repeat orders are orders which we identify as orders placed by customers or Customer Groups that have placed orders with us previously
Restated profit	Restated profit for year/ period
Return on Capital Employed	Return on capital employed (%) is calculated as EBIT divided by capital employed.
Return on Equity	Return on Equity is calculated as restated profit for the years/period divided by total equity.
Revenue from Operations	Revenue from operations is revenue from pre-engineered building contracts, sale of building materials, scrap sales and other operating services for the given year/ period
Total Debt	Total debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities plus current lease liabilities

## Conventional and General Terms and Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual general meeting of shareholders under the Companies Act 2013
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
APIIC	Andhra Pradesh Industrial Infrastructure Corporation Limited
AS / Accounting Standards	Accounting Standards issued by the ICAI
Bn / bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013	The Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depositories Act	The Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
Depository	A depository registered with the SEBI in terms of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DIN	Director Identification Number
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identity number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI
EGM	Extra-ordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles
GoI/Government/Central Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu undivided family (ies)
ICAI	The Institute of Chartered Accountants of India
ICAI Guidance Note	The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
IDCs or Industrial Development Corporations	Collectively, APIIC, NOIDA, SIDCUL and SIPCOT
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board
Income Tax Act	The Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act 2013, Ind AS Rules and other relevant provisions of the Companies Act 2013
Ind AS 24	The Indian Accounting Standard 24 – Related Party Disclosures notified under Section 133 of the Companies Act 2013, Ind AS Rules and other relevant provisions of the Companies Act 2013
Ind AS 33	The Indian Accounting Standard 33 – Earnings per share notified under Section 133 of the Companies Act 2013, Ind AS Rules and other relevant provisions of the Companies Act 2013
Ind AS 37	Indian Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets notified under Section 133 of the Companies Act 2013, Ind AS Rules and other relevant

Term	Description
	provisions of the Companies Act 2013
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014
IPO	Initial public offering
IT Act	The Information Technology Act, 2000
IST	Indian Standard Time
MCA/Ministry of Corporate Affairs	The Ministry of Corporate Affairs, Government of India
Mn	Million
NACH	National Automated Clearing House
National Steel Policy	National Steel Policy, 2017
NAV	Net asset value
NOIDA	New Okhla Industrial Development Authority
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
PAN	Permanent account number
PCC	Plain cement concrete
RBI	The Reserve Bank of India
RCC	Reinforced cement concrete
Regulation S	Regulation S under the U.S. Securities Act
RM	Running Meter
RTGS	Real Time Gross Settlement
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under section 3 of the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI ICDR Master Circular	SEBI master circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Sq.mtrs/m <sup>2</sup>	Square meter
SEBI SBEBSE Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SIDCUL	State Industrial Development Corporation of Uttarakhand Limited
SIPCOT	State Industries Promotion Corporation of Tamil Nadu Limited
STT	Securities Transaction Tax
UAE	United Arab Emirates
UK	United Kingdom
U.S. GAAP	Generally Accepted Accounting Principles of the United States
U.S. Securities Act	United States Securities Act of 1933, as amended
US\$ / USD / US Dollar	United States Dollar

<b>Term</b>	<b>Description</b>
USA / U.S. / US/ United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
VCF	Venture capital funds as defined in and registered with the SEBI under the erstwhile SEBI VCF Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

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

### Certain Conventions

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

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

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

### Currency and units of presentation

All references to

- *Rupee(s)*”, “*Rs.*” or “*₹*” or “*INR*” are to Indian Rupees, the official currency of the Republic of India.
- *U.S. Dollar(s)*” or “*USD*” or “*US Dollar*” are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions, except where specifically indicated. One million represents 10 lakhs or 1,000,000 and ten million represents 1 crore or 10,000,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

### Exchange Rates

This Draft Red Herring Prospectus contains conversion of U.S. Dollar into Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. This conversion should not be considered as a representation that such U.S. Dollar amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated below or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of U.S. Dollar amounts into Rupee amounts, are as follows:

Currency	Exchange rate as on			
	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
USD	73.50	75.81	82.22	83.06

Source: [www.fbil.org.in](http://www.fbil.org.in)

Note: In the event that any of the aforementioned date is a public holiday, the previous calendar day not being a public holiday has been considered. The exchange rate is rounded off to two decimal places. Exchange rate is rounded off to decimal points.

### Financial and other data

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

Our Restated Financial Information comprises the Restated Summary Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Summary Statement of Cash Flows and the Restated Summary Statement of Changes in Equity for six months ended September 30, 2023 and each of the years ended March 31, 2021, March 31, 2022 and March 31, 2023 and the summary statement of material accounting policies and other explanatory information.

The Restated Financial Information have been prepared in accordance with the requirements of:

- (i) Section 26 of Part I of Chapter III of the Companies Act, 2013;
- (ii) SEBI ICDR Regulations;
- (iii) ICAI Guidance Note; and
- (iv) The SEBI E-mail.

The Restated Financial Information have been compiled from:

- a) Audited interim financial statements of our Company as at and for the six months ended September 30, 2023 prepared in accordance with the accounting principle generally accepted in India including the Ind AS 34 along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable;
- b) Audited financial statements of our Company as at and for the year ended March 31, 2023 prepared in accordance with the accounting principles generally accepted in India including the Ind AS along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable; and
- c) Audited special purpose Ind AS financial statements of our Company as at and for the years ended March 31, 2022 and March 31, 2021, which were prepared by our Company after taking into the consideration the requirements of the SEBI E-mail.

The special purpose Ind AS financial statements as at and for the years ended March 31, 2022 and March 31, 2021 have been prepared after making suitable adjustments to the Indian GAAP statutory financial statements as at and for the year ended March 31, 2022 and March 31, 2021 to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS - 101) consistent with that used at the date of transition (April 1, 2021) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the six months period ended September 30, 2023 pursuant to the SEBI E-mail.

For details of our Company's financial information, please see "**Financial Information**" on page 300.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular fiscal or Financial Year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company in "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 30, 224 and 384, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis on the amounts derived from the Restated Financial Information.

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

There are significant differences between Ind AS, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial

data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS see “**Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.**” on page 73. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS, Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

#### ***Non-Generally Accepted Accounting Principles Financial Measures***

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Net Debt, Net Debt to Equity, Net Debt to EBITDA, Return on Capital Employed, Profit Margin, Cash Conversion Cycle, Asset turnover Ratio (collectively, “**Non-GAAP Measures**”) and certain other statistical information relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the years/period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. For the risks relating to our Non-GAAP Measures, see “**Risk Factors - This Draft Red Herring Prospectus contains certain Non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These Non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the pre-engineered steel buildings industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies.**” on page 65.

#### **Industry and Market Data**

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Further, industry sources and publications are also prepared based on information as of a specific date and may no longer be current or reflect current trends. The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, “**Assessment of pre-engineered Steel Buildings Industry in India**” released in January 2024 (“**CRISIL Report**”) prepared by CRISIL MI&A (formerly known as CRISIL Limited) (“**CRISIL**”), appointed by our Company pursuant to an engagement letter dated July 10, 2023, and the CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. Further, pursuant to their consent letter dated March 15, 2024 (“**Letter**”), CRISIL has accorded their no objection and consent to use the CRISIL Report in connection with the Offer. CRISIL pursuant to their Letter has also confirmed that it is an independent agency, and that it is not related to our Company, Directors, Promoters, Key Managerial Personnel or members of Senior Management or the BRLMs.

The CRISIL Report is available on the website of our Company at <https://www.interarchbuildings.com/crisil-report.asp>

CRISIL has required us to include the following disclaimer in connection with the CRISIL Report:

*“CRISIL MI&A, a division of CRISIL Limited (“CRISIL”) has taken due care and caution in preparing this report (“Report”) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Interarch Building Products Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval”.*

In accordance with the SEBI ICDR Regulations, the **“Basis for Offer Price – Comparison with listed industry peers”** on page 152, includes information relating to our peer group companies and industry averages. Such information has been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made solely on the basis of such information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in **“Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.”** on page 64.

#### **Notice to prospective investors in the United States**

The Equity Shares offered in the Offer 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, 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 in accordance with any 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 under the U.S. Securities Act and the applicable laws of the jurisdictions 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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements” that may not be statements of historical fact and may be described as “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*likely to*”, “*may*”, “*can*”, “*could*”, “*should*”, “*seek to*”, “*shall*”, “*objective*”, “*plan*”, “*project*”, “*will*”, “*will continue*”, “*will pursue*”, “*strive to*” “*will achieve*” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Our dependence on the availability and cost of our raw materials, including steel.
2. Our dependence on third party suppliers for the uninterrupted supply of our raw materials.
3. Our dependence on repeat orders placed by our customers and Customer Groups.
4. Cancellation, modification or postponement of orders placed with us or default in payments from customers, and we typically do not enter into long term or continuing contracts with our customers.
5. Our dependence on our Manufacturing Facilities and risks involved in our manufacturing process.
6. Our dependence on our PEB Contracts for a significant portion of our revenues.
7. Our ability to effectively utilize our Manufacturing Facilities.
8. Concentration of our Manufacturing Facilities in the states of Tamil Nadu and Uttarakhand in India.
9. Our dependence on contract labour.

For further discussion of factors that could cause the actual results to differ from the expectations, please refer to “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*” on pages 30, 224, 384 and 168, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the BRLMs, nor any of their respective affiliates or advisors, the Selling Shareholders, nor any Syndicate Member nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances

arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI's requirements, our Company shall ensure that investors in India are informed of material developments pertaining to our Company from the date of this Draft Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Selling Shareholders, severally and not jointly, shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by them in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the date of Allotment of Equity Shares. Only the statements and undertakings which are specifically confirmed or undertaken by each of the Selling Shareholders about or in relation to themselves as Selling Shareholders and their respective portion of the Offered Shares, in this Draft Red Herring Prospectus shall, severally and not jointly, be deemed to be statements and undertakings made by such Selling Shareholders.

## SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provisions of the Articles of Association” on pages 30, 75, 92, 105, 168, 224, 294, 300, 425 and 482, respectively.

Unless otherwise indicated, industry and market data used in this section has been derived from the CRISIL Report. A copy of the CRISIL Report is available on the website of our Company at <https://www.interarchbuildings.com/crisil-report.asp>. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 18. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. The CRISIL Report has also been included in “Material Contracts and Documents for Inspection – Material Documents” on page 499. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

### Primary business of our Company

We are one of the leading turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacturing, on-site project management capabilities for installation and erection of pre-engineered steel buildings (“PEB”). (Source: CRISIL Report). Our PEB offerings are designed, engineered and fabricated in accordance with customer requirements, and find use in construction for industrial, infrastructure and building end-use applications. During the period from Fiscal 2015 to Fiscal 2023 and six months ended September 30, 2023, we completed execution of 623 PEB Contracts, thereby demonstrating our extensive track record in PEB industry. See “Our Business” on page 224.

### Summary of the industry in which our Company operates

Pre-engineered steel construction has emerged as an innovative building method due to rapid growth of automation in the construction industry. The global pre-engineered steel buildings market is estimated at \$16-17 billion as of calendar year 2022 and is expected to clock at 11-12% of CAGR over the medium term till calendar year 2027. The pre-engineered steel buildings market is expected to see good growth on account of increasing awareness regarding modern off-site construction techniques as well as rising demand for green buildings globally which has resulted in shift in focus from traditional steel buildings to pre-engineered steel buildings. (Source: CRISIL Report).

See “Industry Overview” on page 168.

### Promoters

Arvind Nanda, Gautam Suri, Ishaan Suri and Viraj Nanda are the Promoters of our Company.

### Offer size

The following table summarizes the details of the Offer and Net Offer.

Offer	[●] Equity Shares of face value ₹ 10 each, aggregating to ₹ [●] million
<b>of which</b>	
Fresh Issue <sup>(1)(4)</sup>	[●] Equity Shares of face value ₹ 10 each, aggregating up to ₹ 2,000.00 million
Offer for Sale <sup>(2)</sup>	Up to 4,447,630 Equity Shares of face value ₹ 10 each, aggregating to ₹ [●] million
<b>The Offer may include</b>	
Employee Reservation Portion <sup>(3)</sup>	[●] Equity Shares of face value ₹ 10 each aggregating to ₹ [●] million
Net Offer	[●] Equity Shares of face value ₹ 10 each aggregating to ₹ [●] million

<sup>(1)</sup> Our Board has authorised the Offer by way of its resolution dated January 15, 2024 and our Shareholders by way of a special resolution dated January 17, 2024, have approved the Fresh Issue. Our Board has taken on record the respective consents and authorisations of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated March 14, 2024.

- (2) The Selling Shareholders have each severally and not jointly confirmed that their respective portions of the Offered Shares are eligible for being offered for sale in the Offer for Sale in accordance with the SEBI ICDR Regulations. Each of the Selling Shareholders severally and not jointly has confirmed and authorized its participation in the Offer for Sale, as disclosed in “Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Selling Shareholders” on page 438.
- (3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹ 500,000 (net of Employee Discount), shall be added to the Net Offer. Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date.
- (4) Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.

The Offer and the Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer Equity Share capital of our Company. See “The Offer” and “Offer Structure” on pages 75 and 458, respectively for further details.

### Objects of the Offer

The Net Proceeds are proposed to be utilised by our Company in accordance with the details provided in the following table:

(in ₹ million)					
S. No	Particulars	Total estimated cost	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2025 <sup>(2)</sup>	Amount to be deployed from the Net Proceeds in Fiscal 2026 <sup>(2)</sup>
1.	Financing the capital expenditure towards setting up the Project	585.26	585.26	-	585.26
2.	Financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility	192.46	192.46	132.06	60.40
3.	Funding investment in information technology assets for upgradation of existing information technology infrastructure of our Company	109.71	109.71	109.71	-
4.	Funding incremental working capital requirements	550.00	550.00	250.00	300.00
5.	General corporate purposes <sup>(1)</sup>	[●]	[●]	[●]	[●]
	<b>Total Net Proceeds<sup>(1)</sup></b>	[●]	[●]	[●]	[●]

<sup>(1)</sup> To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

<sup>(2)</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement which may be undertaken, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus with RoC. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards the Objects as set out in this section. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.

See “Objects of the Offer” on page 105.

### Aggregate pre-Offer shareholding of our Promoters, members of our Promoter Group and the Selling Shareholders

Except as disclosed below, none of the Promoters, members of our Promoter Group or Selling Shareholders holds any Equity Shares as on date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	Pre-Offer	
		Number of Equity Shares	Percentage of pre-Offer Share capital (%)
<b>Promoters</b>			
1.	Arvind Nanda*	5,729,046	39.74

Sr. No.	Particulars	Pre-Offer	
		Number of Equity Shares	Percentage of pre-Offer Share capital (%)
2.	Gautam Suri*	4,644,116	32.22
3.	Ishaan Suri*	539,930	3.75
4.	Viraj Nanda	Nil	Nil
	<b>Total (A)</b>	<b>10,913,092</b>	<b>75.71</b>
<b>Promoter Group</b>			
1.	IGS Holdings Private Limited	525,000	3.64
2.	Shobhna Suri*	600,100	4.16
3.	Taipan Associates Private Limited	580,000	4.02
	<b>Total (B)</b>	<b>1,705,100</b>	<b>11.82</b>
<b>Investor Selling Shareholder</b>			
1.	OIH Mauritius Limited	1,797,600	12.47
	<b>Total (C)</b>	<b>1,797,600</b>	<b>12.47</b>
	<b>Total (D=A+B+C)</b>	<b>14,415,792</b>	<b>100.00</b>

\*Also participating as a Selling Shareholder in the Offer.

### Summary of select financial information derived from our Restated Financial Information

The following is a summary of certain financial information derived from the Restated Financial Information:

Particulars	<i>(In ₹ million, unless otherwise specified)</i>			
	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Equity share capital	150.01	150.01	150.01	144.16
Net Worth <sup>(1)</sup>	2,398.55	2,626.47	3,437.99	3,347.89
Revenue from operations	5,760.64	8,349.43	11,239.26	5,915.28
Restated profit for the year/period	64.37	171.33	814.63	345.74
Basic earnings per Equity Share (₹) <sup>#(2)</sup>	4.29	11.42	54.31	23.07
Diluted earnings per Equity Share (₹) <sup>#(3)</sup>	4.29	11.42	54.31	23.07
Net asset value per Equity Share (₹) <sup>(4)</sup>	159.90	175.09	229.19	232.24
Total borrowings <sup>(5)</sup>	19.54	33.61	113.84	37.40

# Not annualised for September 30, 2023.

Notes:

1. Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off but does not include reserves created out of revaluation of assets, capital reserve, write back of depreciation and amalgamation. Accordingly, we have calculated it as Total equity excluding the fair value gain (net of tax) recognised on measurements of assets at fair value and reserves not created out of the profits.
2. Basic earnings per Equity Share (₹) = Restated profit attributable to Shareholders of our Company for the year/period divided by weighted average number of Equity Shares outstanding during the year/period computed in accordance with Ind AS 33.
3. Diluted earnings per Equity Share (₹) = Restated profit attributed to Shareholders of our Company divided by weighted average number of shares outstanding during the years/period are adjusted for the effects of all dilutive potential Equity Shares computed in accordance with Ind AS 33.
4. Net asset value per Equity Share = Net Worth at the end of the year/period divided by the number of Equity Shares outstanding at the end of year/period.
5. Total borrowings = Non-current borrowings plus current borrowings.

### Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Information

There are no auditor qualifications which have not been given effect to in the Restated Financial Information.

### Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoters and Group Companies as on the date of this Draft Red Herring Prospectus, is set out below. :

Name	Criminal proceedings	Tax proceedings <sup>^</sup>	Statutory or regulatory actions <sup>^</sup>	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters for the last five years	Material civil litigation <sup>*</sup>	Aggregate amount involved <sup>**</sup> (in ₹ million)
<b>Company</b>						
By our Company	9	N.A	N.A.	N.A.	2	83.67
Against our Company	1	28	37	N.A.	Nil	232.92
<b>Directors</b>						
By our Directors	Nil	N.A	N.A	N.A.	Nil	Nil
Against our Directors	2	Nil	1	N.A.	Nil	Nil
<b>Promoters</b>						
By our Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Promoters	2	Nil	Nil	Nil	Nil	Nil

<sup>^</sup> There are 34 demands raised by Sriperumbudur Panchayat Union, Sriperumbudur Taluka, Kanchipuram, Tamil Nadu, towards non-payment of license fees, professional, house, property and library tax for the period of Financial Year ended March 31, 2011 to Financial Year ended March 31, 2023, which have been included under statutory and regulatory actions. The amount involved in such demands aggregates to ₹ 1.39 million. See “**Outstanding litigation and Material Developments – Actions by statutory or regulatory authorities**” on page 426.

<sup>\*</sup> Determined in accordance with the Materiality Policy.

<sup>\*\*</sup> To the extent quantifiable.

For more details, see “**Outstanding Litigation and Other Material Developments**” on page 425.

Further, for details of an outstanding litigation against our Group Company, Aries Developers LLP, which may have a material impact on our Company, see “**Outstanding Litigation and Other Material Developments**” on page 425.

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

### Risk factors

Specific attention of the investors is invited to the risk factors disclosed in “**Risk Factors**” on page 30. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

### Summary of contingent liabilities

Set out below is a summary table of our contingent liabilities as per Ind AS 37 as at September 30, 2023 derived from the Restated Financial Information:

S. No.	Particulars	(in ₹ million) As at September 30, 2023
1.	Demands received from sales tax authorities	153.87
2.	Demands raised by Income tax authorities	13.15
3.	Outstanding bank guarantees by the Company	736.50
4.	Demand raised by the Director of Town & Country Planning, Chennai, towards Infrastructure and Amenities	2.51
5.	Recovery suit filed by a vendor	16.99
6.	Pending labour cases	Liability not ascertainable
7.	Demand raised by Assistant Labour Commissioner, Pantnagar (‘ALC’), towards the wages of workers during the lockout period	18.50
8.	Demand raised by Pondur Panchayat towards non-payment of House Tax	1.39
9.	Demand received from Regional P.F. Commissioner, Haldwani towards assessment of PF dues related to job workers involved/engaged in job work by the Company or job work contractors, in connection with the work of the	3.43

S. No.	Particulars	(in ₹ million)	
		As at September 30, 2023	
Company			

For further details of contingent liabilities as at September 30, 2023 as per Ind AS 37, see “*Restated Financial Information – Annexure VI – Contingent Liabilities*” on page 354.

### Summary of related party transactions

Set out below is a summary of related party transactions with related parties for Financial Years 2021, 2022 and 2023 and for the six months ended September 30, 2023, as per Ind AS 24 read with the SEBI ICDR Regulations, as derived from the Restated Financial Information.

Related parties with whom transactions have taken place	Nature of relationships	Nature of transaction	(in ₹ million)			
			Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Aries Developers LLP	Entities in which KMP have a significant influence/ control.	Lease rent payment	2.40	2.40	4.20	2.10
Artfoto Studios	Entities in which KMP have a significant influence/ control.	Advertisement Expenses	0.59	0.96	1.02	0.61
Interarch Foundation	Entities in which KMP have a significant influence/ control.	Corporate Social Responsibility payment	0.58	1.01	1.37	-
Interarch Employees Group Gratuity Trust	Entities in which KMP have a significant influence/ control.	Gratuity Contribution	-	-	70.20	-
Intertec	Entities in which KMP have a significant influence/ control.	Sale of products	0.33	-	-	-
		Lease rent payment	3.90	3.90	5.70	2.85
		Reimbursement of expenses received	0.48	-	0.48	-
Signu Real Estates LLP	Entities on which KMP have a significant influence/ control.	Sale of products	-	-	0.03	-
		Lease rent payment	0.60	0.60	0.90	0.45
Taipan Associates Private Limited	Entities in which KMP have a significant influence/ control.	Sale of products	0.09	0.05	-	0.34
Arvind Nanda	Managing Director	Finance Cost	0.15	0.12	0.12	0.02
		Loan taken/adjusted	1.50	-	-	-
		Loan repaid/adjusted	3.50	-	-	2.00
		Remuneration Long term benefit	-	-	-	-
		Remuneration Short term benefit	2.77	3.22	3.21	1.61

<i>(in ₹ million)</i>						
Related parties with whom transactions have taken place	Nature of relationships	Nature of transaction	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
		Buyback of shares	-	-	-	127.50
Gautam Suri	Whole-Time Director	Finance Cost	0.42	0.72	0.69	-
		Loan taken/adjusted	-	7.50	-	-
		Loan repaid/adjusted	-	-	14.50	-
		Remuneration Long term benefit	-	-	-	-
		Remuneration Short term benefit	3.35	4.80	4.81	2.40
		Buyback of shares	-	-	-	87.50
Viraj Nanda	Non-Executive Director	Remuneration Long term benefit	-	0.02	0.04	0.03
		Remuneration Short term benefit	-	1.33	1.57	0.87
Ishaan Suri	Non-Executive Director	Buyback of shares	-	-	-	40.00
Manish Kumar Garg	KMP	Remuneration Long term benefit	-	0.24	0.47	0.32
		Remuneration Short term benefit	-	9.93	15.58	8.15
Nidhi Goel	KMP	Remuneration Long term benefit	0.04	0.11	0.16	0.05
		Remuneration Short term benefit	1.24	1.40	1.53	0.83
Anil Kumar Chandani	KMP	Remuneration Long term benefit	-	0.20	0.23	0.16
		Remuneration Short term benefit	-	7.64	8.15	4.08

**Notes:**

- (i) The remuneration to the key managerial personnel includes value of perquisites (excluding rent payment) based on the actual payment or evaluated as per the Income Tax Rule, 1962.
- (ii) The remuneration paid to Arvind Nanda excludes rent for March 31, 2021: ₹ 2.40 million, March 31, 2022: ₹ 2.40 million, March 31, 2023: ₹ 4.20 million and September 30, 2023: ₹ 2.10 million paid to Aries Developers LLP (Aries Developers Private Limited was converted into Aries Developers LLP and a certificate of incorporation dated April 21, 2023 was issued by the RoC) for his residence.
- (iii) Remuneration paid to Gautam Suri excludes rent for March 31, 2021: ₹ 0.60 million, March 31, 2022: ₹ 0.60 million, March 31, 2023: ₹ 0.90 million and September 30, 2023: of ₹ 0.45 million paid to Signu Real Estate LLP for his residence.

See “**Other Financial Information – Related party transactions**” on page 378.

### Financing arrangements

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

**Details of price at which specified securities were acquired by our Promoters, members of the Promoter Group, Selling Shareholders and Shareholders with right to nominate directors or other rights in the last three years**



Neither our Promoters, nor members of the Promoter Group or Selling Shareholders or Shareholders with right to nominate directors or other rights have acquired any specified securities in the last three years preceding the date of this Draft Red Herring Prospectus.

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

Neither our Promoters nor our Selling Shareholders have acquired any Equity Shares in the last one year immediately preceding the date of this Draft Red Herring Prospectus.

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

The average cost of acquisition per Equity Share for our Promoters and the Selling Shareholders as on the date of this Draft Red Herring Prospectus is as set out below:

<b>Name</b>	<b>Number of Equity Shares held as on date of this Draft Red Herring Prospectus</b>	<b>Average cost of acquisition per equity Share (in ₹)*</b>
<b>Promoters</b>		
Arvind Nanda**	5,729,046	4.99
Gautam Suri**	4,644,116	5.56
Ishaan Suri**	539,930	0.25
Viraj Nanda	NIL	Not applicable
<b>Selling Shareholders</b>		
Shobhna Suri	600,100	0.00
OIH Mauritius Limited	1,797,600	500.00

\*As certified by Manian & Rao, Chartered Accountant, by way of their certificate dated March 18, 2024.

\*\*Also participating as a Selling Shareholder in the Offer

#### **Weighted average cost of acquisition of Equity Shares transacted in last one year, 18 months and three years**

The weighted average cost of acquisition of all Equity Shares transacted during the one year, 18 months and three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

<b>Period</b>	<b>Weighted average cost of acquisition (in ₹)#</b>	<b>Cap Price is 'x' times the weighted average cost of acquisition</b>	<b>Range of acquisition price: lowest price – highest price (in ₹)</b>
One year immediately preceding the date of this Draft Red Herring Prospectus	NA	NA	NA
18 months preceding the date of this Draft Red Herring Prospectus	NA	NA	NA
Three years preceding the date of this Draft Red Herring Prospectus	NA	NA	NA

# Note: As certified by Manian & Rao, Chartered Accountant, by way of certificate dated March 18, 2024. The above table excludes 584,708 Equity Shares which were bought back by our Company on September 25, 2023 at a price of ₹ 667.00 per Equity Share, pursuant to the resolutions approved by our Board and Shareholders on August 17, 2023 and August 18, 2023, respectively.

#### **Details of pre-IPO placement**

Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.

#### **Issue of Equity Shares for consideration other than cash in the last year or made any bonus issue**

Our Company has not issued any Equity Shares for consideration other than cash or made any bonus issue in the one year immediately preceding the date of this Draft Red Herring Prospectus.

#### **Split/consolidation of Equity Shares in the last year**

Our Company has not undertaken a split or consolidation of the Equity Shares during the one year immediately preceding the date of this Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by the Securities and Exchange Board of India**

As on the date of this Draft Red Herring Prospectus, our Company has not sought any exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

## SECTION II: RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flow and financial condition as of the date of this Draft Red Herring Prospectus. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry sectors in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future and may adversely affect our business, results of operations, cash flows and/or financial condition. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows, prospects and financial condition could be adversely affected, the trading price of, and the value of your investment in our Equity Shares could decline, and you may lose all or part of your investment. Furthermore, some events may be material collectively rather than individually.*

*In order to obtain a more detailed understanding of our Company and our business, prospective investors should read this section in conjunction with “**Our Business**”, “**Industry Overview**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Financial Information**” on pages 224, 168, 384 and 300, respectively, as well as the other financial and statistical information included in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries. Some of the information in the following section, including information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties and other factors, many of which are beyond our control. Potential investors should read “**Forward-Looking Statements**” on page 20 for a discussion of the risks and uncertainties related to those statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is derived from the Restated Financial Information, included in “**Financial Information**” on page 300. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, “Assessment of pre-engineered steel buildings industry in India” released in January 2024 (“**CRISIL Report**”) prepared by CRISIL appointed by our Company pursuant to an engagement letter dated July 10, 2023 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see –“**Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk**”. on page 64. Also see, ‘**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**’ on page 18. The CRISIL Report is available on the website of our Company at <https://www.interarchbuildings.com/crisil-report.asp> Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### **Internal risk factors**

- 1. Our business and profitability are substantially dependent on the availability and the cost of our raw materials and components consumed, including steel, and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations, financial condition and cash flows.***

Our cost of raw materials and components consumed which primarily consists of steel in various descriptions and thickness, including hot rolled steel plates, galvanized steel coils, galvalume steel coils, hot rolled steel sections constitutes a significant portion of our total expenses. Steel, which is the key raw material for the manufacturing of our products, is a commodity and is subject to fluctuation in commodity prices. Due to high dependence on

steel, the ability of players in the PEB industry to tackle challenges related to input costs and working capital becomes crucial to the PEB industry's success. Additionally, steel prices are also susceptible to global geopolitical events such as the Russia-Ukraine war, which further emphasises the need for strategic resource planning (*Source: CRISIL Report*). The average purchase price of steel as incurred by us has increased from ₹ 0.05 million per tonne in Financial Year ended March 31, 2021 to ₹ 0.08 million per tonne in Financial Year ended March 31, 2022 and decreased to ₹ 0.07 million per tonne in the Financial Year ended March 31, 2023 and for the six months ended September 30, 2023.

The table below sets forth details of our cost of raw material and components consumed which primarily comprises expenses incurred on procuring steel, including as a percentage of our total expenses for the Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 respectively:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses
Cost of raw material and components consumed	3,551.18	61.69	5,694.36	69.59	7,427.33	72.29	3,952.59	71.56

We procure our raw materials, including steel, from third parties based on purchase orders and do not have continuing arrangements with our suppliers. The absence of any long-term or continuing arrangements for firm commitments of quantities at fixed prices and the need to maintain a continued supply of raw materials may make it difficult to resist price increases imposed by our suppliers. Also see, “*Risk Factors – We depend on third party suppliers for the uninterrupted supply of our raw materials and do not have continuing or exclusive arrangements with any of our suppliers. Loss of suppliers or any failure by our suppliers to make timely delivery of raw materials may have an adverse effect on our business, results of operations, financial condition and cash flows.*” on page 31. We are therefore exposed to volatility in the prices of our key raw materials specifically of steel. Majority of our customer orders are based on fixed or pre-determined prices which makes it difficult for us to pass on the increased price to our customers. While we seek to pass on the increase in cost of raw materials, especially steel to our customers, our cash flows may be adversely affected in case of a gap in time between the date of procurement of our raw materials and the date on which we can reset the raw material prices for our customers, to account for the increase in the prices of such raw materials.

**2. *We depend on third party suppliers for the uninterrupted supply of our raw materials and do not have continuing or exclusive arrangements with any of our suppliers. Loss of suppliers or any failure by our suppliers to make timely delivery of raw materials may have an adverse effect on our business, results of operations, financial condition and cash flows.***

We depend on third-party suppliers for supply of raw materials required in our production process. We do not have continuing arrangements for the supply of raw materials and rely on purchase orders which set out the terms and conditions in relation to quantity, pricing, scheduling and delivery details. Steel is our key raw material and finding readymade substitute suppliers for supplying the raw materials, including steel, of exact specifications and on terms and conditions acceptable to us may be difficult. Our purchase orders typically do not contain any provision for indemnification against any losses suffered by us or any resource for us in case of delay of supply. If any of these suppliers cease operations or decide to discontinue our supply relationship, or fails to supply within the stipulated framework, we would need to find alternative suppliers, within a requisite span of time. We may be unable to source our raw materials from alternative suppliers on similar commercial terms and within a reasonable timeframe. Loss of any one or more of our suppliers may adversely impact our production and eventually our business, results of operations, financial condition and cash flows. Interruption of, or a shortage in the supply of, raw materials required to manufacture our products, may also result in our inability to operate our Manufacturing Facilities at optimal capacities, leading to a decline in production and sales. While there have been no instances where our suppliers have terminated their arrangements with us or discontinued to supply raw materials for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023, we may be unable to find suitable alternative suppliers in the event our suppliers terminate their engagements with us or discontinue supply of raw materials in the future. Further, as we are subject to certain applicable laws in relation to our operations including environmental laws and manufacturing, and also strict quality requirements specified in contractual arrangements with our customers, our supplier base is limited, which increases the risk of being unable to make alternative arrangements.

Furthermore, as we do not have exclusive arrangements with our suppliers, our suppliers could be engaged with or may in the future engage with our competitors and prioritize supplies of their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials at competitive rates. The table below sets forth the contribution of our top 10 suppliers and our largest supplier (determined based on the cost of raw material and components consumed attributable to such supplier for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 respectively).

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of cost of raw materials and components consumed	Amount (in ₹ million)	% of cost of raw materials and components consumed	Amount (in ₹ million)	% of cost of raw materials and components consumed	Amount (in ₹ million)	% of cost of raw materials and components consumed
Top 10 suppliers	2,689.67	75.74	5,060.70	88.87	6,018.77	81.04	3,263.87	82.58
Our largest supplier	630.04	17.74	1,208.42	21.22	1,164.49	15.68	641.67	16.23

Further, the timely execution of our projects is also dependent on timely supply and delivery of raw materials. We may face the risk of our suppliers not being able to deliver on time and/or deliver requisite quantity or quality of raw materials. In the event we are unable to find an alternative supplier at a short notice, this may affect our obligations towards our customers. Although we maintain the inventory for some of our major raw materials like steel however, there may be instances when we do not have a particular raw material in our inventory. While there have been no instances during the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 where there was a delay in the supply of raw materials resulting in a material delay in the execution of our projects, we cannot assure you that there would not be any such delays in the future.

Ultimately, our success depends on the uninterrupted supply of raw materials to our Manufacturing Facilities which is subject to various uncertainties and risks. A failure to maintain a continuous supply of raw materials may result in our inability to manufacture and successfully execute our pre-engineered steel building contracts (“**PEB Contracts**”) and supply of PEB steel buildings and structures to our customers as part of our sale of PEBs (“**PEB Sales**”), in accordance with the respective contract and on a timely basis which could have a material and adverse effect on our business, results of operations, financial condition and cash flows.

3. *We derive a significant portion of our revenues from Repeat Orders which we identify as orders placed by customers or customer groups (identified as customers forming part of the same corporate group) that have placed orders with our Company previously. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows.*

We derive a significant portion of our revenue from operations from repeat orders from customers and customer groups (identified as customers forming part of the same corporate group) (“**Customer Groups**” and such orders, “**Repeat Orders**”) which we identify as orders placed by customers or Customer Groups that have placed orders with our Company previously. Set forth below is our revenue from such Customer Groups in the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and for the six months ended September 30, 2023:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of our revenue from operations	Amount (in ₹ million)	% of our revenue from operations	Amount (in ₹ million)	% of our revenue from operations	Amount (in ₹ million)	% of our revenue from operations
Revenue from Repeat Orders	4,132.99	71.75	4,894.15	58.62	9,038.70	80.42	5,241.08	88.60

We have historically been dependent, and expect to depend, on such Customer Groups and such Repeat Orders, for a substantial portion of our revenue and the loss of any them for any reason (including due to loss of, or termination of existing arrangements; limitation to meet any change in quality specification, customization

requirements, or change in construction technology; disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship, change in business practices of our customers or a change in the corporate structure of such Customer Groups) could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**4. *Our customers do not commit to long-term or continuing contracts and may cancel or modify their orders or postpone or default in their payments. Any cancellation, modification, payment postponement or payment default in regard to our order book could materially harm our cash flow position, revenues and earnings.***

We do not have any long-term or continuing agreements with our customers and rely on purchase orders issued by our customers from time to time, that set out the terms of our PEB Contracts or PEB Sales for each order. Further, certain purchase orders also permit our customers to unilaterally terminate such orders, with or without cause and if such cancellation takes place, it may have an adverse impact on our business, results of operations, financial condition and cash flows. Our pricing terms, payment cycles and permitted adjustments are generally set out in advance in our purchase orders. Majority of our purchase orders do not provide for price escalation provisions and are fixed rate contracts and we may not be able to renegotiate/reset prices set out, in the event of significant unanticipated changes in, for instance, currency exchange rate fluctuation or fluctuations in the price of raw materials. Due to committed delivery schedules at a pre-agreed price, we may not be able to adequately adjust our inventory and raw material costs in the event of an unanticipated change or cancellation in orders from our customers and we may, therefore, in certain events, incur additional costs that we are unable to pass through to our customers or be required to write off certain expenses. For instance, in Financial Year ended March 31, 2021, one of our customers terminated a contract due to the COVID-19 pandemic. While such termination had no material impact on our business, we cannot assure you that in the future, our customers will not cancel their orders which in turn, may have an impact on our business, results of operations, financial condition and cash flows.

We may encounter problems executing an order from a customer in accordance with the requirements of the customers on a timely basis. Due to the possibility of orders not being placed, cancellations or modifications i.e., changes in scope and schedule of orders, which is typically at the discretion of our customers, or reasons beyond our control or the control of our customers, we cannot predict with certainty when, if or to what extent a project or contract will be performed. Further, any delay in the completion of an order could also lead to customers delaying or refusing to pay the due amount, in part or full. These payments often represent an important portion of the revenue we expect to earn on an order. In addition, even where an order proceeds as scheduled, it is possible that our customers may default in payment or otherwise fail to pay amounts owed. While there have been no instances in the last three Financial Years ended March 31, 2021, 2022 and 2023 or for the six months ended September 30, 2023 where any of our customers have defaulted in payment or cancelled their orders which had a material adverse impact on our business and operations, we cannot assure you that any default or cancellation in due payment by our customers in the future. Any cancellation, modification, payment postponement or payment default in regard to our order book could materially harm our cash flow position, revenues and earnings.

Further, these purchase orders provide for payment of liquidated damages for delay in delivery and quality issues and we may also be required to indemnify customer against losses occurring as a result of defective products or rectify such defects. Also see, ***“Risk Factors – If the pre-engineered steel buildings that we deliver, experience quality defects or if the services we provide as a part of our contracts with our customers are found to be deficient, we may lose our customers and may be subject to product liability claims or claims alleging deficiency in service, which may also cause damage to our reputation and/or adversely affect our business, results of operations, financial condition and cash flows.”*** on page 41. Our relationships with our customers are therefore dependent to a large extent on our ability to meet customer requirements, including price competitiveness, efficient and timely deliveries and consistent quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from such affected customers.

Furthermore, there is no assurance that customers will continue to place orders with us at volumes or rates consistent with, and commensurate to, the amount of business received from them historically, or at all. As a result, we may need to source business from new customers.

5. ***Our business is dependent and will continue to depend on our Manufacturing Facilities and we are subject to certain risks in our manufacturing process. Any disruption, slowdown, or shutdown in our manufacturing operations could adversely affect our business, results of operations, financial condition and cash flows.***

Our business is supported by our manufacturing capabilities, comprising four operational Manufacturing Facilities in India. We primarily manufacture our products in-house at our Manufacturing Facilities. See “***Our Business – Our Strengths – Significantly integrated manufacturing operations, backed by in-house design and engineering, on-site project management, and sales and marketing capabilities***” on page 230.

Our business is dependent upon our ability to manage our Manufacturing Facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, fire, power interruption, severe weather conditions and natural disasters. For instance, in Financial Year ended March 31, 2022, operations at our Kichha Manufacturing Facility and Pantnagar Manufacturing Facility were impacted for one and a half days due to water logging at our factory premises on account of floods in Uttarakhand. While some of our raw materials were destroyed which we sold as scrap in Financial Year 2023 for a value of ₹ 8.97 million, there was no major interruption in our manufacturing process. Further, we have, in the past faced certain labour unrest. See, “***Risk Factors – We may be subject to labour unrests, labour union activities slowdowns and increased employee costs, which may adversely impact our business and results of operations.***” on page 44. We however, cannot assure you that such interruptions including also due to breakdowns, failure of equipment, power interruptions and the like, will not occur in the future. If such events were to persist or we are unable to repair machinery and equipment in a timely manner or at all, our operations may need to be suspended until we procure the appropriate machinery and equipment, to replace them. This may impact our ability to serve our customers and impair our relationships with our key customers and suppliers, which may adversely impact our business, results of operations, financial condition and cash flows.

In addition, we may be required to carry out planned shutdowns of our Manufacturing Facilities for maintenance, or due to some reasons beyond our control such as an outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions could adversely affect operations of our integrated production facility. In the future, we may also experience shutdowns or periods of reduced production because of regulatory issues, power outage, natural disaster, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries. In April 2020, all of our Manufacturing Facilities were shut down due to nationwide lockdown due to the COVID-19 pandemic. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our Manufacturing Facilities, resulting in our ability fulfil customer orders. Any disruption, slowdown, or shutdown in our manufacturing operations could adversely affect our business, results of operations, financial condition and cash flows.

6. ***We depend on our PEB Contracts for a significant portion of our revenues, in connection with which we also provide onsite project management for installation and erection of pre-engineered steel buildings. Our inability to effectively supervise projects may lead to project delays which may adversely affect our business, results of operations, financial condition and cash flows.***

We derive a significant portion of our revenue from operations from contracts with customers for supplying PEBs on a turn-key basis, as a part of which, we also provide onsite project management for the erection and installation of our PEBs. The contribution of revenue from pre-engineered building contracts, to our revenue from operations for the Financial Years ended March 31 2021, 2022 and 2023 and for the six months ended September 30, 2023 respectively, is set forth below:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations
Revenue from Pre- engineered building contracts	4,290.38	74.48	7,213.41	86.39	9,861.37	87.74	4,736.14	80.07

Any loss or significant reduction in our revenue from the provision of PEB Contracts for any reason (including due to loss of, or termination of existing arrangements, limitation to meet any change in quality specification, customization requirements, or change in construction technology, disputes with a customer, adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Onsite project management capabilities is a pivotal factor in the evaluation of pre-engineered steel building suppliers as construction industry is usually riddled by long projects. Hence, project management expertise becomes extremely important to ensure timely completion and avoid costs overrun as it helps in the adherence to timelines, budget constraints, and high-quality standards. (Source: CRISIL Report). Our ability to execute our PEB Contracts accordingly depends in part on our ability to supervise projects and engage in engineering and according to the detailed specifications of our customers within stringent delivery time frames. Our ability to meet our customer requirements depends on our ability to ramp up the project execution processes of designing, engineering, manufacturing, onsite project management for the erection and installation of our PEBs within the requisite timelines. Further, our project execution and management capabilities may also suffer from unanticipated interruptions, which would cause delays to our production schedule and prevent us from executing the projects within the scheduled timelines. In April 2020, all of our Manufacturing Facilities were shut down due to nationwide lockdown as a result of the COVID-19 pandemic. We faced challenges in procuring industrial oxygen which is used for welding of steel plates. Any failure to deliver the projects within the agreed schedule could result in payment of liquidated damages or invocation of Bank Guarantees (as defined hereinunder) and in certain cases may lead to the termination of the contract. While there have been no instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 of material delay in the execution of projects which resulted in the invocation of Bank Guarantees (as defined hereinunder) or payment of liquidated damages or termination of any contract, we cannot guarantee that in future we would be able to execute our projects within scheduled timelines.

7. ***The number of orders we have received in the past, our current order book and our growth rate may not be indicative of the number of orders we will receive in future. Any delays in execution of our orders expose us to time and cost overruns and variability in revenue, materially and adversely impacting our revenue from operations, cash flows, financial condition and cash flows.***

Our order book may be materially impacted if the time taken or amount payable for completion of any ongoing orders of our Company exceeds the contractual estimate. The order book details as at March 31, 2021, March 31, 2022 and March 31, 2023 and as on September 30, 2023 respectively, is set forth below:

Particulars	(in ₹ million)			
	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at September 30, 2023
Total order book*	3,949.34	10,448.79	10,303.03	10,362.72

\* Our order book as at a particular date is calculated based on the aggregate contract value of our ongoing projects as of such date reduced by the value of work invoiced by us until such date.

The growth of our order book is a cumulative indication of the revenues including incentives, that we expect to recognise in future periods with respect to our existing contracts. We cannot guarantee that the income anticipated in our order book will be realised or if realised, will be realised on time or result in profits. The number of orders we have received in the past, our existing order book and our historic growth rate may not be indicative of the number of orders we will receive in the future. While some of our contracts have been cancelled by our customers during the past there has been no material impact on our business. However, we cannot guarantee that our Company will always receive applicable termination payments in time, or at all, or that the amount paid will be adequate to enable our Company to recover its costs in respect of the prematurely cancelled order. In such events, we may have to bear the actual costs for such production incurred by us, which may exceed the agreed work as a result of which, our future earnings may be lower from the amount of the order book and if any of the forgoing risks materialize, our cash flow position, revenues and earnings may be adversely affected.

The completion of our orders involves various execution risks including delay or disruption in supply of raw materials, unanticipated cost increases, *force majeure* events, time and cost overruns, geo-political issues and operational hazards and therefore, we may not always be able to execute our projects within the scheduled time. In the event of any disruptions while executing our projects, due to natural or man-made disasters, workforce disruptions, fire, explosion, failure of machinery, or any significant social, political or economic disturbances or civil disruptions in or around the jurisdictions where such projects are located, our ability to execute our projects may be adversely affected. While there have been no instances in the past, where our operations were affected due



to such disruptions except due to the COVID-19 pandemic, we cannot assure you that our operations will not be affected if any such disruptions occur in future. Project delays, modifications in the scope or cancellations may occur from time to time, due to delay in payments by our customers or due to our own defaults on account of delay in delivering the order, incidents of force majeure, cash flows problems, regulatory delays, need for change in measurements and estimates used by us and any other factors beyond our control. In view of the above, projects can remain outstanding in the order book for extended periods of time due to the nature of the project and the timing of the services required for completion of such projects. Delays in the completion of a project for any reason whatsoever can lead to delay in receiving our payments and thereby leading to variability in revenue.

Delays in the execution of projects results in the cost overruns and affects our payment milestones, subsequently impacting our revenue recognition and exposing our business to variability in revenue thereby creating an adverse impact on our revenue, financial condition and cash flows. We may not be able to maintain and enhance our production capabilities within scheduled time or implement our production plans effectively at all.

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

As on the date of this Draft Red Herring Prospectus, we operate four Manufacturing Facilities in India. For details of the actual quantity manufactured and capacity utilised in the Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 at each of our Manufacturing Facilities, see “***Our Business – Manufacturing Facilities***” on page 248. The table below shows the product wise contribution of our Manufacturing Facilities during the Financial Years ended March 31, 2021, 2022, 2023 and for the six months ended September 30, 2023 respectively:

Name of Manufacturing Facility	Product	As at and for the financial year ended March 31, 2021			As at and for the financial year ended March 31, 2022			As at and for the financial year ended March 31, 2023			As at and for the six months ended September 30, 2023		
		Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)
<b>Pantnagar Manufacturing Facility</b>	BU <sup>*(1)</sup>	23,000	10,891	47.35	23,000	10,584	46.02	23,000	8,258	35.90	23,000	7,934	68.99
	BU Accessories <sup>***(1)</sup>	6,000	2,886	48.10	6,000	3,169	52.82	6,000	2,771	46.18	6,000	1,519	50.63
	<b>Sub-total</b>	<b>29,000</b>	<b>13,777</b>	<b>47.51</b>	<b>29,000</b>	<b>13,753</b>	<b>47.42</b>	<b>29,000</b>	<b>11,029</b>	<b>38.03</b>	<b>29,000</b>	<b>9,453</b>	<b>65.19</b>
<b>Kichha Manufacturing Facility</b>	BU <sup>*(1)</sup>	21,000	7,904	37.64	21,000	13,149	62.61	21,000	12,955	61.69	21,000	7,694	73.28
	CF <sup>** (1)</sup>	12,000	4,637	38.64	12,000	5,136	42.80	12,000	5,650	47.08	12,000	3,287	54.78
	BU Accessories <sup>*** (1)</sup>	2,500	327	13.08	2,500	391	15.64	2,500	1,338	53.52	2,500	946	75.68
	Roof/wall cladding, decking and accessories <sup>(2)</sup>	9,000	2,939	32.66	9,000	1,709	18.98	15,000	4,011	26.74	15,000	1,684	22.45
	False ceiling <sup>(2)</sup>	3,000	260	8.67	3,000	140	4.67	3,000	50	1.67	3,000	14	0.96
	Light gauge framing system	3,000	62	2.07	3,000	65	2.17	3,000	37	1.23	3,000	153	10.20
	<b>Sub-total</b>	<b>50,500</b>	<b>16,129</b>	<b>31.94</b>	<b>50,500</b>	<b>20,590</b>	<b>40.77</b>	<b>56,500</b>	<b>24,041</b>	<b>42.55</b>	<b>56,500</b>	<b>13,778</b>	<b>48.77</b>
<b>Tamil Nadu Manufacturing Facility I</b>	Roof/wall cladding, decking and accessories <sup>(2)</sup>	6,000	1,513	25.22	6,000	1,972	32.87	6,000	2,848	47.47	6,000	1,482	49.38
	False ceiling <sup>(2)</sup>	3,000	239	7.97	3,000	103	3.43	3,000	117	3.90	3,000	76	5.07
	<b>Sub-total</b>	<b>9,000</b>	<b>1,752</b>	<b>19.47</b>	<b>9,000</b>	<b>2,075</b>	<b>23.06</b>	<b>9,000</b>	<b>2,965</b>	<b>32.94</b>	<b>9,000</b>	<b>1,558</b>	<b>34.61</b>
<b>Tamil Nadu Manufacturing Facility II</b>	BU <sup>*(1)</sup>	21,000	12,729	60.61	21,000	15,834	75.40	21,000	20,558	97.90	21,000	9,714	92.51
	CF <sup>** (1)</sup>	12,000	3,328	27.73	12,000	3,458	28.82	12,000	3,854	32.12	12,000	2,990	49.83
	BU Accessories <sup>*** (1)</sup>	2,500	1,347	53.88	2,500	1,500	59.98	2,500	1,623	64.92	2,500	884	70.72
	<b>Sub-total</b>	<b>35,500</b>	<b>17,404</b>	<b>49.03</b>	<b>35,500</b>	<b>20,792</b>	<b>58.57</b>	<b>35,500</b>	<b>26,035</b>	<b>73.34</b>	<b>35,500</b>	<b>13,588</b>	<b>76.55</b>
<b>Pantnagar Manufacturing Facility</b>	<b>Site roll forming roofing</b>	2,000	3,155	39.44	2,000	3,002	37.53	2,000	5,340	48.55	2,000	2,585	47.00
<b>Kichha Manufacturing Facility</b>		3,000			3,000			3,000			3,000		
<b>Tamil Nadu Manufacturing Facility I</b>		1,000			1,000			1,000			1,000		

Name of Manufacturing Facility	Product	As at and for the financial year ended March 31, 2021			As at and for the financial year ended March 31, 2022			As at and for the financial year ended March 31, 2023			As at and for the six months ended September 30, 2023		
		Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)
Tamil Nadu Manufacturing Facility II		2,000			2,000			5,000			5,000		
<b>Sub-total</b>		<b>8,000</b>	<b>3,155</b>	<b>39.44</b>	<b>8,000</b>	<b>3,002</b>	<b>37.53</b>	<b>11,000</b>	<b>5,340</b>	<b>48.55</b>	<b>11,000</b>	<b>2,585</b>	<b>23.50</b>
<b>Grand total</b>		<b>132,000</b>	<b>52,217</b>	<b>39.56</b>	<b>132,000</b>	<b>60,211</b>	<b>45.61</b>	<b>141,000</b>	<b>69,410</b>	<b>49.23</b>	<b>141,000</b>	<b>40,962</b>	<b>58.10</b>

\*BU – Built-up sections such as H-shaped structures and I-shaped structures

\*\*CF – Galvanized cold formed C&Z sections made from galvanized coils

\*\*\*BU Accessories – Angle bracings, etc.

(1) Steel structures

(2) Metal ceiling and corrugated roofing

Notes:

1. Installed capacity has been calculated by multiplying the number of machines/production line, the number of working hours per day, the number of working days in a week and the number of weeks per year/period.
2. For all Manufacturing Facilities, working hours per shift considered at eight hours (including 30 minutes lunch break per shift), and three shifts per working day.
3. Six working days considered per week.
4. 52 weeks considered per year/26 weeks considered for six months.
5. The number of machines/production lines is calculated by aggregating the actual number of machines/production lines available at the beginning of the relevant Financial Year/period, and the actual number of machines/production lines added during the Financial Year/period adjusted pro-rata based on the number of weeks such additional machines/production lines were utilised during the said Financial Year.
6. Site roll forming roofing machines are considered separately since such machines are housed at the various Manufacturing Facilities, however are actually utilized for production at customer sites. For site roll forming roofing, capacity utilization has been calculated assuming two shifts per working day only, with all other assumptions being identical to as considered for Manufacturing Facilities as set out hereinabove under 1-5.
7. The four Manufacturing Facilities had an aggregate installed capacity of 141,000 MTPA as of September 30, 2023. This included one decking machine line, which was added at the Kichha Manufacturing Facility and three site roll forming machines which were added at the Tamil Nadu Manufacturing Facility II in the Financial Year 2023, the combined installed capacity of such additional machines being 9,000 MTPA.
8. The Pantnagar Manufacturing Facility's production capabilities include two beam welding production lines as well as shot blasting and finishing capabilities. In addition to this, it also has BU Accessories production capabilities, including for angle bracing, and other steel structures. There are two site roll forming machines at the Pantnagar Manufacturing Facility.
9. The Kichha Manufacturing Facility's production capabilities include two beam welding production lines, cold form C&Z roll forming machines, roofing, wall-cladding, decking, roll forming machine, as well as shot blasting and finishing capabilities. In addition to this it also has machines for making downpipe, flashing, gutter, false ceiling, as well as LGFS production capabilities. In addition to this, it also has BU Accessories production capabilities for pipe bracing, angle bracing and other steel structures. There are three site roll forming machines at the Kichha Manufacturing Facility.
10. The Tamil Nadu Manufacturing Facility I's production capabilities include roofing, wall cladding, roll forming machine, as well as production lines for downpipe, flashing, gutter, and false ceilings. There is one site roll forming machine at the Tamil Nadu Manufacturing Facility I.
11. The Tamil Nadu Manufacturing Facility II's production capabilities include two beam welding lines, cold form C & Z roll forming machines, as well as shot blasting and finishing capabilities. In addition to this, it also has BU Accessories production capabilities for pipe bracing, angle bracing and other steel structures. There are five site roll forming machines at the Tamil Nadu Manufacturing Facility II

Ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization. Capacity utilization is affected by our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our Manufacturing Facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our Manufacturing Facilities, resulting in operational inefficiencies which could have a material adverse effect on our business, financial condition and cash flows. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, future prospects and future financial performance.

**9. *Our Manufacturing Facilities are currently concentrated in the states of Tamil Nadu and Uttarakhand in India. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Tamil Nadu and Uttarakhand could have an adverse effect on our business, results of operations, financial condition and cash flows.***

As on the date of this Draft Red Herring Prospectus, we manufacture our products in-house at our four Manufacturing Facilities, comprising two Manufacturing Facilities in Sriperumbudur, Tamil Nadu, India (“**Tamil Nadu Manufacturing Facility I**” and “**Tamil Nadu Manufacturing Facility II**”) and one each in Pantnagar, Uttarakhand, India (“**Pantnagar Manufacturing Facility**”), and Kichha, Uttarakhand, India (“**Kichha Manufacturing Facility**”). Due to the geographic concentration of our Manufacturing Facilities, our operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, political, demographic and population changes, and other unforeseen events and circumstances. Such factors could result in the damage or destruction of a significant portion of our manufacturing abilities, and/or otherwise materially adversely affect our business, results of operations, financial condition and cash flows. For instance, in Financial Year ended March 31, 2022, operations at our Kichha Manufacturing Facility and Pantnagar Manufacturing Facility were impacted for one and a half days due to water logging at our factory premises on account of floods in Uttarakhand. While some of our raw materials were destroyed which we sold as scrap in Financial Year 2022 for a value of ₹ 8.97 million, there was no major interruption in our manufacturing processes. However, the occurrence of any of these events could require us to incur significant capital expenditure or change our business structure or strategy, which could have an adverse effect on our business, results of operations, future cash flows and financial condition. While we have not faced any material disruptions for the last three Financial Years ended March 31, 2021, 2022 and 2023 or for the six months ended September 30, 2023 of our operations due to factors, events or circumstances specific to their geographical location, we cannot assure you that there will not be any significant developments in these regions in the future, which may adversely affect our business, results of operations, financial condition and cash flows.

**10. *We are dependent on contract labour and any disruption to the supply of such contract labour for our Manufacturing Facilities or our inability to control the composition and cost of our contract labour could adversely affect our business, results of operations, financial condition and cash flows.***

We engage a large number of contract labours depending on the requirements of labour-intensive projects particularly in our Manufacturing Facilities and at the time of assembling and erection of the PEBs at the site of our customers. The number of contract labours vary from time to time based on the nature and extent of work involved in our on-going projects. These contract labours are engaged through independent contractors in accordance with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970. The table below sets forth number of our contract labour as at the dates indicated:

Particulars	As at			
	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
Number of contract labourers	447	253	333	336

We incur certain contract labour charges for engaging workforce through independent contractors. The table below sets forth the contractual labour charges for the years/period stated:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses
Contractual labour charges	23.56	0.41	32.43	0.40	24.63	0.24	13.03	0.24

Although our Company does not engage such contract labours directly, we may be held responsible for any wage payments to be made to such contract labours in the event of default by the independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged labourers or delay in recovering such amounts from the independent contractors may have an adverse effect on our cash flows and results of operations. Further, if we are unable to obtain the services of skilled and unskilled workforce or at reasonable rates it may adversely affect our business and results of operations. Any disruption to the supply of such labour for our Manufacturing Facilities or our inability to control the composition and cost of our contract labour could adversely affect our business, results of operations, financial condition and cash flows. Further, India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. If labour laws become more stringent, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**11. We outsource certain operations of our business such as transport, logistics, security guard services and other manufacturing processes to third parties. Any failure by such third parties to deliver their services could have an adverse impact on our business, results of operations, financial condition and cash flows.**

We engage third party logistics providers for our transportation needs and typically engage them on a work order basis. These third party service providers are responsible for ensuring that our transportation carriers are performing as required. The freight and forwarding charges as a percentage of total expenses for the Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 respectively, are set below:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses
Freight and forwarding charges	125.91	2.19	152.13	1.86	217.86	2.12	170.32	3.08

As we do not control our third-party logistic providers we could be subject to, amongst others, transportation strikes that could hamper supplies and deliveries to and from our customers and suppliers. A failure to maintain a continuous supply of raw materials or to successfully execute our PEB Contracts or supply of PEB steel buildings and structures as part of our PEB Sales to our customers or to the construction site in an efficient and reliable manner could adversely impact our customer relationships. We have not taken any insurance coverages for third-party logistic providers, and therefore, we may not be able to cover the cost of any delays caused by such third-party logistic providers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party logistic providers. We may not be able to transfer such increased costs to our customers. While we have not experienced any such instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 or for the six months ended September 30, 2023 for which we failed to meet our customer's delivery schedules due to any fault of our third party logistics providers, there is no assurance on the reliability of delivery by third party logistics providers, and any failure in meeting our customer's delivery schedules can impact our relationship with our customers. Any failure by such third party logistics providers to provide their services could have an adverse impact on our business, results of operations, financial condition and cash flows. We also outsource security guard services for our Manufacturing Facilities and enter into agreements with such security service providers. Any kind of disassociation or default on contractual obligations or termination of such security service contracts could have an adverse impact on our business.

We undertake a portion of our PEB production by way of outsourced manufacturing on a job work basis to third party manufacturers. While we have quality assurance systems and infrastructure in place to allow us to meet the different standards required by our customers, we have no direct control over our job workers which we outsource. In the event of any failure to meet quality standards by our third party manufacturers, we have no legal recourse given that we do not have indemnity protection from these third party manufacturers who supply job workers to us. While there have not been any warranty claims made against our products for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023, outsourcing

manufacturing processes may enhance the risks of us failing to comply with quality standards which may lead to adverse effects on our relationships with customers and lead to cancellation of existing or future orders.

**12. We depend on performance of third party builders/erectors for timely completion of our projects.**

We maintain relationships with a network of empanelled and approved builders/erectors who we identify and scrutinize based on their previous work experience. While such third party erectors are responsible for implementation of the PEBs at the customers' site, we are responsible to the customer for the management, supervision and site engineering of the project on an overall basis. The table below sets forth the building erection contractors charges for the years/period stated:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount	% of	Amount	% of	Amount	% of	Amount	% of
	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses
Erection and installation services expenses	602.20	10.46	667.47	8.16	822.48	8.01	508.20	9.20

We may face the risk of our building/ erection contractors not being able to deliver their obligations on time or default in their delivery timelines. In the event we are unable to find an alternative building/erection contractor on a short notice, our obligations towards our customers for timely completion of the orders will be adversely affected. In addition, should the building contractors' default on their work specifications to us, we may not be able to perform our services for our customers in accordance with quality, schedules or specifications pre-agreed with our customers. While there have been no instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 where any of the building/erection contractors had either materially defaulted on their contractual obligations or had caused a material delay in the execution of our projects, we cannot assure you that there would be no such delays in the future or any default of the contractual terms. Any default, non-performance or negligent act by our builders/erectors may result in us defaulting on our obligations with our customers. In case our customers choose to initiate action against us due to such delays or defects in our products, our financial performance and operating cash flows will be adversely affected.

**13. If the pre-engineered steel buildings that we deliver, experience quality defects or if the services we provide as a part of our contracts with our customers are found to be deficient, we may lose our customers and may be subject to product liability claims or claims alleging deficiency in service, which may also cause damage to our reputation and/or adversely affect our business, results of operations, financial condition and cash flows.**

Our business depends on our manufacturing, design and engineering and on-site project management capabilities for the installation and erection of PEBs and on us successfully executing our PEB Contracts and delivering the PEB steel buildings and structures to our customers. The fabrication of the PEBs is carried out in our Manufacturing Facilities under stringent quality control. Since we typically provide warranties ranging from 12 months and design stability up to 25 years under our PEB Contracts and for the PEB steel buildings and structures which we deliver as part of our PEB Sales, and also warranties for general repairs of defects that existed at the time of the sale, any defects including in relation to design, materials and workmanship, may also cause us to incur significant repair costs under our purchase orders. We may be unable to obtain warranties for a similar period from our suppliers for the raw materials used in our products. We may have to incur significant costs to address such defects including having to pay damages claimed by customers, if any. Further, the recurrence of such problems may result in the delay or loss of market acceptance of our products, which may cause damage to our reputation and/or adversely affect our business, results of operations, financial condition and cash flows. This could in turn require considerable resources in rectifying the defects and could adversely affect the demand for our products. Further, any defect in our products or our inability to comply with the quality parameters may lead to cancellation of existing orders by our customers and in certain instances may even impose additional costs in the form of product liability thereby causing damage to our reputation and/or adversely affect our business, results of operations, financial condition and cash flows.

Our services which are part of the PEB Contracts include design and engineering, manufacturing, on-site project management capabilities for the installation and erection of PEBs. Companies prefer PEB suppliers who have reputed design/architecture teams and established design capabilities as these factors directly influence the functionality and the aesthetics of the building (*Source: CRISIL Report*). Particularly for PEB Contracts, our

customers rely on us for our on-site project management capabilities. We may not be able to provide services to the satisfaction of our customers. If a customer finds our services to be deficient, we will have to rectify such defects at our own costs. In May 2022, due to a natural disaster at one of the sites of our customer in Luhari, Gurugram, Haryana, India, the building erected by us incurred certain damages. While there was no material financial impact, we have added internal checks and controls to monitor erection sequence of our PEBs to prevent any such future disaster. Any such occurrence on account of errors and omission or failure to meet quality and standards of our products and processes can have consequences including incurring additional cost, which will not be borne by the customer and could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our financial condition and cash flows. This may also result in our customers cancelling present or future purchases of our products.

**14. *We have significant working capital requirements. If we experience insufficient cash flows to meet our working capital requirements, our business, results of operations and cashflows could be adversely affected.***

Our business requires significant working capital in order to finance the purchase of raw materials and maintaining inventory, furnishing of Bank Guarantees (*as defined hereinunder*). Further, the actual amount for our future working capital requirements may differ from estimates due to *inter alia* unanticipated expenses and cost overruns which we may face during the ordinary course of business. The working capital requirements of our Company for Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 respectively is set forth below:

Particulars	<i>(in ₹ million)</i>			
	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Net Working capital requirements	577.08	661.50	1,009.33	718.19

*Notes: Net working capital requirement = Current Assets (excluding cash and cash equivalents and bank balances other than cash and cash equivalents) – Current Liabilities (excluding current borrowings).*

Currently, we meet our working capital requirements through a mix of internal accruals and working capital facilities from banks. We also propose to utilise a portion of our Net Proceeds to fund incremental working capital requirements as specified in “*Objects of the Offer – Objects of the Fresh Issue*” on page 105. However, delays in our billing and settlement process, or delays or defaults in our trade and other receivables or an increase in inventory and work in progress and/or accelerated payments to suppliers, or an increase in Bank Guarantees (*as defined hereinunder*) requirements could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital requirements. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. If we are unable to manage our working capital requirements, our business, results of operations and cash flows could be adversely affected. We cannot assure that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business. While there have been no instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 where we had faced working capital deficit, we cannot assure that we will be able to adequately maintain our working capital requirements. If we experience insufficient cash flows to meet our working capital requirements, our business, results of operations and cashflows could be adversely affected.

**15. *We need to furnish bank guarantees, contract performance bank guarantees and performance bank guarantees to our customers. Any contractual default on our part may result in invocation of the Bank Guarantees, claims and payment of liquidated damages, which could adversely affect our business, results of operations, financial condition and cash flows.***

We are required to furnish bank guarantees, contract performance bank guarantees and performance bank guarantees (collectively, “**Bank Guarantees**”) to our customers on a case to case basis for: (i) taking advance payments for our orders, (ii) performance guarantees in relation to the completion of our projects and (iii) contract performance bank guarantees in certain cases. These Bank Guarantees subsists typically till the completion of the project. In the event any of the Bank Guarantees furnished by or on behalf of our Company, are invoked or if we are unable to meet our guaranteed requirements, then legal proceedings may be initiated against us, or we may incur additional costs. Further, we are responsible for the quality and performance of our turnkey PEBs and our PEB steel structures and buildings and we are also required to complete the manufacturing of our products within

a stipulated schedule. Any delay or failure to adhere to a contractually agreed schedule of completion could result in payment of liquidated damages for the period of such delay. While there have been no instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 where Bank Guarantees have been invoked or where our purchase orders/contracts were terminated on account of default or we paid liquidated damages, we cannot guarantee that our Bank Guarantees will not be invoked or that purchase orders/contracts will not be terminated on grounds of default in the future or that we would be able to deliver our products and services within the stipulated timelines. The existence, or even a threat of a major liability claim could damage the reputation of our Company and affect our consumers' views of our products and services as a part of our PEB Contracts. Any contractual default on our part may result in the invocation of Bank Guarantees, claims and payment of liquidated damages, which could adversely affect our business, results of operations, financial condition and cash flows.

**16. *Our Corporate Office and all of our Manufacturing Facilities are located on land within industrial development areas and out of which three of them are located on land which has been taken on lease by us. If we are unable to comply with conditions of use of such land for our Corporate Office and Manufacturing Facilities, we may have to relocate our operations which may have an adverse impact on our business, results of operations, financial condition and cash flows.***

All our Manufacturing Facilities are located on land within industrial development areas and out of which three have been taken on lease from: (i) State Industries Promotion Corporation of Tamil Nadu Limited (“SIPCOT”) (with respect to our two Manufacturing Facilities located in Tamil Nadu), and (ii) State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (formerly known as State Industrial Development Corporation of Uttarakhand Limited) (“SIDCUL”), and (with respect to our Manufacturing Facility located in Pantnagar, Uttarakhand) and our Planned Andhra Pradesh Manufacturing Facility, wherein we are in the process of setting up manufacturing units in phases, is located on industrial land leased by us from Andhra Pradesh Industrial Infrastructure Corporation Limited (“APIIC”) (collectively, “Industrial Development Corporations” or “IDCs”). According to the (i) terms of the allotment letters issued by the IDCs; (ii) agreements entered into with the IDCs; and (iii) the statutory rules under which the IDCs function, we are required to comply with various conditions such as adhering to the timelines for the commencement of construction of building and manufacturing activity, annual payment of maintenance charges, compliance with applicable environmental laws, amongst others. Further, our Company is required to obtain prior written consent from SIPCOT, APIIC and SIDCUL with respect to, among other things, change in our Board of Directors, shareholding pattern and constitutional documents.

In relation to the Offer, we have received a consent from SIDCUL for a reconstitution of our Company pursuant to its conversion from a ‘private limited’ to a ‘public limited’ company, subject to the payment of applicable fees (which has been paid). Pursuant to such consent SIDCUL has also taken on record the updated shareholding of our Company. Subsequently, we have also intimated SIDCUL about the proposed change in the shareholding pattern of our Company and it shall be intimated about further change in our shareholding pattern pursuant to the Offer, post the date of Allotment. We have also received a consent from SIPCOT for the proposed Offer subject to certain conditions wherein SIPCOT had directed our Company to apply for their consent separately for: (i) dilution of the shareholding pattern of our Promoters, (ii) change in the ownership or change in control or management of our Company and (iii) conversion of our Company from a ‘private limited’ to a ‘public limited’. In this regard, we have intimated SIPCOT with respect to the conversion of the Company from a ‘private limited’ to a ‘public limited’, and also clarified that the change in the ‘constitution of the board of directors’ of our Company pursuant to the proposed Offer has not resulted in either ‘change in the control or ownership or management’ of our Company. Further, we have received a provisional consent from APIIC for the proposed Offer wherein, APIIC has directed our Company to apply for their consent separately for: (i) dilution of the shareholding pattern of our Promoters, (ii) change in the ownership or change in control or management of our Company and (iii) conversion of our Company from a ‘private limited’ to a ‘public limited’. In this regard, we have made an application in the portal of APIIC seeking consent for the conversion of our Company from a ‘private limited’ to a ‘public limited’. Further we have also (i) clarified since the proposed Offer is to be undertaken through a book building process, the post Offer shareholding of our Company cannot be determined at this stage and accordingly we will intimate APIIC in relation to such proposed change in the shareholding pattern of our Company, post listing of the Equity Shares and (ii) intimated that the change in the name, constitution or management (Board of Directors) has not resulted in a change in control of our Company; (iii) intimated about our application filed on the portal of APIIC with respect to the conversion of our Company from a ‘private limited’ to ‘public limited’; and (iv) made an undertaking to apply for the approval for change in the management and Board of Directors of our Company once we receive the approval for the application of conversion. While we have obtained consents from SIDCUL, SIPCOT and APIIC in the manner as mentioned above, our subsequent applications to these IDCs may not be acceptable by these IDCs.



Further, one of our Corporate Office is also located on an industrial land which has been taken on lease from the New Okhla Industrial Development Authority (“NOIDA”) Our Company has sought a no-object from NOIDA in relation to: (i) the conversion of our Company from a ‘private limited’ to a ‘public limited’; (ii) changed in shareholding; and (iii) change in the Board of Directors. However, we are yet to receive a consent and no-objection from them.

Additionally, in the event we fail to comply with the terms and conditions under the agreements entered into with the IDCs, these agreements may get terminated. For instance, in the event we fail to adhere to the terms and conditions under the agreements entered with SIPCOT, it reserves the right to take possession of our leased land and take the possession of our leased land together with the factory and other buildings and fixtures located therein without payment of any compensation for any structures made on the leased land. Similarly in the event we fail to adhere to the terms and conditions of the agreement entered with the NOIDA authority, it reserves the right to cancel the lease agreement. In case any of our agreements are terminated, we would need to relocate our operations on that land to a different location, which would disrupt our operations and involve additional costs and which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**17. We may be subject to labour unrests, labour union activities slowdowns and increased employee costs, which may adversely impact our business and results of operations.**

As at September 30, 2023, our workforce comprised 578 staff and 1,422 non-staff personnel. Additionally, as at September 30, 2023, we had engaged 336 contract labourers.

Our employee benefits expense for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023, respectively is stated below:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses
Employee benefits expense	795.35	13.82	892.22	10.90	933.63	9.09	552.99	10.01

Our manufacturing operations are significantly dependent on the co-operation and continued support of our workforce, including Interarch Majdoor Sanghatan Kichha and Interarch Majdoor Sanghatan, Pantnagar labour unions involving our employees at our Pantnagar Manufacturing Facility and Kichha Manufacturing Facility, respectively. Strikes or work stoppages by our workforce at our Manufacturing Facilities could halt our production activities, target for union organising activities and disrupt our distribution channels which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. For instance, in Financial Year ended March 31, 2018, certain workers at Pantnagar Manufacturing Facility demonstrated resistance and assaulted our production manager. Further, for certain months in Financial Year ended March 31, 2022 and March 31, 2023, there was a labour unrest represented by Interarch Majdoor Sanghatan, Pantnagar, a labor union involving our employees at our Pantnagar Manufacturing Facility where our labourers resorted to ‘go slow production’ at our Pantnagar Manufacturing Facility. Our Company had to declare a partial lock-out under the applicable provisions of UP Industrial Dispute Act, 1948. See “**Outstanding Litigation and Other Material Developments – Actions by statutory or regulatory authorities**” on page 426. In the Financial Year ended March 31, 2023, 428 workers at our Pantnagar Manufacturing Facility and Kichha Manufacturing Facility went on strike for around three months with respect to their demand to increase their wages. While production loss during the above mentioned strike and lock-out periods were covered by our increased production in our remaining Manufacturing Facilities and by outsourcing our production, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce.

Any such event, at our Manufacturing Facilities or at any new facilities that we may set-up, commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers and suppliers, which may adversely impact our business, financial condition and cash flows.

18. ***We do not own our Registered Office and our Corporate Office, sales offices and land on which most of our Manufacturing Facilities are located. A failure to renew our existing lease arrangements at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations.***

We do not own our Registered Office located at Farm No. 8, Khasara No. 56/23/2, Dera Mandi Road, Mandi Village, Mehrauli, New Delhi 110 047 Delhi, India which is leased from Aries, one of the entities forming part of the Promoter Group, where our Promoter and Managing Director, Arvind Nanda is a partner. Further, our Corporate Office is located at B 30, Sector 57, Noida 201 301, Uttar Pradesh, India and the land on which Tamil Nadu Manufacturing Facilities and Pantnagar Manufacturing Facility are located are leased from industrial land parcels allotted to us by various IDCs. Further our sales offices are also located at premises which are also leased from third parties. The tenure of our lease agreement for our Registered Office is for 11 months with effect from March 1, 2024 whereas our lease arrangements with IDCs are for a tenure ranging up to 99 years. See “***Our Business – Manufacturing Facilities***” on page 248. For risk in relation to our Manufacturing Facilities leased to us by IDCs, see “***Risks Factor – Our Corporate Office and all of our Manufacturing Facilities are located on land within industrial development areas and out of which three of them are located on land which has been taken on lease by us. If we are unable to comply with conditions of use of such land for our Corporate Office and Manufacturing Facilities, we may have to relocate our operations which may have an adverse impact on our business, results of operations, financial condition and cash flows.***” on page 43.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements in the past, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements for new offices and manufacturing operations. We cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our Manufacturing Facilities during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

19. ***Inability of our design and engineering team to formulate a cost effective strategy for our projects would have an adverse impact on our profit margins. Further, our inability to develop products that will be relevant for new and emerging industries, may adversely impact our business, results of operations, financial condition and cash flows.***

Our PEB offerings are designed, engineered and fabricated by us in accordance with our customers’ requirements. For details of pricing arrangements and other terms and conditions of purchase orders executed with our customers, see “– ***Our customers do not commit to long-term or continuing contracts and may cancel or modify their orders or postpone or default in their payments. Any cancellation, modification, payment postponement or payment default in regard to our order book could materially harm our cash flow position, revenues and earnings.***” on page 33. Inability of our design and engineering teams to accurately estimate the cost of the project, would have an adverse impact on our business, results of operations, financial condition and cash flows. While there have been no instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 where our design and engineering team erred in estimating the accurate cost of the project which had a material impact on our business and operations, we cannot assure that our design and engineering team will always be successful in estimating the accurate cost of the project.

While our design process and design team allows us to develop new and differentiated products and respond to evolving industry trends and sectors and our customers’ preferences, delays in introducing new products which will be suitable for any new industry sectors or failure to offer products at competitive prices may cause existing and potential customers to purchase our competitors’ products. We have licensed certain software in computer aided design technology and manufacturing, which are used by our design and engineering team to effectively achieve the design and detailing parameters based on our customers’ requirements. However, there is no assurance that our competitors will not be able to increase the designing efficiency of their products by using latest technology and offer attractive prices to the customers, without affecting their margins.

20. ***Our inability to collect receivables and defaults in payment from our customers could result in the reduction of our profits and affect our cash flows.***

We receive payments in parts as per the terms of the purchase orders entered into with our customers. Our business depends in part on our ability to successfully obtain payments from our customers for products and services provided under our PEB Contracts and PEB Sales. While we typically limit the credit we extend, we may still experience losses in the event our customers are unable to pay. As a result, while we maintain an allowance for

doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. While there has been no material bad debts for the Financial Years ended March 31, 2021, 2022 and 2023 and for six months ended September 30, 2023, we cannot assure you that we would not have any bad debts in the future. The table below sets forth details of our trade receivables, as at the dates set out below:

Particulars	<i>(in ₹ million)</i>			
	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at September 30, 2023
Non-current Trade receivables	332.89	279.51	383.70	417.46
Current Trade receivables	687.22	857.01	1,587.08	1,145.11
<b>Total</b>	<b>1,020.11</b>	<b>1,136.52</b>	<b>1,970.78</b>	<b>1,562.57</b>

If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition, cash flows and results of operations.

**21. *We propose to utilise a portion of the Net Proceeds of the Offer towards capital expenditure, including towards capacity development by setting up of a new manufacturing unit in a new geography which could be subject to delays, cost overruns, and other risks and uncertainties.***

In order to achieve the economies of scale in our operations to enable us to increase our production of our capabilities, we intend to continue to invest in development of additional manufacturing capacity as well as improve on operational efficiencies, and towards such objective, we intend to utilize a portion of the Net Proceeds for financing capital expenditure, including an amount of ₹ 585.26 million towards setting up the Project in the state of Andhra Pradesh, India, and an amount of ₹ 192.46 million towards upgradation of the Kichha Manufacturing Facility, Pantnagar Manufacturing Facility and Tamil Nadu Manufacturing Facilities. We have estimated our capital expenditure requirements based on (a) our current business plan, internal management estimates as per our business plan based on current market conditions and valid quotations obtained from various third-party vendors, which are subject to change in the future; (b) the detailed project report dated March 9, 2024 for Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities obtained from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) in relation to the Project; (c) certificate dated March 9, 2024 received from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), in relation to upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility. See “- ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***” on page 47. Our expansion plans and business growth require significant capital expenditure and the dedicated attention of our management. Further, our ability to set up manufacturing units at the Planned Andhra Pradesh Manufacturing Facility which is proposed to be undertaken in two phases, will depend on a variety of factors including but not limited to, receipt of relevant approvals, availability of sufficient skilled employee and labour base, and timely procurement of land, machinery and other related infrastructure. We may face time and cost overruns during each phase of our capacity development plan for the Planned Andhra Pradesh Manufacturing Facility, including on account of increased costs of sourcing equipment or increased costs of labour, technical difficulties or adverse weather conditions during the construction phase. Any delay or our inability to increase our production capabilities may restrict our ability to expand our presence across India. Since our Company proposes to undertake the Project, classified as Phase 2 of our capacity development plan at the Planned Andhra Manufacturing Facility subsequent to completion of Phase 1, any delay in Phase 1 would impact the schedule of Phase 2 as well. Further, the Project is proposed to be set up on industrial land leased from the APIIC. See “-***Our Corporate Office and all of our Manufacturing Facilities are located on land within industrial development areas and out of which three of them are located on land which has been taken on lease by us. If we are unable to comply with conditions of use of such land for our Corporate Office and Manufacturing Facilities, we may have to relocate our operations which may have an adverse impact on our business, results of operations, financial condition and cash flows.***” on page 43.

Our efforts to develop and enhance our manufacturing capacity and production capabilities are subject to significant risks and uncertainties, including: (i) delays and cost overruns resulting from increases in the prices and availability of raw materials and components, shortages of skilled workforce and transportation constraints; (ii) lower production efficiency and yield before achieving our expected economies of scale; (iii) the unavailability or delay in arrival of the required equipment or raw materials from third parties; and (iv) interruptions caused by natural disasters or other unforeseen events. If we are unable to address these risks and uncertainties, the expansion of our production capabilities of as described in detail in “*Objects of the Offer*” on page 105 could be delayed, adversely affecting our business, results of operation and prospects.

**22. *Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***

We intend to use the Net Proceeds for (i) financing the capital expenditure towards the Project; (ii) financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Pantnagar Manufacturing Facility and Tamil Nadu Manufacturing Facilities; (iii) funding investment in information technology assets for upgradation of existing information technology infrastructure of our Company; (iv) funding incremental working capital requirements; and (v) general corporate purposes in the manner specified in “*Objects of the Offer – Objects of the Fresh Issue*” on page 105. Such fund requirements, deployment of the funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on (a) our current business plan, internal management estimates as per our business plan based on current market conditions and valid quotations obtained from various third-party vendors, which are subject to change in the future; (b) the detailed project report dated March 9, 2024 for Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities obtained from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) in relation to the Project; (c) certificate dated March 9, 2024 received from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), in relation to upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility; and (d) certificate dated March 18, 2024 from Manian & Rao, Chartered Accountants, an independent chartered accountant in relation to the working capital requirements and such fund requirements and deployment of funds, and have not otherwise been appraised by any bank, financial institution or any other independent agency. Our internal management estimates may exceed fair market value or the value that would have been determined by bank, financial institution or other independent third-party agency appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, results of operations, financial condition and cash flows. The quotations relied on for the estimation of cost of the Objects are valid for a certain period of time and may be subject to revisions and other commercial and technical factors. Additionally, in the event of any delay in placement of orders, the proposed schedule, implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that the actual costs incurred in relation to any of the Objects will be similar to and not exceed the amounts indicated in any third party quotations as on the date of this Draft Red Herring Prospectus. Our Company’s historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the planned deployment at the discretion of our management, subject to compliance with applicable law. See “- *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders’ approval*” on page 47.

**23. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders’ approval.***

We propose to utilise the Net Proceeds for (i) financing the capital expenditure towards the Project; (ii) financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility Pantnagar Manufacturing Facility and Tamil Nadu Manufacturing Facilities; (iii) funding investment in information technology assets for upgradation of existing information technology infrastructure of our Company; (iv) funding incremental working capital requirements; and (v) General corporate purposes in the manner specified in “*Objects of the Offer –*

*Objects of the Fresh Issue*” on page 105. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

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

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

**24. *We are yet to place orders for equipment proposed to be funded through this Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, results of operations, financial condition and cash flows may be adversely affected.***

We intend to utilize a portion of the Net Proceeds for financing the capital expenditure towards setting up the Project and financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Pantnagar Manufacturing Facility and Tamil Nadu Manufacturing Facilities. We are yet to place orders for the entire portion of the total capital expenditure which we propose to fund from the Net Proceeds. We have not entered into any definitive agreements to utilize the Net Proceeds for these objects of the Offer and have relied on the quotations received from third parties for estimation of the cost, the detailed project report for Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities dated March 9, 2024 obtained from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) in relation to the Project, and the certificate received dated March 9, 2024 from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) in relation to upgradation of the Kichha Manufacturing Facility, Pantnagar Manufacturing Facility and Tamil Nadu Manufacturing Facilities. The completion of such projects is dependent on the performance of external agencies, which are responsible for *inter alia* civil work, procurement and installation of machinery and supply and testing of equipment. If the performance of these agencies is inadequate, it may result in incremental cost and time overruns which could adversely affect our business and results of operations. We may also be unable to identify suitable replacement external agencies in a timely manner. In addition, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

The quotations received by us for such plant and machinery as of the date of this Draft Red Herring Prospectus are valid for a certain period of time and may be subject to revisions and other commercial and technical factors. Additionally, in the event of any delay in placement of orders, the proposed schedule, implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that the actual costs incurred in relation to any of the Objects will be similar to and not exceed the amounts indicated in any third party quotations as on the date of this Draft Red Herring Prospectus. The terms of certain quotations, also specify that the prices in such quotations are subject to variation during the validity period pursuant to policy changes and changes in the price list/raw materials of the vendors. If there is any increase in the costs of equipment, additional costs will need to be borne by our Company from its internal accruals. As a result, there can be no assurance that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Our inability to procure such machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, results of operations, financial condition and cash flows.

**25. *We have incurred indebtedness, and our inability to obtain further financing or meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations, financial condition and cash flows.***

As on January 31, 2024, our total indebtedness was ₹ 2,812.58 million. Our ability to obtain financing is subject to a variety of uncertainties, including our financial condition, results of operations, cash flows and liquidity of global capital and lending markets. Further, financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. Further, if we are required to raise equity financing, this could result in dilution to our Shareholders. While as on date of this Draft Red Herring Prospectus, our Company has not availed any unsecured loans, in the event we avail any unsecured loans in the future, there would be a possibility where such loans could be recalled by the lender at any time. If any lender seeks repayment of any such loan, our Company will need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Our inability to obtain further financing could adversely affect our business, results of operations, financial condition and cash flows. Further, some of our Promoters have given a personal guarantee for our borrowings and M/s Intertec, one of our Promoter Group members has given corporate guarantee, in relation to certain borrowings availed by our Company. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or the cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all and which may limit our operational flexibility. Accordingly, our business, results of operations and cash flows may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters.

Our financing agreements contain certain restrictive covenants such as changes in the capital structure, amending and/or modifying the constitutional documents, changes in the management that limit our ability to undertake certain types of actions, any of which could adversely affect our business, financial condition and cash flows. Our Company is required to obtain prior approval from and provide prior intimation to certain of our lenders for, among other things, change in control of our Company, change in capital structure or constitutional documents, or undertake any new projects or expansion. We have obtained necessary consents from our lenders, as required under the financing agreements, for the Offer and related actions. Any failure in the future to satisfactorily comply with any condition or covenant under our financing arrangements may lead to termination of one or more of our credit facilities, immediate repayments of our credit facilities, appointment of a nominee director on the board of directors of our Company or conversion of the outstanding borrowing to equity in our Company, any of which may adversely affect our business, results of operations, financial condition and cash flows. Although we have not defaulted on our financial obligations and have been in compliance with covenants in the past, we cannot assure you that we will be able to comply with all such financial obligations and covenants in the future. Further, we have granted security interests over certain of our assets, including charge on our present and future current assets and on our present and future movable assets and certain immovable fixed assets, to secure our borrowings and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, financial condition, cash flows and results of operations. For further details of our indebtedness, see "**Financial Indebtedness**" on page 382.

**26. *Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our business, results of operations, financial condition and cash flows.***

Our operations are subject to certain hazards such as accidents at work, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause destruction of property plant and machinery and inventory. For details of insurance policies maintained by us, see "**Our Business – Insurance**" on page 260. These insurance policies are generally valid for a year and are renewed annually. We cannot assure you that the renewal of our insurance policies in the future will be granted in a timely manner, at acceptable cost or at all. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations. The aggregate coverage of insurance policies obtained by us as a percentage of our property, plant and equipment (excluding freeholding land), investment properties and inventories covered by insurance as of March 31, 2021, March 31, 2022 and March 31, 2023 and as at September 30, 2023 respectively, are set forth below:

Particulars	As at March 31, 2021		As at March 31, 2022		As at March 31, 2023		As at September 30, 2023	
	Amount (in ₹ million)	% of the Company's property, plant and equipment (excluding freehold land), investment properties and inventories	Amount (in ₹ million)	% of the Company's property, plant and equipment (excluding freehold land), investment properties and inventories	Amount (in ₹ million)	% of the Company's property, plant and equipment (excluding freehold land), investment properties and inventories	Amount (in ₹ million)	% of the Company's property, plant and equipment (excluding freehold land), investment properties and inventories
Aggregate coverage of insurance policies	3,895.14	208.20	4,439.69	206.98	4,824.90	217.35	5,577.86	223.44

Our insurance may not be adequate to completely cover any or all our risks and liabilities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. While we have not faced any such instances for the Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 which led to a material adverse effect on our business or operations, if our losses significantly exceed or differ from our insurance coverage or cannot be recovered through insurance in the future, our business, results of operations, financial condition and cash flows could be adversely affected. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see “**Our Business – Insurance**” on page 260. If insurance coverage, customer indemnifications and/or other legal protections are not available or are not sufficient to cover risks or losses, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**27. Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others and any failure to keep our technical knowledge confidential could erode our competitive advantage and could have a material adverse effect on us.**

As on the date of this Draft Red Herring Prospectus, we have 14 registered trademarks in India. Our intellectual property registrations are subject to expiration, and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows. See ‘**Government and Other Approvals- Intellectual Property of our Company**’ on page 435.

Further, while we ensure that we do not infringe upon the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. While there have been no such instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 or, the occurrence of any of the foregoing could result in unexpected expenses.

Further, we possess technical knowledge about our PEBs. While there have been no instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 where there was breach of confidentiality in relation to our technical knowledge by our employees we cannot be certain that our technical knowledge will remain confidential in the long run. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of our manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this

information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. In the event that the confidential technical information in respect of our manufacturing processes and products or business becomes available to third parties or to the general public, any competitive advantage we may have over our peers could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technical knowledge, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

**28. Our business and future growth are dependent on the growth of the commercial, infrastructure, and industrial landscape. If the growth in these industries is slow or stagnant, it could have an adverse impact on our business, results of operations, financial condition and cash flows.**

We are one among the leading turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacture, on-site project management capabilities for the installation and erection of PEBs (*Source: CRISIL Report*). Our profitability and future growth are correlated with and dependent upon the growth of the PEB industry in India which in turn is dependent on the commercial, infrastructure, and industrial landscape in India. While the Indian PEB industry is expected to grow at a CAGR of 10.5-11.5% CAGR over Financial Year 2023-Financial Year 2028, it is subject to a number of key challenges, including:

- (i) vulnerability to fluctuations in raw material prices;
- (ii) transportation challenges;
- (iii) adherence to additional safeguards to withstand natural disasters;
- (iv) fragmentation with multiple manufactures, suppliers and contractors operating independently;
- (v) design limitations; and
- (vi) limited knowledge and lack of skilled manpower. (*Source: CRISIL Report*)

If the PEB industry in India fails to sustain or increase its adoption or remains stagnant including in particular by warehousing, cold storage, infrastructure and industrial sectors, our business may be adversely affected. If the PEB industry develops more slowly than expected, or if demand for PEBs decreases, there can be no assurance that our past performance will continue at a comparable scale in the future and our business, prospects, financial condition and operating results would be harmed.

Our growth strategy includes capitalizing on and strengthening our position in the growing PEB industry in India. See “**Our Business – Our Strategies – Capitalize on industry tailwinds, including through proposed expansion and upgradation of our Manufacturing Facilities**” on page 237. Our estimates of future PEB adoption and the total addressable market for our PEB Contracts and PEB Sales, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate, which may adversely affect our business prospects and financial performance.

**29. We may be unable to sustain our growth or manage it effectively**

We have been able to grow our revenue from operations of ₹ 5,760.64 million in the Financial Year ended March 31, 2021 to ₹ 11,239.26 million in the Financial Year ended March 31, 2023, representing a CAGR of 39.68%. Set forth below is a breakdown of our revenue from PEB Contracts (recorded as revenue from Pre-engineered building contracts) and PEB Sales (recorded as revenue from sale of products (building materials)) during the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023: :

Particulars	<i>(in ₹ million)</i>			
	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Revenue from Pre-engineered building contracts	4,290.38	7,213.41	9,861.37	4,736.14
<i>Sale of Products</i>				
- Building materials	1,329.03	937.57	1,204.34	1,096.66



Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	(in ₹ million)
				Six months ended September 30, 2023
<b>Total</b>	<b>5,619.41</b>	<b>8,150.98</b>	<b>11,065.71</b>	<b>5,832.80</b>

For further details on our current growth strategies, see “***Our Business — Strategies – Capitalize on industry tailwinds, including through proposed expansion and upgradation of our Manufacturing Facilities***” on page 237. Our continued growth requires us to manage complexities such as those relating to expansion of our manufacturing facilities, expansion of our geographical footprint, as well as expansion of customer base and increase sales to existing customers. This may require significant time and attention from our management and may place strains on our operational systems and controls. We are also proposing to set up manufacturing capacity in the state of Andhra Pradesh. The construction of the proposed manufacturing facility is subject to risks such as delays or cost overruns and failures to obtain necessary regulatory approvals. See “ – ***We are yet to place orders for equipment proposed to be funded through this Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, results of operations, financial condition and cash flows may be adversely affected.***” On page 48. We may not be able to increase our market share due to factors such as increased competition. We cannot assure you that we will be able to execute our business plan and growth strategies, and sustain our previous levels of growth. If any of the aforementioned risks were to materialize, our business, financial condition and results of operations may be adversely affected.

**30. *Information relating to installed capacities, historical production and capacity utilisation of our Manufacturing Facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates by the chartered engineer verifying such information and future production and capacity utilisation may vary.***

Information relating to our installed capacities, historical production and capacity utilization of our Manufacturing Facilities is based on various assumptions and estimates by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), as set out in their certificate dated March 9, 2024, including but not limited to those relating to the number of working days in a week, working days in the financial year and the number of shifts per working day. Such assumptions and estimates may not continue to be true and future production and capacity utilization may vary. Calculation of the installed capacities and historical production and capacity utilization of our Manufacturing Facilities by the independent chartered engineer may not have been undertaken on the basis of any standard methodology and may not be comparable to that employed by competitors.

**31. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the Shareholders.***

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These related party transactions with our Promoters, Promoter Group, a Directors, Key Managerial Personnel and members of Senior Management, are typically in the nature of payment of rent, reimbursement of expenses, loans given to members of our Senior Management and include the following related party transactions:

- (a) Our Company has entered into a lease agreement dated February 22, 2024, with Aries, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company has taken the premise of our Registered Office on lease for a term of 11 months with effect from March 1, 2024 and pays a monthly rent of ₹ 25,000 to Aries.
- (b) Our Company has entered into a lease agreement dated February 22, 2024, with Aries, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company provides accommodation facilities to Arvind Nanda. This property has been taken on lease for a term of 11 months with effect from March 1, 2024. Our Company pays a monthly rent of ₹ 325,000 to Aries.
- (c) Our Company has entered into a lease agreement dated February 22, 2024, with M/s Intertec, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company has taken the premise of one of our offices situated at Ground Floor, First Floor and Basement of B 33, Sector 57, Noida 201 301, Uttar Pradesh, India on lease for a term of 11 months with effect from March 1, 2024. Our Company pays a monthly rent of ₹ 450,000 to M/s Intertec. Our Company pursuant to Board resolution dated January 15, 2024 and Shareholders’ resolution dated January 17, 2024 and Board and Shareholders

resolutions both dated March 8, 2024 proposes to enter into a sale deed with M/s Intertec for the purpose of purchasing this above-mentioned property.

- (d) Our Company has entered into a lease agreement dated February 22, 2024, with M/s Intertec, where our Promoter and our Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company has taken the premise situated at 28-A Udyog Vihar, Greater Noida, 201 306, Uttar Pradesh, India for one of our godowns on lease for a term of 11 months with effect from March 1, 2024. Our Company pays a monthly rent of ₹ 25,000 to M/s Intertec.
- (e) Our Company has entered into a lease agreement dated February 22, 2024, with Signu Real Estate LLP, where our Promoter and Whole-time Director Gautam Suri is a partner. Pursuant to such agreement, our Company provides accommodation facilities to Gautam Suri. The property has been taken on lease for a term of 11 months with effect from March 1, 2024 from Signu Real Estate LLP by our Company. Our Company pays a monthly rent of ₹ 75,000 to Signu Real Estate LLP.
- (f) Our Company has entered into a retainer agreement dated July 28, 2023, with Artfoto Advertising LLP (*formerly known as Artfoto Studios*), where our Promoter and Non-Executive Director, Ishaan Suri is a partner. Pursuant to such agreement, Artfoto Advertising LLP provides advertisement services to our Company for a term of twelve months with effect from August 1, 2023 for a consideration of ₹ 0.11 million per month to Artfoto Advertising LLP.

Set out below is a summary of related party transactions with related parties for the Financial Years 2021, 2022 and 2023 and for the six months ended September 30, 2023, as per Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations, as derived from the Restated Financial Information:

<i>(in ₹ million)</i>						
Related parties with whom transactions have taken place	Nature of relationships	Nature of transaction	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Aries Developers LLP	Entities in which KMP have a significant influence/ control.	Lease rent payment	2.40	2.40	4.20	2.10
Artfoto Studios	Entities in which KMP have a significant influence/ control.	Advertisement Expenses	0.59	0.96	1.02	0.61
Interarch Foundation	Entities in which KMP have a significant influence/ control.	Corporate Social Responsibility payment	0.58	1.01	1.37	-
Interarch Employees Group Gratuity Trust	Entities in which KMP have a significant influence/ control.	Gratuity Contribution	-	-	70.20	-
Intertec	Entities in which KMP have a significant influence/ control.	Sale of products	0.33	-	-	-
		Lease rent payment	3.90	3.90	5.70	2.85
		Reimbursement of expenses received	0.48	-	0.48	-
Signu Real Estates LLP	Entities in which KMP have a significant influence/ control.	Sale of products	-	-	0.03	-
		Lease rent payment	0.60	0.60	0.90	0.45
Taipan Associates Private Limited	Entities in which KMP have a significant influence/ control.	Sale of products	0.09	0.05	-	0.34

Related parties with whom transactions have taken place	Nature of relationships	Nature of transaction	<i>(in ₹ million)</i>			
			Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Arvind Nanda	Managing Director	Finance Cost	0.15	0.12	0.12	0.02
		Loan taken/adjusted	1.50	-	-	-
		Loan repaid/adjusted	3.50	-	-	2.00
		Remuneration Long term benefit	-	-	-	-
		Remuneration Short term benefit	2.77	3.22	3.21	1.61
		Buyback of shares	-	-	-	127.50
Gautam Suri	Whole Time Director	Finance Cost	0.42	0.72	0.69	-
		Loan taken/adjusted	-	7.50	-	-
		Loan repaid/adjusted	-	-	14.50	-
		Remuneration Long term benefit	-	-	-	-
		Remuneration Short term benefit	3.35	4.80	4.81	2.40
		Buyback of shares	-	-	-	87.50
Viraj Nanda	Non-Executive Director	Remuneration Long term benefit	-	0.02	0.04	0.03
		Remuneration Short term benefit	-	1.33	1.57	0.87
Ishaan Suri	Non-Executive Director	Buyback of shares	-	-	-	40.00
Manish Kumar Garg	KMP	Remuneration Long term benefit	-	0.24	0.47	0.32
		Remuneration Short term benefit	-	9.93	15.58	8.15
Nidhi Goel	KMP	Remuneration Long term benefit	0.04	0.11	0.16	0.05
		Remuneration Short term benefit	1.24	1.40	1.53	0.83
Anil Kumar Chandani	KMP	Remuneration Long term benefit	-	0.20	0.23	0.16
		Remuneration Short term benefit	-	7.64	8.15	4.08

**Notes:**

- (i) The remuneration to the key managerial personnel includes value of perquisites (excluding rent payment) based on the actual payment or evaluated as per the Income Tax Rule, 1962.
- (ii) The remuneration paid to Arvind Nanda excludes rent for March 31, 2021: ₹ 2.40 million, March 31, 2022: ₹ 2.40 million, March 31, 2023: ₹ 4.20 million and September 30, 2023: ₹ 2.10 million paid to Aries Developers Private Limited (Aries Developers Private Limited was converted into Aries Developers LLP and a certificate of incorporation dated April 21, 2023 was issued by the RoC) for his residence.
- (iii) Remuneration paid to Gautam Suri excludes rent for March 31, 2021: ₹ 0.60 million, March 31, 2022: ₹ 0.60 million, March 31, 2023: ₹ 0.90 million and September 30, 2023: of ₹ 0.45 million paid to Signu Real Estate LLP for his residence.

See “**Other Financial Information – Related party transactions**” on page 378.

While that all such transactions have been conducted on an arm’s length basis and in accordance with the Companies Act, 2013, we cannot assure you that we might not have obtained more favourable terms had such

transactions been entered into with unrelated parties. While we shall endeavour to conduct all related party transactions post listing of the Equity Shares subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, provisions of the SEBI Listing Regulations and other applicable law, such future related party transactions may potentially involve conflicts of interest. While our Company will endeavour to duly address such conflicts of interest as and when they may arise, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, would provide us with the anticipated benefits, not involve a conflict of interest and/or will not have an adverse effect on our business, financial condition and results of operations.

**32. *A shortage or non-availability of essential utilities such as power and fuel could affect our manufacturing operations and have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business operations are dependent on continuous supply of power and fuel which includes electricity to operate our Manufacturing Facilities. If supply arrangements for power and fuel were disrupted, our manufacturing operations could be disrupted, and our profitability could decline. The power and fuel as a percentage of our total expenses for the Financial Year ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 respectively are set below:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount	% of	Amount	% of	Amount	% of	Amount	% of
	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses
Power and fuel	44.39	0.77	58.71	0.72	64.59	0.63	39.87	0.72

We source our electricity requirements for our manufacturing operations from state electricity boards or third-party suppliers. The cost of electricity from third-party suppliers could be significantly higher, thereby increasing our cost of production and adversely affecting our profitability. In the event of a supply disruption from state electricity boards and third-party suppliers, we will need to rely on captive generators to ensure uninterrupted supply, which may not be able to consistently meet our requirements and may also have additional cost implications that we may be unable to pass on to our customers. Further, if our generators are unable to support our operations, we may need to shut down our Manufacturing Facilities until adequate supply of electricity is restored.

Frequent production shutdowns could lead to increased costs associated with restarting production and corresponding loss of production, any of which would adversely affect our results of operation, financial condition and cash flows. While we have not experienced any material interruptions to our electricity, water and gas supplies for the Financial Year ended March 31, 2021, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2023 and for the six months ended September 30, 2023 there is no guarantee that interruptions would not occur due to any events unforeseen by us.

**33. *Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, financial condition and cash flows.***

Our bank facilities are domestically rated by CRISIL as CRISIL Ratings. Furthermore, CRISIL has on January 15, 2024, reaffirmed the outlook for our bank facilities from 'CRISIL BBB+/Positive' to 'CRISIL A-/Stable' under long term ratings and from 'CRISIL A2' to 'CRISIL A2+' under short term rating. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our business, results of operations, financial condition and cash flows. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing arrangements we enter into in the future, impair our future issuances of debt and equity, and our ability to raise new capital on a competitive basis, which may adversely affect our business, results of operations, financial condition and cash flows. While our ratings have not been downgraded during the last three Financial Years ended March 31, 2021, 2022 and 2023 and for six months ended September 30, 2023 any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, financial condition and cash flows.

**34. *We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.***

As at September 30, 2023, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and

Contingent Assets, as derived from our Restated Financial Information that have not been provided for in our results of operations were as follows:

		<i>(in ₹ million)</i>
S. No.	Particulars	As at September 30, 2023
1.	Demands received from sales tax authorities	153.87
2.	Demands raised by Income tax authorities	13.15
3.	Outstanding bank guarantees by the Company	736.50
4.	Demand raised by the Director of Town & Country Planning, Chennai, towards Infrastructure and Amenities	2.51
5.	Recovery suit filed by a vendor	16.99
6.	Pending labour cases	Liability not ascertainable
7.	Demand raised by Assistant Labour Commissioner, Pantnagar ('ALC'), towards the wages of workers during the lockout period	18.50
8.	Demand raised by Pondur Panchayat towards non-payment of House Tax	1.39
9.	Demand received from Regional P.F. Commissioner, Haldwani towards assessment of PF dues related to job workers involved/engaged in job work by the Company or job work contractors, in connection with the work of the Company	3.43

If a significant portion of these liabilities materialize, we may have to fulfil our payment obligations, which could have an adverse effect on our business, financial condition and results of operations. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future. For further details of contingent liabilities as at September 30, 2023 as per Ind AS 37, see “**Restated Financial Information – Annexure VI – Contingent Liabilities**” on page 354.

**35. Our customers may claim against us and/or terminate our contracts in whole or in part prematurely should we fail to satisfy their requirements and expectations or for any other reason.**

Our purchase orders with our customers usually *inter alia* include details relating to price, terms of payment, delivery schedule, erection schedule, warranty terms and other standard terms and conditions. Any defect or malfunction in our products, or failure to satisfy the requirements and expectations of our customers, could lead to claims made against us and/or termination of our services as a part of our PEB Contracts in whole or in part. This may arise from unsatisfactory consultation, design, and human errors. Further, if it is established that any damages in and/or loss of property, as well as personal injuries and/or death resulted from defects in or malfunction of our products including PEBs, we may be required to further compensate our customers and/or victims for such loss, damages, personal injuries and/or death. In addition, we may also be subject to potential liability from legal proceedings for any losses suffered by our customers due to delay of delivery of our products. In the event that we are involved in any legal proceedings with our customers, our reputation will be adversely affected and we may have to spend a significant amount of resources to defend ourselves, which may adversely affect our business, results of operations, financial condition and cash flows.

**36. Our Promoters, Key Managerial Personnel, members of the Senior Management and Directors may have an interest in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.**

Our Promoters, Key Managerial Personnel, members of the Senior Management and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. This includes, amongst others lease agreements entered into by our Company. See “**Our Promoters and Promoter Group – Interest of Promoters**” and “**Other Financial Information – Related party transactions**” on pages 295 and 378, respectively.

Further, our Directors, Key Managerial Personnel and members of Senior Management, may also be deemed to be interested to the extent of options which may be granted to them pursuant to the ESOP Plan 2023.

We cannot assure you that our Promoters, Directors, Key Managerial Personnel and members of Senior Management will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. This may give rise to a conflict of interest, which may adversely affect our business, financial condition, cash flows and results of operations. See “**Other Financial Information – Related party transactions**”, “**Our Management – Interest of Directors**”, and “**Our Management – Interest of Key Managerial Personnel and members of Senior Management**” on pages 378, 279 and 292 respectively.

37. ***The examination report on our Restated Financial Information refers to an emphasis of matter paragraph included in the auditors' report on our special purpose Ind AS financial statements as at and for the years ended March 31, 2022 and 2021. We cannot assure that our financial information for future periods will not contain emphasis of matters or qualifications.***

The auditors report on our special purpose Ind AS Financial Statements as at and for the Financial Year ended 2021 contains an emphasis of matter paragraph which states the following:

*“The auditors draw attention to a note to the special purpose Ind AS financial statement which described the basis of preparation of those financial statements was to comply with the E-mail dated December 04, 2023 received from BRLMs, which confirms that the Company should prepare those financial statements in accordance with Indian Accounting Standards (Ind AS) and that those are required based on email dated October 28, 2021 from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India (“SEBI Email”), and may not be suitable for any other purpose and accordingly should not be used, referred to or distributed for any other purpose.”*

The auditors report on our special purpose Ind AS financial statements as at and for the Financial Year ended 2022 contains an emphasis of matter paragraph which states the following:

*“The auditors draw attention to a note to the special purpose Ind AS financial statement which described the basis of preparation of those financial statements was to comply with the E-mail dated December 04, 2023 received from BRLMs, which confirms that the Company should prepare those financial statements in accordance with Indian Accounting Standards (Ind AS) and that those are required based on email dated October 28, 2021 from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India (“SEBI Email”), and may not be suitable for any other purpose and accordingly should not be used, referred to or distributed for any other purpose.”*

While the Statutory Auditors have not modified their opinion in respect of the above matters, we cannot assure that our financial information for future periods will not contain emphasis of matters or qualifications.

38. ***We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees which may have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.***

Fraud or misconduct by our employees such as leaking of confidential information in relation to our PEB Contracts and PEB Sales, unauthorized business transaction, bribery, breach of any applicable law or our internal policies could result in regulatory actions and litigation thereby creating an adverse impact on our business, reputation, results of operations, financial condition and cash flows. Although we have controls in place with respect to the handling of such cases, we may be unable to prevent, detect or deter all such instances of misconduct. While there have been no instances in the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 of any such fraud or misconduct committed by our employees under, we cannot assure you that our employees will not commit any fraud or other misconduct in the future. Further, we may not be able to identify non-compliance and suspicious transactions in a timely manner. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

39. ***We are dependent on our Promoters, Directors, Key Managerial Personnel and members of Senior Management, including other employees with technical expertise. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on our Promoters, Directors, Key Managerial Personnel and members of Senior Management for strategic business decisions and managing our business. We benefit from the industry experience, vision and guidance of our Promoters who are also our Directors on our Board and have experience in the PEB industry in India. Additionally, our Key Managerial Personnel and members of Senior Management team includes technically qualified and experienced professionals. The experience and leadership of our Promoters, Directors, Key Managerial Personnel and members of Senior Management has played a key factor in our growth and development. We cannot assure you that we will be able to retain them or find adequate replacements in a timely manner, or at all, if required. Any loss or interruption in the services of our Key Managerial Personnel or members of Senior Management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. The loss of the services of any key personnel or our inability to recruit or train a sufficient

number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we are unable to offer qualified personnel adequate compensation, we may be unable to attract or retain our employees and the competition for highly skilled personnel may require us to increase salaries and which increased costs we may be unable to pass on to our customers. Set out below are details in respect of attrition experienced by us for the Financial Years ended March 31, 2021, 2022 and 2023 and for six months ended September 30, 2023:

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Number of Key Managerial Personnel and members of Senior Management	16	16	15	16
Attrition rate of Key Managerial Personnel and members of Senior Management (%)*	18.75	6.25	19.35	0.00
Total number of employees	1,582	1,825	1,743	2,000
Attrition rate (%)*	19.13	14.62	43.89	20.25

\* Attrition rate for the particular category is calculated as total number of employees who have left our Company during the year/period divided by average number of employees during the year. Average number of employees is calculated as (number of employees at the beginning of the year + number of employees at the end of the year) divided by two

In addition, we could incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business operations, growth and prospect. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Recruiting and retaining capable personnel, particularly those with expertise and experience in our industry, including in the regions we operate are vital to our success. If we are unable to recruit, train and retain a sufficient number of these employees, then our ability to maintain our competitiveness and grow our business could be negatively affected. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected. Further, should our Promoters' involvement in our business reduce for any reason in the future, our business, results of operations, financial condition and prospects may be adversely affected.

**40. We will be controlled by our Promoters along with members of the Promoter Group so long as they hold a majority of the Equity Shares, which will allow them to influence the outcome of certain matters submitted for approval of our Shareholders and their interests may not be aligned with the interest of other Shareholders.**

As on date our Promoters and members of the Promoter Group own an aggregate of 87.53% of our issued and paid-up Equity Shares capital of our Company. Pursuant to the Offer, our Promoters and members of our Promoter Group will continue to exercise significant control over our Company which could limit your ability to influence corporate matters requiring Shareholders' approval. The Promoters and members of our Promoter Group will have substantial influence over decisions regarding mergers, consolidations and sales of all or substantially all of our assets, appointment of directors, any amendment to our Memorandum of Association and Articles of Association, issuance of Equity Shares or other securities, dividend payments and other significant corporate actions. Further, the interest of our Promoters and members of our Promoter Group may differ from the interests of other Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive the Shareholders of an opportunity to receive a premium for their Equity Shares sold or may reduce the market price of the Equity Shares. Further, any significant sale of Equity Shares (including any perception by investors that such sales could occur) by our Promoters and members of our Promoter Group may adversely impact the market price of the Equity Shares.

**41. We are unable to trace some of the historical records and there have been instances of statutory non-compliances in the past. We may be subject to legal proceedings or regulatory actions by statutory authorities and our business, financial condition and reputation may be adversely affected.**

Certain of our Company's corporate records are not traceable. These include (i) records of redemption of preference shares pursuant to allotment of preference shares made on February 26, 1990 and March 24, 1990; (ii) form 2 filed pursuant to the allotment of equity shares on (a) November 30, 1983 and (b) March 31, 1996; (iii) form 18 filed for the first registered office situated at Y-28, Okhla Industrial Area, Phase-II, 110 020 Delhi, India; and (iv) Form 32 filed pursuant to the appointment of Arvind Nanda and Gautam Suri as the first directors of our

Company. We have relied on alternative documents such as board resolutions and share transfer registers maintained by our Company. See “**Capital Structure**” on page 92. Our Company has conducted a RoC search and APR & Associates LLP Company Secretaries (Membership number: 16125), pursuant to their inspection and independent verification of the documents available/ maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC and by way of their report dated March 13, 2024 confirmed the unavailability of such historical records. Further, our Company is unable to trace the share transfer forms with respect (i) transfer of 250 equity shares of ₹100 each from Taipan to Arvind Nanda dated March 22, 1988 and (ii) transfer of 1,250 equity shares of ₹100 each from Gautam Suri to Ishaan Suri dated September 1, 1988. We have included the details of such transfer in the Draft Red Herring Prospectus based on other corporate records such as share transfer registry maintained by our Company and board resolutions.

There have been certain instances of statutory non-compliances in the past by our Company. For instance, our Company had not paid the adequate stamp duty for certain allotments made. Consequently, our Company has paid the penalty to rectify such non-compliance. Further, there have been instances of delay by us in payment of certain statutory dues. There has also been an inadvertent delay in filing of FCTRS form in relation to the buy-back of equity shares of our Company for which our Company had to pay a late fee of ₹ 0.01 million. While as on the date of this Draft Red Herring Prospectus, no legal proceedings have been initiated against us in relation to such untraceable records or inadequate payment of stamp duty, we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any future inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

**42. We are subject to various stringent laws and regulations, including environmental and health and safety laws and regulations.**

Our operations are subject to various laws and regulations. Our manufacturing operations are subject to a wide range of increasingly strict environmental, health and safety requirements. These requirements address, among other things, air emissions, wastewater discharges, releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of wastes and hazardous materials, the investigation and clean-up of contamination, process safety, and the maintenance of health and safety conditions in the workplace. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Violations of such laws and regulations could result in the imposition of significant fines and penalties, the suspension, revocation or non-renewal of our permits, production delays or limitations, imposition of terms of imprisonment, or the closure of our Manufacturing Facilities. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials we need for our Manufacturing Facilities. Our Manufacturing Facilities must ensure compliance with various environmental statutes, including, in India, the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act 1981, the Environment Protection Act 1986 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as well as the rules and regulations implemented under such legislation. For further details in connection with the applicable regulatory and legal framework within which we operate, see “**Key Regulations and Policies in India**” on page 263.

**43. If we fail to obtain, maintain or renew the licenses, permits and approvals required to operate our business, or fail to comply with applicable laws, our business, results of operations, financial condition and cash flows may be adversely affected.**

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. Certain of our approvals, licenses, registrations and permits are subject to expiry in the ordinary course of business and once they expire, we cannot guarantee that we will receive the renewed approvals in a timely manner or at all. For instance, while we had applied for the renewal of no objection certificate for ground water extraction under the Environment Act for the Kichha Manufacturing Facility, we are yet to receive such approval. Such approvals, licenses, registrations and permissions are governed by various regulations, guidelines, circulars and statutes regulated by the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business. See “**Government and Other Approvals – Material approvals obtained by our Company**” on page 432 for further details. Further, we intend to set up the Project which would require us to obtain approvals from authorities at various stages such projects. Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, the approvals,



licenses, registrations and permits issued to us may be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, development of our manufacturing capacity including by setting up the Planned Gujarat Manufacturing Facility, and the construction or operation of any future facility, may require additional land use, environmental and operating permits. For instance, the land proposed to be utilised for the Planned Gujarat Manufacturing Facility is subject to procurement of approval for conversion from agricultural use to industrial use prior to our execution of sale deeds in relation to such land. See “***Our Business - Planned Manufacturing Facilities - Planned Gujarat Manufacturing Facility***” on page 253. While there have been no instances in the past where any approvals, licenses, registrations and permits issued to us were suspended or revoked, we cannot assure you that the relevant authorities would never suspend or revoke any of our approvals, licenses, registrations and permit.

**44. *We are subject to stringent labour laws or other industry standards and any kind of disputes with our employees could adversely affect our business, results of operations, financial condition and cash flows.***

We are subject to a number of stringent labour laws. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution, employee removal and for imposing financial obligations on employers in the event of retrenchment of workers. We are also subject to state and local laws and regulations, in all jurisdictions where we have operations, governing our relationships with our employees, including those relating to minimum wage, overtime, working conditions, hiring and firing, non-discrimination, work permits and employee benefits. The Government of India enacted the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, all the provisions of which will be brought into force on a date to be notified by the Central Government. See “***Key Industry Regulations and Policies in India***” on page 263. These codes propose to subsume several existing laws and regulations in India and we cannot assure you that these codes will not impose more stringent or additional compliance requirements on us, which may increase our compliance costs. We may also be subject to changing judicial interpretation of the relevant statutes. For instance, the Supreme Court of India in a recent judgment has upheld the circular dated March 20, 2019 issued by the Employees’ Provident Fund Organisation, which excludes certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the EPF Act. We cannot assure you that we will not be adversely affected by similar developments in the future. We have also in the past entered into bonus settlement agreements under the Industrial Disputes Act, 1947, as amended, with our workmen at our Manufacturing Facilities, which stipulate bonus rates for the relevant Financial Years that we are required to pay. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**45. *Our business benefits from the National Steel Policy introduced by the Government of India to boost the steel industry. Withdrawal of this policy could have an adverse impact on our business, results of operations, financial condition and cash flows.***

The National Steel Policy was introduced in 2017 (“NSP”) with the objective to increase domestic steel production and consumption, produce high-quality steel and increasing India’s competitiveness globally. It also focuses on cost efficiency, raw material availability and research and development to achieve the overall objectives laid out under the policy. It aims to create a technologically advanced and globally competitive steel industry which will promote self-sufficiency in steel production as well as economic growth. Further, the National Steel Policy aims to increase in consumption of steel through major sectors of infrastructure, automobiles and housing, to achieve 300 MT of steelmaking capacity by 2030 and increase per capita steel consumption to the level of 160 Kgs by 2030. (Source: CRISIL Report). This has resulted in boosting of usage of steel and products manufactured from steel. A withdrawal of this policy could have an adverse impact on our business, results of operations, financial condition and cash flows. We expect to benefit from the above government initiatives and other initiatives similar thereto, and our business growth and continued profitability would depend in part on favourable government initiatives such as these, and in the absence of such favourable initiatives, our growth and future financial performance may be adversely affected.

**46. *Our Company is proposing to acquire property from M/s Intertec which is a member of the Promoter Group and may undertake such acquisition in the future.***

Our Company pursuant to Board resolution dated January 15, 2024 and Shareholders’ resolution dated January 17, 2024 and Board and Shareholders resolutions dated March 8, 2024 each has proposed to acquire the property situated at Ground Floor, First floor and Basement of B 33, Sector 57, Noida 201 301, Uttar Pradesh, India from

M/s Intertec, member of the Promoter Group where one of our Promoters, Arvind Nanda is a partner. However, no Offer Proceeds will be used for the purchase of this property and it would be only out of internal accruals. While the transaction would be conducted on an arms-length basis, however, there can be no assurance that our Company could not have achieved more favourable terms had the transaction not been entered into with related party. In the future, our Company may undertake further acquisitions of land from entities related to any of our Promoters or Directors. For more information, please see “*Our Promoters and Promoter Group – Interests of Promoters*” on page 295.

**47. There are outstanding legal proceedings involving our Company, Promoters, Group Companies and Directors. Any adverse outcome in such legal proceedings may adversely affect our business, reputation, results of operations, financial condition and cash flows.**

There are outstanding legal proceedings involving our Company, Promoters, Group Companies and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set forth below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section “*Outstanding Litigation and Material Developments*” on page 425) involving our Company, Promoters, Group Companies and Directors. For criminal proceedings involving Directors, see “*Outstanding Litigation and Material Developments – Litigation against our Directors*” on page [●].

Name	Criminal proceedings	Tax proceedings <sup>^</sup>	Statutory or regulatory actions <sup>^</sup>	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters for the last five years	Material civil litigation*	Aggregate amount involved** (in ₹ million)
<b>Company</b>						
By our Company	9	N.A	N.A.	N.A.	2	83.67
Against our Company	1	28	37	N.A.	Nil	232.92
<b>Directors</b>						
By our Directors	Nil	N.A	N.A	N.A.	Nil	Nil
Against our Directors	2	Nil	1	N.A.	Nil	Nil
<b>Promoters</b>						
By our Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Promoters	2	Nil	Nil	Nil	Nil	Nil

<sup>^</sup>Further, there are 34 demands raised by Sriperumbudur Panchayat Union, Sriperumbudur Taluka, Kanchipuram, Tamil Nadu, towards non-payment of license fees, professional, house, property and library tax for the period of Financial Year ended March 31, 2011 to Financial Year ended March 31, 2023. The amount involved in which aggregates to ₹ 1.39 million. See “*Outstanding litigation and Material Developments – Actions by statutory or regulatory authorities*” on page 426.

\* Determined in accordance with the Materiality Policy.

\*\*To the extent quantifiable.

Further, for details of an outstanding litigation against our Group Company, Aries Developers LLP, which may have a material impact on our Company, see “*Outstanding Litigation and Other Material Developments*” on page 425.

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary. See “*Outstanding Litigation and Material Developments*” on page 425. These legal proceedings may or may not be decided in our favour. Additional liability may also arise out of these proceedings. Adverse decisions in such proceedings even though not quantifiable may have an adverse effect on our business, results of operations, financial condition and cash flows.

**48. We could be adversely affected if we fail to keep pace with technical and technological developments.**

The PEB market is expected to see good growth on account of increasing awareness regarding modern off-site construction technique as well as rising demand for green buildings globally which has resulted in shift in focus from traditional steel buildings to PEBs. (Source: CRISIL Report) Our ability to anticipate changes in technology

and regulatory standards, understand industry trends and requirements and to successfully develop enhancements and improvements of our processes and design and to improve our ability to offer customised products to our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. To meet our customers' needs, we must continuously adopt new technology for our products and services. In addition, rapid and frequent technology and market demand changes can often render existing technologies obsolete, requiring substantial new capital expenditures and/or write downs of assets. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results. In order to further implement these new technologies we may have to invest large amount of capital which may have an adverse impact on our cash position.

**49. *If we cannot execute our strategies to target new customers and expand existing customer base effectively, our business and prospects may be materially and adversely affected.***

We intend to leverage our past relationships with Customer Groups for which we rely on such Customer Groups placing repeat orders which we identify as orders placed by customers or Customer Groups that have placed orders with the Company previously. While, our business, growth prospects and financial performance are dependent on our ability to obtain new orders from such Customer Groups and there can be no assurance that we will be able to obtain new orders from such customers groups. We also intend to further capitalize on our track record by adding new customers across geographies including outside India. While we have adopted measures such setting up of business development teams which are solely responsible for identification of new industries, avenues or channels, we cannot assure you that our business development teams will be successful in identification of new industries, avenues or channels to increase our sales. Further, our competitors may provide better offers to customers, which we may not be able to compete with and which, accordingly, could result in, amongst other things, loss of our existing customers or failure to attract new customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects. While we seek to continue to consolidate and develop our relationships with large and renowned corporate groups whose product portfolios are spread across manufacturing industries, as well as our design and engineering innovation competencies so as to be able to enter new and related markets and acquire, evolve and strengthen our customer relationships, we cannot assure you that we will be successful to enter new and related markets and strengthen our customer relationships.

**50. *Our expansion of geographical footprint and execution capabilities may not be successful.***

In order to enhance our presence and existing capacity in southern India, and by leveraging our experience and know-how, we are in the process of setting up the Andhra Pradesh Manufacturing Facility and propose to undertake the Project. We propose to utilise a portion of the Net Proceeds in this regard. See "***Objects of the Offer – Details of the Objects of the Fresh Issue***" on page 107. Further, we propose to set up the Planned Gujarat Manufacturing Facility in Kheda, Gujarat. See "***Our Business – Our Strategies – Expanding geographical footprint to cater to strategic markets in India and overseas***" on page 237. See "***We propose to utilise a portion of the Net Proceeds of the Offer towards increasing of our production capabilities and expansion and setting up of a manufacturing facility in a new geography which could be subject to delays, cost overruns, and other risks and uncertainties***" on page 46. Further, if our manufacturing capacity continues to remain limited, we may be unable to meet the demand for our products, thereby limiting the growth of our business.

Further, in accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. See "***Any variation in the utilisation of the proceeds of the Offer would be subject to certain compliance requirements, including prior shareholders' approval***" on page 47.

While as on the date of this Draft Red Herring Prospectus, our Company's sales have been pre-dominantly in India, we are currently evaluating expanding our sales and marketing offices/network to Central and West Asia, South East Asia and Africa. While we conduct necessary due diligence, research and assessments for our expansion plans, we may face risks with respect to commencement of operations in new cities in which we have no prior operating experience and therefore are less familiar with local socio-economic conditions, culture and customer expectations. Further, our competitors may already have established operations in such cities and have stronger brand recognition than us in, and we may find it difficult to attract customers in such cities.

**51. Any reputational damage to our brand could have an adverse effect on our business, results of operation, financial condition and cash flows.**

We are present in the PEB industry and have a track record of more than 30 years for our brands, TRACDEK® and TRAC®. We have three decades of experience in the PEB industry and have established a track record based on extensive customer insights developed over the course of our operations, thereby enabling us to acquire new customers and cover various customer industries end-use applications for our PEBs. Negative reviews from our customers regarding the quality of our products and services that we provide as part of our PEB Contracts and PEB Sales, dissatisfaction amongst our suppliers and customers, inability to deliver quality products within the scheduled timeline could adversely affect our public perception resulting in an adverse impact on our brands recognition. Any negative perception or adverse publicity and media coverage about our brand whether true or not, could damage our Company’s reputation, which could adversely affect our ability to attract and retain customers, partners, suppliers, and employees. This could result in a loss of revenue and market share, as well as increased legal, regulatory, and public relations costs, which could have an adverse effect on our business, results of operation ,financial condition and cash flows. While there have been no instances for the last three Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 where the public perception of our brand was materially impacted, we cannot assure you that we will be able to protect our brand value

Further, maintaining and enhancing our brands may require us to make investments in areas such as marketing and advertising. The expenditure incurred on advertising and sales promotion and as a percentage against total expenses for the Financial Year ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023, respectively, is set forth below:

Particulars	<i>(in ₹ million, unless otherwise stated)</i>			
	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Advertising and sales promotion	1.62	2.92	5.31	2.54
As a % against Total expenses	0.03	0.04	0.05	0.05

However, marketing and advertising campaigns may not be effective to the extent planned or at all and we may, therefore, fail to attract new customers. Further, we may also fail to penetrate new target markets if our marketing and advertising programs are unsuccessful or not appropriately tailored to appeal to the target market. In the event, marketing and advertising campaigns are not as effective as our competitors, our competitive position could be adversely affected, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

**52. Failure or any disruption of our information technology systems, may adversely affect our business, results of operations, financial condition and cash flows.**

We have implemented various information technology (“IT”) that cover key areas of our operations, procurement, inventory, sales and accounting and we also propose to utilise the Net Proceeds for funding investment in information technology assets for upgradation of existing information technology infrastructure of our Company as specified in “*Objects of the Offer – Objects of the Fresh Issue*” on on page 105. We rely on our IT systems for the timely execution of our projects. IT systems are potentially vulnerable to damage or disruptions from a variety of sources, including those resulting from natural disasters, power outages, cyber-attacks, failures in third-party-provided services or a range of other hardware, software and network problems, which could result in a material adverse effect on our operations or lead to disclosure of sensitive company information. While there have been no instances in the past of any material disruption to our IT systems, we cannot guarantee that we will not be impacted by a disruption to our IT systems in the future. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the region or functional area in which the malfunction occurs.

A large-scale IT malfunction or cyber-attacks on our network could pose cybersecurity risks which may result in breaches of confidentiality, availability of the data and/or transactions processed by the information systems (system malfunction, data theft and data destruction). These may result from external (denial of service, hacking, malware) or internal (tampering, breach of data confidentiality) threats. As a result, a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our

intellectual property (including product designs, design software and other trade secrets) or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations, financial condition and cash flows. As such, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or enterprise resource planning systems may lead to inefficiency or disruption of our IT systems, thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations. In addition, we may be required to incur significant costs to protect against damage caused by such attacks or disruptions in the future or failure by us to comply with Indian or foreign laws and regulations, including laws and regulations regulating privacy, data protection or information security, which may increase our costs and otherwise materially adversely affect our business, results of operations, financial condition and prospects.

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

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of our operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of our assets, optimal utilization of resources, reliability of our financial information and compliance. To identify the potential risk to our operations we carry out a risk assessment exercise by using a risk assessment and control matrix. Once the risks are identified, we classify those risks as low, medium and high depending on their impact on our operations. We mitigate the high and medium risk by designing appropriate internal control systems and procedures. While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. These factors may have an adverse effect on our business, results of operations, financial condition and cash flows.

**54. *Our financial results may be subject to seasonal variations.***

Our revenues and results may be affected by seasonal factors. Some of our customers have businesses which are seasonal in nature and a downturn in demand for our products by such customers could reduce our revenue during such periods. Our operations may also be adversely affected by difficult working conditions during monsoon season. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced. Although such adverse weather conditions do not typically have a material impact on our revenue from operations, abnormally rainy monsoon could have a material impact. Typically, our quarter wise net sales figures are lower during the monsoon quarter, i.e. June to September in comparison to the other quarters.

**55. *Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk.***

This Draft Red Herring Prospectus includes information derived from a third-party industry report released in January 2024, titled “*Assessment of pre-engineered steel buildings industry in India*” prepared by CRISIL pursuant to an engagement letter dated July 10, 2023. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Our Company commissioned and paid for the CRISIL Report exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

The CRISIL Report uses certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ from those we record internally. There are no standard data gathering

methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Furthermore, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Furthermore, the CRISIL Report is not a recommendation to invest/ disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. See “**Industry Overview**” on page 168. For the disclaimers associated with the CRISIL Report, see “**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**” on page 18.

**56. *This Draft Red Herring Prospectus contains certain Non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These Non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the pre-engineered steel buildings industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies.***

Certain Non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of manufacturing companies, many of which provide such Non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures and other statistical and operational information are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non GAAP Measures and other statistical and operational information are not standardized terms, hence a direct comparison of these between companies may not be possible. Other companies may calculate these Non-GAAP Measures and other statistical and operational information differently from us, limiting its usefulness as a comparative measure and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other manufacturing companies. For further details, see “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures**” on page 407.

#### ***External risk factors***

**57. *Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other force majeure events, many of which are beyond our control, may lead to economic instability, including in India or in other jurisdictions where we operate, which may in turn materially and adversely affect our business, financial condition and results of operations. For instance, in Financial Year ended March 31, 2022, operations at our Kichha Manufacturing Facility and Pantnagar Manufacturing Facility were impacted for one and a half days due to water logging at our factory premises on account of floods in Uttarakhand. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may also require us to evacuate personnel and suspend operations. In May 2022, due to a natural disaster at one of the sites of our customer in

Luhari, Gurugram, Haryana, India, the building erected by us incurred certain damages. However, we have added internal checks and controls to monitor erection sequence of our PEBs to prevent any such future disaster. Any terrorist attacks, civil unrest and other acts of violence or war may adversely affect the Indian securities markets. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the country. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

**58. Political, economic, regulatory or other factors that are beyond our control may have an adverse effect on our business and results of operations.**

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in India is also affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares.

**59. A downgrade in ratings of India, may affect the trading price of the Equity Shares.**

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Set forth below is India's sovereign debt ratings:

<b>Name of the Agency</b>	<b>Rating</b>	<b>Outlook</b>	<b>Date</b>
Fitch	BBB-	Stable	January 16, 2024
Moody's	Baa3	Stable	August 18, 2023
DBRS	BBB (low)	Stable	May 16, 2023

Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**60. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002 of India, as amended (“**Competition Act**”) seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. With effect from April 11, 2023, the GoI has enacted the Competition (Amendment) Act, 2023 (“**Competition Amendment Act**”). Pursuant to the Competition Amendment Act, several amendments have been made to the Competition Act, including introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a “combination”, expedited merger review timelines, codification of the lowest standard of “control” and enhanced penalties for providing false information or a failure to provide material information.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e., entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows, and prospects.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions and economic developments globally could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom’s exit from the European Union (“**Brexit**”), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India’s major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, regulators implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the



intended stabilizing effects. Any significant financial disruption such as the recent collapse of the silicon valley bank, could have a material adverse effect on our business, financial condition and results of operation.

**62. *If inflation were to rise in India, we might not be able to increase the prices of our products at a proportionate rate in order to pass costs on to our customers thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, components and other expenses relevant to our business. Further, a rise in inflation in other countries, such as in the United States of America or United Kingdom, may lead to an increase in the interest rates in India and depreciation in the value of the Rupee which in turn make the components imported by our Company costlier.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures and has recently increased the repo rates to curb inflation. However, these policies and steps taken by the RBI may not be successful. In February 2022, hostilities between Russia and Ukraine and recently in October 2023 hostilities between Israel and Palestine have commenced. The market price of oil and fuel have risen sharply since the commencement of these hostilities which may have an inflationary effect in India. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, financial condition and cash flows. In particular, we might not be able to control the increase in our expenses related to salaries or wages payable to our employees, reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

***Risks related to the Offer and the Equity Shares***

**63. *We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges which may adversely affect trading price of our Equity Shares.***

Subsequent to the listing of the Equity Shares, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may lead to us triggering the parameters specified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are covered under such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

**64. *Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a company incorporated under the laws of India. All except one of our Directors and officers are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (“**Civil Code**”). The United States of America and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States of America, for civil liability, whether or not predicated solely upon the general securities laws of the United States of America, would not be enforceable in India under the Civil Code as a decree of an Indian court.

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States of America or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court will award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded are excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

**65. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions due to which they may have difficulty in asserting their rights as a shareholder.***

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**66. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company has not declared dividends on the Equity Shares for the Financial Years March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023. Our Company has a formal dividend policy as on the date of this Draft Red Herring Prospectus pursuant to a resolution of our Board dated January 15, 2024. For further information, see “**Dividend Policy**” on page 299. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. Further any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the

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

**67. *Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the proceeds from the Offer for Sale (net of their respective portion of the Offer-related expenses) and our Company will not receive any proceeds from the Offer for Sale. None of our Directors, Key Managerial Personnel or members of Senior Management will receive, in whole or in part, any proceeds from the Offer except for proceeds pursuant to the Offer for Sale.

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

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

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of Key Management Personnel or Senior Management;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.
- changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for the Offer Price*" on page 151 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject

to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers*” on page 445. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

**70. *The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

There has been no public market for the Equity Shares of our Company prior to this Offer and an active trading market for the Equity Shares may not develop or be sustained after this Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Furthermore, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Offer.

The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may fluctuate after this Offer as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the automotive industry and changing perceptions in the market about investments in general and our Company including adverse media reports on us or changes in the estimates of our performance or recommendations by financial analysts. Please see “*Basis for Offer Price*” on page 151.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could mean that you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

**71. *Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax (“**STT**”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as STT.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument (“**MLI**”), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains arising from the sales of equity shares of an Indian Company. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

General Anti-Avoidance Rules (“GAAR”) seeks to deny the tax benefit to any arrangement, whose main purpose is to obtain a tax benefit, subject to the satisfaction of certain tests. If GAAR provisions are invoked, the tax authorities have wide powers, including cancellation of a proposed transaction or ignoring the impact of a transaction undertaken by our Company, denial of tax benefit under the IT Act, denial of a benefit available under a tax treaty, etc. Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Furthermore, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

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

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors’ book entry, or ‘demat’ accounts with depository participants in India, are credited with the Equity Shares after the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer, the credit of such Equity Shares to the applicant’s demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to complete within the timelines prescribed under the applicable law.

There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

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

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

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

terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 481.

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

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial information and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

**76. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Bidders and Eligible Employees are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders and Eligible Employees can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their Bids, following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their bids.

**77. *Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution.

However, if the law of the jurisdiction in which the investors are located, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor’s benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportionate interest in our Company would be reduced.

**78. *The requirements of being a publicly listed company may strain our resources.***

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will, among other things, require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management’s attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations, financial condition and cash flows. In addition, we may need to hire

additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

## SECTION III: INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

<b>Offer</b>	[●] Equity Shares aggregating to ₹ [●] million
<i>The Offer consists of:</i>	
Fresh Issue <sup>(1)(2)</sup>	[●] Equity Shares aggregating up to ₹ 2,000.00 million
Offer for Sale <sup>(3)</sup>	Up to 4,447,630 Equity Shares aggregating to ₹ [●] million
<i>Of which:</i>	
Employee Reservation Portion <sup>(4)</sup>	[●] Equity Shares aggregating to ₹ [●] million
Net Offer	[●] Equity Shares aggregating to ₹ [●] million
<i>The Net Offer comprises:</i>	
<b>A. QIB Category</b> <sup>(5)(6)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
Anchor Investor Category <sup>(5)</sup>	[●] Equity Shares
Net QIB Category (assuming the Anchor Investor Category is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the Net QIB Category)	[●] Equity Shares
Balance of Net QIB Category for all QIBs including Mutual Funds	[●] Equity Shares
<b>B. Non-Institutional Category</b> <sup>(5)(7)</sup>	Not less than [●] Equity Shares aggregating to ₹ [●] million
<i>Of which:</i>	
One-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000	[●] Equity Shares
Two-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹ 1,000,000	[●] Equity Shares
<b>C. Retail Category</b> <sup>(5)(7)</sup>	Not less than [●] Equity Shares aggregating to ₹ [●] million
<b>Pre and post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	14,415,892 Equity Shares
Equity Shares outstanding post the Offer	[●] Equity Shares
<b>Use of Net Proceeds of the Offer</b>	See “ <i>Objects of the Offer – Net Proceeds</i> ” on page 105 for information about the utilisation of the Net Proceeds. Our Company will not receive any portion of the proceeds from the Offer for Sale.

<sup>(1)</sup> Our Board has authorised the Offer by way of its resolution dated January 15, 2024 and our Shareholders by way of a special resolution dated January 17, 2024, have approved the Fresh Issue. Our Board has taken on record the respective consents and authorisations of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated March 14, 2024.

<sup>(2)</sup> Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.

<sup>(3)</sup> The Selling Shareholders have each severally and not jointly confirmed that their respective portions of the Offered Shares are eligible for being offered for sale in the Offer for Sale in accordance with the SEBI ICDR Regulations. Each of the Selling Shareholders severally and not jointly has confirmed and authorized its participation in the Offer for Sale, as disclosed in “**Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Selling Shareholders**” on page 438.

<sup>(4)</sup> In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000 net of Employee Discount), shall be added to the Net Offer. Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. See “**Offer Procedure**” and “**Offer Structure**” on pages 462 and 458, respectively.

<sup>(5)</sup> Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, subject to



applicable laws. Undersubscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories.

- (6) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. In the event of under-subscription, or non-allocation in the Anchor Investor Category, the balance Equity Shares shall be added to the Net QIB Category. See “**Offer Procedure**” on page 462.
- (7) Allocation to Bidders in all categories, except Anchor Investor Category, Non-Institutional Category and Retail Category, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. The allocation to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

See “**Offer Structure**”, “**Offer Procedure**” and “**Terms of the Offer**” on pages 458, 462 and 451, respectively.

## SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth summary financial information derived from our Restated Financial Information. The summary financial information as at and for Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 presented below should be read in conjunction with “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 300 and 384, respectively.

*[Remainder of this page intentionally kept blank]*

## Summary of Balance sheet data

Particulars	<i>(In ₹ million)</i>			
	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,045.32	1,039.19	990.37	1,062.36
Capital work-in-progress	6.28	-	-	-
Investment properties	28.01	28.35	30.76	46.77
Intangible assets	1.95	0.38	1.32	1.78
Right-of-use assets	596.45	535.75	526.09	529.80
Financial assets				
(i) Investments	51.70	50.11	0.06	0.06
(ii) Trade receivables	417.46	383.70	279.51	332.89
(iii) Loans	0.61	-	-	-
(iv) Other financial assets	19.53	15.98	40.67	9.47
Non-current tax assets (net)	39.30	18.78	13.93	72.80
Other non-current assets	28.45	40.83	19.38	6.84
<b>Total non-current assets</b>	<b>2,235.06</b>	<b>2,113.07</b>	<b>1,902.09</b>	<b>2,062.77</b>
<b>Current assets</b>				
Inventories	1,640.50	1,369.76	1,341.28	979.18
Contract assets	598.72	279.29	212.46	166.09
Financial assets				
(i) Trade receivables	1,145.11	1,587.08	857.01	687.22
(ii) Cash and cash equivalents	431.43	586.63	401.05	49.86
(iii) Bank balances other than (ii) above	752.47	605.44	516.54	619.85
(iv) Loans	6.19	2.76	3.37	2.62
(v) Other financial assets	17.40	10.19	11.82	9.13
Current tax assets (net)	-	-	56.01	-
Other current assets	169.09	196.03	135.91	113.54
<b>Total current assets</b>	<b>4,760.91</b>	<b>4,637.18</b>	<b>3,535.45</b>	<b>2,627.49</b>
<b>Total assets</b>	<b>6,995.97</b>	<b>6,750.25</b>	<b>5,437.54</b>	<b>4,690.26</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	144.16	150.01	150.01	150.01
Other equity				
Equity component of guarantee	18.53	8.49	4.26	2.16
Capital redemption reserve	5.85	-	-	-
Securities premium	915.00	915.00	915.00	915.00
General reserve	181.76	565.91	565.91	565.91
Retained earnings	2,646.32	2,353.38	1,548.01	1,363.51
<b>Total equity</b>	<b>3,911.62</b>	<b>3,992.79</b>	<b>3,183.19</b>	<b>2,996.59</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	8.61	11.06	10.19	1.26
(ii) Lease liabilities	54.86	57.77	41.48	38.87
Government grants	0.51	0.58	0.73	0.88
Employee defined benefit obligation (net)	102.74	90.64	197.48	192.85
Deferred tax liabilities (net)	30.02	58.85	24.69	60.83
<b>Total non-current liabilities</b>	<b>196.74</b>	<b>218.90</b>	<b>274.57</b>	<b>294.69</b>
<b>Current liabilities</b>				
Contract liabilities	1,372.70	1,060.26	875.91	459.82
Financial liabilities				
(i) Borrowings	28.79	102.78	23.42	18.28
(ii) Lease liabilities	5.83	5.67	3.38	3.10
(iii) Trade payables				

Particulars	<i>(In ₹ million)</i>			
	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
-Total outstanding dues of micro enterprises and small enterprises	91.79	90.71	73.42	67.65
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,049.09	945.89	731.17	636.33
(iv) Other financial liabilities	150.91	118.64	111.00	100.96
Provisions	22.99	13.75	11.58	25.00
Government grants	0.15	0.15	0.15	0.15
Employee defined benefit obligation (net)	90.69	80.00	15.44	18.29
Other current liabilities	74.67	120.71	123.01	69.40
Liabilities for current tax (net)	-	-	11.30	-
<b>Total current liabilities</b>	<b>2,887.61</b>	<b>2,538.56</b>	<b>1,979.78</b>	<b>1,398.98</b>
<b>Total liabilities</b>	<b>3,084.35</b>	<b>2,757.46</b>	<b>2,254.35</b>	<b>1,693.67</b>
<b>Total equity and liabilities</b>	<b>6,995.97</b>	<b>6,750.25</b>	<b>5,437.54</b>	<b>4,690.26</b>

## Summary of Profit and Loss Data

(In ₹ million, unless otherwise stated)

Particulars	For the six months period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>				
Revenue from operations	5,915.28	11,239.26	8,349.43	5,760.64
Other income	69.28	124.66	59.14	74.79
<b>Total income (I)</b>	<b>5,984.56</b>	<b>11,363.92</b>	<b>8,408.57</b>	<b>5,835.43</b>
<b>Expenses</b>				
Cost of raw material and components consumed	3,952.59	7,427.33	5,694.36	3,551.18
Changes in inventories of finished goods and work in progress	(214.79)	(102.50)	(45.91)	71.89
Employee benefits expense	552.99	933.63	892.22	795.35
Finance costs	10.03	25.96	44.55	19.34
Depreciation and amortization expense	38.91	72.97	117.57	87.21
Other expenses	1,183.39	1,917.00	1,479.87	1,231.78
<b>Total expenses (II)</b>	<b>5,523.12</b>	<b>10,274.39</b>	<b>8,182.66</b>	<b>5,756.75</b>
<b>Restated profit before tax (I-II=III)</b>	<b>461.44</b>	<b>1,089.53</b>	<b>225.91</b>	<b>78.68</b>
<b>Tax expense</b>				
- Current tax	144.01	232.34	92.80	41.52
- Adjustment of income tax relating to earlier years (net)	(0.87)	5.29	1.63	(2.83)
- Deferred tax charge/(credit)	(27.44)	42.01	(38.53)	(24.38)
- Deferred tax charge/(credit) for earlier year	-	(4.74)	(1.32)	-
<b>Total income tax expense (IV)</b>	<b>115.70</b>	<b>274.90</b>	<b>54.58</b>	<b>14.31</b>
<b>Restated profit for the period/year (III-IV=V)</b>	<b>345.74</b>	<b>814.63</b>	<b>171.33</b>	<b>64.37</b>
<b>Other comprehensive income (OCI) (VI)</b>				
<b>Item that will not be re-classified to profit or loss</b>	(5.53)	(12.37)	13.06	4.27
Remeasurement gains/(losses) of defined benefit liability				
Income tax effect	1.39	3.11	(3.29)	(1.07)
<b>Other comprehensive income (OCI) for the period/year (net of tax) (VI) -- gain/(loss)</b>	<b>(4.14)</b>	<b>(9.26)</b>	<b>9.77</b>	<b>3.20</b>
<b>Total comprehensive income (OCI) for the period/year (net of tax) (V+VI = VII)</b>	<b>341.60</b>	<b>805.37</b>	<b>181.10</b>	<b>67.57</b>
<b>Restated earnings per equity share</b>				
Basic & Diluted (in INR) Face value of INR 10.00	23.07*	54.31	11.42	4.29

\*Not annualized

## Summary of Cash Flow Data

Particulars	<i>(In ₹ million)</i>			
	For the six months period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>				
Restated profit before tax	461.44	1,089.53	225.91	78.68
Adjustments to reconcile Restated profit before tax to net cash flows:				
Depreciation and amortization expense	38.91	72.97	117.57	87.21
Allowance for doubtful debts and advances	29.48	-	57.95	39.82
Bad debts/advances written off (net)	17.35	25.83	9.23	-
Bad debts recovered	(6.48)	(5.07)	(1.59)	(25.57)
Net gain on disposal of property, plant and equipment	(0.45)	(1.09)	(0.83)	(0.75)
Net gain on sale of investment properties	-	(0.62)	(9.47)	-
Fair value gain on financial instruments at fair value through profit or loss	(1.59)	(0.10)	-	-
Government grants	(0.07)	(0.15)	(0.15)	(0.15)
Interest income	(51.41)	(57.42)	(32.70)	(32.30)
Liabilities no longer required written back (net)	(2.40)	-	-	(2.33)
Provision for doubtful debts/ advances written back (net)	-	(44.87)	-	-
Fair value of guarantee charges	10.04	4.23	4.26	2.16
Interest expense	4.18	12.06	32.10	3.85
<b>Operating profit before working capital changes</b>	<b>499.00</b>	<b>1,095.30</b>	<b>402.28</b>	<b>150.62</b>
Adjustments for working capital:				
Increase/ (Decrease) in provisions	26.50	(52.48)	1.42	18.75
Increase/ (Decrease) in trade payables	106.67	249.78	100.61	(179.33)
Increase / (Decrease) in other financial liabilities	29.71	9.21	11.89	(13.40)
Increase/ (Decrease) in other liabilities	266.40	185.20	451.20	(33.12)
Decrease / (Increase) in trade receivables	367.86	(819.46)	(180.38)	361.73
(Increase)/ Decrease in inventories	(270.74)	(28.48)	(362.10)	162.94
Increase in other assets	(291.50)	(131.83)	(33.79)	(73.80)
(Increase) / Decrease in other financial assets	(10.04)	3.39	(49.06)	8.66
<b>Cash generated from operations</b>	<b>723.86</b>	<b>510.63</b>	<b>342.07</b>	<b>403.05</b>
Direct taxes paid (net of refunds)	163.65	197.77	80.27	14.73
<b>Net cash generated from operating activities (A)</b>	<b>560.21</b>	<b>312.86</b>	<b>261.80</b>	<b>388.32</b>
<b>B. Cash flow from investing activities</b>				
Purchase of property, plant and equipment and intangible assets	(32.25)	(136.48)	(38.72)	(52.02)
Payment towards purchase of right to use assets	(68.02)	-	-	-
Proceeds from sale of property, plant and equipment	1.58	2.67	1.79	1.39
Employee loans repayment	4.33	6.45	8.20	3.07
Employee loans given	(8.37)	(5.84)	(8.95)	(3.69)
(Purchase)/Proceeds from sale of investment properties	-	2.34	23.68	(0.10)
(Purchase)/ Sale of investments	-	(50.02)	-	-

Particulars	<i>(In ₹ million)</i>			
	For the six months period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Investment in bank deposits (having original maturity of more than three months)	(928.23)	(406.64)	(779.19)	(602.89)
Proceeds from bank deposits (having original maturity of more than three months)	779.76	342.37	851.22	269.75
Interest received	52.13	55.27	32.78	34.62
<b>Net cash flow generated from/ (used in) investing activities (B)</b>	<b>(199.07)</b>	<b>(189.88)</b>	<b>90.81</b>	<b>(349.87)</b>
<b>C. Cash flow from financing activities</b>				
Payment for buy back of equity shares	(390.00)	-	-	-
Tax on buy back of equity shares	(42.81)	-	-	-
Proceeds from long-term borrowings	-	7.71	14.13	-
Repayment of long-term borrowings	(2.84)	(4.92)	(6.77)	(7.92)
(Repayment) of / Proceeds from short-term borrowings	(73.60)	77.44	6.71	(19.68)
Interest paid	(1.42)	(6.29)	(8.51)	(0.29)
Interest paid on lease liability	(2.92)	(6.18)	(4.12)	(4.08)
Payment towards principal portion of lease liability	(2.75)	(5.16)	(2.86)	(2.81)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(516.34)</b>	<b>62.60</b>	<b>(1.42)</b>	<b>(34.78)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(155.20)</b>	<b>185.58</b>	<b>351.19</b>	<b>3.67</b>
Cash and cash equivalents at the beginning of the period/year	586.63	401.05	49.86	46.19
<b>Cash and cash equivalents at the end of the period/year</b>	<b>431.43</b>	<b>586.63</b>	<b>401.05</b>	<b>49.86</b>
<b>Components of cash and cash equivalents</b>				
Balance with banks:				
- in current accounts	0.22	1.10	0.78	2.10
- in cash credit accounts	37.62	42.11	91.94	31.21
Deposits with original maturity of less than three months	393.14	543.01	307.71	16.00
Cheques/drafts on hand	-	-	0.34	-
Cash on hand	0.45	0.41	0.28	0.55
<b>Cash and cash equivalents</b>	<b>431.43</b>	<b>586.63</b>	<b>401.05</b>	<b>49.86</b>

## GENERAL INFORMATION

Our Company was originally incorporated as “Luxalon Building Products Private Limited”, a private limited company under the Companies Act, 1956, in New Delhi, pursuant to a certificate of incorporation dated November 30, 1983 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi. The name of our Company was changed to “Interarch Building Products Private Limited” pursuant to a Board resolution dated January 24, 1985 and a special resolution dated April 13, 1985 passed by the Shareholders, consequent upon which, a fresh certificate of incorporation dated August 9, 1985 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi. This change was undertaken as our Company had started marketing of other brands of international architectural building products. Subsequently, in accordance with Section 43A(1A) of the Companies Act, 1956, our Company became a deemed public limited company with effect from July 1, 1996 and the name of our Company was changed to “Interarch Building Products Limited”. Our Board took noting of such conversion, pursuant to a resolution approved on August 25, 1997 consequent upon which, the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi endorsed such conversion on the certificate of incorporation dated August 9, 1985 with effect from July 1, 1996. Pursuant to the amendment in Section 43A of the Companies Act, 1956 by Companies Amendment Act, 2000, and the approval of our Board and our Shareholders on February 20, 2001 on March 22, 2001, respectively, our Company’s status was converted from a deemed public company to a private limited company and consequently, the name was changed to “Interarch Building Products Private Limited” and the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi endorsed such conversion on the certificate of incorporation dated August 9, 1985, with effect from January 11, 2002. Subsequently, pursuant to resolutions passed by our Board and Shareholders dated October 12, 2023 and October 13, 2023 respectively, our Company was converted into a public limited company and consequently, the name of our company was changed to “Interarch Building Products Limited”, consequent upon which, a fresh certificate of incorporation dated December 15, 2023 issued by the RoC.

### Registered Office

Interarch Building Products Limited  
Farm No. 8, Khasara No. 56/23/2  
Dera Mandi Road, Mandi Village  
Mehrauli, New Delhi 110 047  
Delhi, India

For details of changes in our Registered Office, see “*History and Certain Corporate Matters – Changes in the registered office of our Company*” on page 269.

### Corporate Office

B 30, Sector 57  
Noida 201 301  
Uttar Pradesh, India  
**Corporate identity number:** U45201DL1983PLC017029  
**Registration number:** 017029

### Address of the Registrar of Companies

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

#### **The Registrar of Companies, Delhi and Haryana at New Delhi**

4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi 110 019  
Delhi, India

### Board of Directors

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



<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
Sonali Bhagwati Dalal	Chairperson and Independent Director	01105028	S-296, Greater Kailash Part-2, South Delhi 110 048, Delhi, India
Arvind Nanda <sup>^</sup>	Managing Director	00149426	House No. 8, Dera Mandi Road, Mandi Mehrauli 110 047, Delhi, India
Gautam Suri <sup>^</sup>	Whole-time Director	00149374	F-36, Radhe Mohan Drive, Gadaipur Bandh Road, Gadai Pur, Mehrauli, South Delhi 110 030, Delhi, India
Viraj Nanda	Non-Executive Director	07711708	House No. 8, Dera Mandi Road, Mandi Mehrauli, 110 047, Delhi, India
Ishaan Suri	Non-Executive Director	02714298	F-36, Radhe Mohan Drive, Gadaipur Bandh Road, Gadai Pur, Hauz Khas, South Delhi, 110 030, Delhi, India
Dhanpal Arvind Jhaveri <sup>*</sup>	Nominee Director	02018124	Flat No. 2, first floor, Sumangal, 13 Ridge Road, Opposite Malabar Hill, Mumbai 400 006, Maharashtra, India
Mohit Gujral	Independent Director	00051538	20, Gauri Apartments, 3-4 Rajesh Pilot Lane, New Delhi 110 011, India
Sanjiv Bhasin	Independent Director	00001575	2-A, Rashmi Carmichael Road, Cumballa Hill, Mumbai, 400 026 Maharashtra, India

<sup>\*</sup> Our Promoters, Arvind Nanda and Gautam Suri, who are also our Directors together with Taipan and IGS, have the right to nominate four directors to our Board pursuant to the Shareholders' Agreement. See "**History and Certain Corporate Matters – Summary of key agreements and shareholders agreements**" on page 271.

<sup>^</sup> Dhanpal Arvind Jhaveri has been nominated to our Board as a Director by OIH Mauritius pursuant to the Shareholders' Agreement. See "**History and Certain Corporate Matters – Summary of key agreements and shareholders agreements**" on page 271.

For brief profiles and further details in respect of our Directors, see "**Our Management – Brief profiles of our Directors**" on page 276.

### **Company Secretary and Compliance Officer**

Nidhi Goel is the Company Secretary and Compliance Officer of our Company. Her contact details are as set out below:

#### **Nidhi Goel**

Farm No. 8, Khasara No. 56/23/2  
Dera Mandi Road, Mandi Village  
Mehrauli, New Delhi 110 047  
Delhi, India

**Telephone:** +91 120 4170 200

**E-mail:** compliance@interarchbuildings.com

### **Investor grievances**

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

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

All Offer-related grievances of the Anchor Investors may be addressed to Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client

ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

### Book Running Lead Managers

#### Ambit Private Limited

Ambit House  
449, Senapati Bapat Marg  
Lower Parel  
Mumbai 400 013  
Maharashtra, India

**Telephone:** +91 22 6623 3030

**E-mail:** interarch.ipo@ambit.co

**Investor grievance e-mail:**

customerservicemb@ambit.co

**Website:** www.ambit.co

**Contact person:** Nikhil Bhiwapurkar/ Jatin Jain

**SEBI registration No.:** INM000010585

#### Axis Capital Limited

1<sup>st</sup> Floor, Axis House  
C-2, Wadia International Centre  
P.B. Marg Worli  
Mumbai 400 025  
Maharashtra, India

**Telephone:** +91 22 4325 2183

**E-mail:** interarch.ipo@axiscap.in

**Investor grievance e-mail:** complaints@axiscap.in

**Website:** www.axiscapital.co.in

**Contact person:** Simran Gadh/Harish Patel

**SEBI registration No.:** INM000012029

### Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	All BRLMs	Ambit
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities. Coordination for all agreements.	All BRLMs	Ambit
3.	Drafting and approval of all statutory advertisement	All BRLMs	Ambit
4.	Drafting and approval of all publicity material other than statutory advertisement including media monitoring, corporate advertisement, brochure etc. and coordination for media compliance report	All BRLMs	Axis
5.	Appointment of intermediaries viz., Registrar's, Printers and Advertising Agency including coordination of agreements to be entered into with such intermediaries	All BRLMs	Ambit
6.	Appointment of other intermediaries viz., Monitoring Agency, share escrow agent and Banker(s) to the Offer, Sponsor Banks including coordination of agreements to be entered into with such intermediaries	All BRLMs	Axis
7.	Preparation of road show presentation and FAQs	All BRLMs	Ambit
8.	International Institutional marketing strategy of the Offer, which will cover, inter alia,	All BRLMs	Ambit
	<ul style="list-style-type: none"> <li>Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with the Company; and</li> </ul> Finalizing the road show schedule and investor meeting schedules;		
9.	Domestic institutional marketing of the Issue, which will cover, inter alia:	All BRLMs	Axis
	<ul style="list-style-type: none"> <li>Marketing Strategy</li> <li>Finalising the list and division of domestic investors for one-to-one meetings</li> </ul> Finalising domestic road show and investor meeting schedules		
10.	Non-institutional marketing of the Offer, which will cover, inter alia,	All BRLMs	Ambit
	<ul style="list-style-type: none"> <li>Finalize media, marketing and public relations strategy; and</li> <li>Formulating strategies for marketing to non-institutional investors</li> </ul>		

<b>S. No.</b>	<b>Activity</b>	<b>Responsibility</b>	<b>Co-ordinator</b>
11.	Retail marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"> <li>Formulating marketing strategies, preparation of publicity budget</li> <li>Finalize Media and PR strategy</li> <li>Finalizing centres for holding conferences for press/media, investors and brokers;</li> <li>Finalising brokers for the Offer;</li> <li>Finalising collection centres; and</li> </ul> Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum and distribution of the publicity and Offer material including offer documents, application forms and abridged prospectus	All BRLMs	Axis
12.	Co-ordination with Stock Exchanges for Anchor coordination, Anchor CAN and intimation of anchor allocation (pre and post completion of Anchor Investor Bidding Period), Book Building software, bidding terminals and mock trading, payment of 1% security deposit.	All BRLMs	Axis
13.	Managing the book and finalization of pricing, in consultation with the Company	All BRLMs	Ambit
14.	Post-Offer activities, management of escrow accounts, essential follow-up steps including follow-up with Banker(s) to the Offer and Self Certified Syndicate Banks to get quick estimates of subscription and advising the Issuer about the closure of the Offer, finalization of basis of allotment after weeding out the technical rejections. Coordination with various agencies connected with the post-offer activity such as registrars to the Offer, Banker(s) to the Offer, Self-Certified Syndicate Banks and underwriters etc., listing of instruments, demat credit and refunds/ unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT. Coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	All BRLMs	Axis

### **Syndicate Members**

[•]

### **Legal advisor to the Company as to Indian law**

#### **Shardul Amarchand Mangaldas & Co**

Express Towers, 24<sup>th</sup> Floor  
Nariman Point  
Mumbai – 400 021  
Maharashtra, India  
**Telephone:** +91 22 4933 5555

Amarchand Towers  
216 Okhla Industrial Estate, Phase III  
New Delhi 110 020  
Delhi, India  
**Telephone:** +91 11 4159 0700

### **Registrar to the Offer**

#### **Link Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, 247 Park  
Lal Bahadur Shastri Marg, Vikhroli (West)  
Mumbai 400 083  
Maharashtra, India  
**Telephone:** +91 81081 14949  
**E-mail:** interarch.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in

**Investor grievance e-mail:** interarch.ipo@linkintime.co.in  
**Contact person:** Shanti Gopalkrishnan  
**SEBI registration No.:** INR000004058

**Banker(s) to the Offer**

*Escrow Collection Bank(s)*

[•]

*Public Offer Account Bank*

[•]

*Refund Bank*

[•]

*Sponsor Bank(s)*

[•]

**Banker(s) to our Company**

**Bank of Baroda**

Mid Corporate Branch, 5<sup>th</sup> Floor  
New Delhi  
Delhi, India

**Telephone:** +91 11 2344 1531

**E-mail:** vjodel@bankofbaroda.co.in

**Website:** www.bankofbaroda.com

**Contact person:** Ankur Agarwal

**HDFC Bank Limited**

2<sup>nd</sup> Floor, Tower A  
AMP Building, 31, Shivaji Nagar  
Moti Nagar  
New Delhi, 110 015  
Delhi, India

**Telephone:** +91 94577 38363; +91 11 6142 2213

**E-mail:** vineet.singh@hdfcbank.com

**Website:** www.hdfcbank.com

**Contact person:** Vineet Singh

**IDFC First Bank Limited**

2<sup>nd</sup> Floor, Express Building  
Near ITO  
New Delhi 110 002  
Delhi, India

**Telephone:** +91 11 4020 1595

**E-mail:** piyush.goel@idfcfirstbank.com

**Website:** www.idfcfirstbank.com

**Contact person:** Piyush Goel

**ICICI Bank Limited**

NBCC Place  
Bhisham Pitamah Marg  
Pragati Vihar  
New Delhi 110 003  
Delhi, India

**Telephone:** +91 11 6678 8112

**E-mail:** NA

**Website:** www.icicibank.com

**Contact person:** Relationship manager, LCG

**IndusInd Bank Limited**

2401, Gen. Thimmayya Road (Cantonment)  
Pune 411 001  
Maharashtra, India

**Telephone:** +91 20 2634 3201/ +91 20 6901 9000

**E-mail:** harsh.khazanchi@indusind.com

**Website:** www.indusind.com

**Contact person:** Harsh Khazanchi

**State Bank of India**

Commercial Branch, 2<sup>nd</sup> Floor  
20/34, Pusa Road  
Karol Bagh  
New Delhi 110 005

**Telephone:** +91 11 2580 3501

**Email:** dgmcbnd.mcdel@sbi.co.in;  
sbi.18173@sbi.co.in

**Website:** www.sbi.co.in

**Contact person:** DGM and branch head

**Yes Bank Limited**

Yes Bank House  
Off Western Express highway  
Santacruz East, Mumbai 400 055  
Maharashtra, India

**Telephone:** +91 20 679 1767

**E-mail:** deepak.arora@yesbank.in  
**Website:** www.yesbank.in  
**Contact person:** Deepak Arora

## **Designated Intermediaries**

### ***Self-Certified Syndicate Banks***

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

### ***Self-Certified Syndicate Banks and mobile applications enabled for Unified Payment Interface Mechanism***

In accordance with SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may only apply through mobile applications using UPI handles or through SCSBs whose names appear on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, which may be updated from time to time.

### ***Syndicate Self-Certified Syndicate Banks Branches***

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

### ***Registered Brokers***

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

### ***Registrar and Share Transfer Agents***

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

### ***Collecting Depository Participants***

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

### **Statutory Auditors of our Company**

**S.R. Batliboi & Co. LLP, Chartered Accountants**

67, Institutional Area  
Sector 44  
Gurugram, 122 003  
Haryana, India  
**Telephone:** +91 124 681 6000  
**E-mail:** srbc@srb.in  
**Firm registration Nos.:** 301003E/E300005  
**Peer review number:** 013326

#### **Changes in statutory auditors**

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

#### **Monitoring Agency**

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus with the RoC in accordance with Regulation 41 of SEBI ICDR Regulations, for monitoring of the utilisation of the Net Proceeds.

#### **Grading of the Offer**

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

#### **Appraising entity**

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

#### **Credit rating**

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

#### **Debenture trustees**

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

#### **Green shoe option**

No green shoe option is contemplated under the Offer.

#### **Expert**

Except as stated below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received written consent dated March 18, 2024 from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated March 14, 2024 on our Restated Financial Information; and (ii) their report dated March 18, 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated March 18, 2024 from Manian & Rao, Chartered Accountants, to include its name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and referred to as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates in connection with the Offer. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated March 9, 2024 from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) (membership number: M-148599-1) to include his name as required under Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as independent chartered engineer, in respect of (i) certificate dated March 9, 2024 for Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II, Pantnagar Manufacturing Facility and Kichha Manufacturing Facility, respectively, containing details of *inter alia* the installed capacity, actual production and capacity utilisation at each of the above-mentioned manufacturing facilities; (ii) certificate dated March 9, 2024 on our Company’s proposed upgradation of the: (a) Tamil Nadu Manufacturing Facilities; (b) Kichha Manufacturing Facility; and (c) Pantnagar Manufacturing Facility; and (iii) report titled “Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities” dated March 9, 2024. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Filing of this Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI through SEBI Intermediary Portal at [siportal.sebi.gov.in](http://siportal.sebi.gov.in), in accordance with the SEBI master circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (“**SEBI ICDR Master Circular**”) and has been filed electronically with SEBI as specified in Regulation 25(8) of the SEBI ICDR Regulation and at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instruction-ns issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD. It has also been filed with the SEBI at:

### **Securities and Exchange Board of India**

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the Registrar of Companies in accordance with Section 32 of the Companies Act, 2013 and a copy of the Prospectus shall be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013 and through the electronic portal at [www.mca.gov.in/mcafoportal/loginvalidateuser.do](http://www.mca.gov.in/mcafoportal/loginvalidateuser.do).

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid Lot which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date. See “**Offer Procedure**” on page 462.

All Bidders, other than Anchor Investors, shall mandatorily participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or Sponsor Bank, as the case may be, in the case of UPI Bidders, by alternatively using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bid/Offer Date. For details on method and process of Bidding, see “**Offer Structure**” and “**Offer Procedure**” on pages 458 and 462, respectively.

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

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer. Bidders should note the Offer is also subject to (i) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

### **Underwriting Agreement**

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

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

*(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)*

Name, address, telephone and e-mail of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered as merchant bankers with SEBI or registered as brokers with the Stock Exchange(s). Our Board of Directors/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.



## CAPITAL STRUCTURE

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

<i>(in ₹, except share data)</i>			
S. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	<b>AUTHORISED SHARE CAPITAL<sup>(1)</sup></b>		
	20,000,000 Equity Shares of face value of ₹ 10 each	200,000,000	-
B)	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	14,415,892 Equity Shares of face value of ₹ 10 each	144,158,920	-
C)	<b>PRESENT OFFER<sup>(2)(5)</sup></b>		
	Offer of [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] million <sup>(2)(3)</sup>	[●]	[●]
	<i>Of which:</i>		
	Fresh Issue of [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2,000.00 million <sup>(5)</sup>	[●]	[●]
	Offer for Sale of up to 4,447,630 Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] million by the Selling Shareholders <sup>(3)</sup>	[●]	[●]
	<i>The Offer Includes:</i>		
	Employee Reservation Portion of [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] million <sup>(4)</sup>	[●]	[●]
	Net Offer of [●] Equity Shares of face value of ₹ 10 each aggregating to ₹ [●] million	[●]	[●]
E)	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER*</b>		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
F)	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		914,997,000
	After the Offer*		[●]

\*To be updated upon finalisation of the Offer Price and subject to finalisation of Basis of Allotment.

- (1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see 'History and Certain Corporate Matters – Amendments to the Memorandum of Association in the last 10 years' on page 270.
- (2) Our Board has authorised the Offer by way of its resolution dated January 15, 2024 and our Shareholders by way of a special resolution dated January 17, 2024 have approved the Fresh Issue. Our Board has taken on record the respective consents and authorisations of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated March 14, 2024.
- (3) The Selling Shareholders have each severally and not jointly confirmed that their respective portions of the Offered Shares are eligible for being offered for sale in the Offer for Sale in accordance with the SEBI ICDR Regulations. Each of the Selling Shareholders severally and not jointly has confirmed and authorized its participation in the Offer for Sale, as disclosed in "Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Selling Shareholders" on page 438.
- (4) The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹ 500,000 (net of Employee Discount), shall be added to the Net Offer. Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer a discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. See "Offer Structure" on page 458.
- (5) Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.

### Notes to Capital Structure

#### 1. Equity share capital history of our Company

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

<b>Date of allotment/buy-back</b>	<b>Nature of allotment/buy-back</b>	<b>Name(s) of allottee(s)/ shareholders from whom equity shares were bought back and details of equity shares allotted/bought - back</b>	<b>Number of equity shares allotted/bought-back</b>	<b>Face value per equity share (₹)</b>	<b>Issue/Buyback price per equity share (₹)</b>	<b>Nature of consideration</b>
November 30, 1983 <sup>*(1)</sup>	Initial subscription to the Memorandum of Association	One equity share was allotted to each of Arvind Nanda and Amit Judge	2	100	100	Cash
January 2, 1984	Further issue	20 equity shares were allotted to Gautam Suri, and nine equity shares were allotted to each of Arvind Nanda and Amit Judge	38	100	100	Cash
July 2, 1984	Further issue	240 equity shares were allotted to each of Arvind Nanda and Amit Judge and 480 equity shares were allotted to Gautam Suri	960	100	100	Cash
January 20, 1986	Further issue	1,000 equity shares were allotted to each of Amit Judge and Taipan and 2,000 equity shares were allotted to Gautam Suri	4,000	100	100	Cash
September 30, 1993	Further issue	7,500 equity shares were allotted to each of IGS and Taipan	15,000	100	100	Cash
March 31, 1995	Further issue	1,000 equity shares were allotted to Gautam Suri, 8,750 equity shares were allotted to IGS, 250 equity shares were allotted to Ishaan Suri, 9,250 equity shares were allotted to Taipan, and 750 equity shares were allotted to Uma Nanda	20,000	100	100	Cash
March 31, 1996*	Further issue	7,500 equity shares were allotted to each of IGS and Taipan	15,000	100	100	Cash
March 31, 1997	Further issue	2,500 equity shares were allotted to each of IGS and Taipan	5,000	100	100	Cash
March 2, 2007	Further issue	20,000 equity shares were allotted to each of Gautam Suri and Arvind Nanda	40,000	100	100	Cash
May 14, 2007	Further issue	250,000 equity shares were allotted to each of Arvind Nanda and Gautam Suri	500,000	100	100	Cash

Date of allotment/buy-back	Nature of allotment/buy-back	Name(s) of allottee(s)/ shareholders from whom equity shares were bought back and details of equity shares allotted/bought - back	Number of equity shares allotted/bought-back	Face value per equity share (₹)	Issue/Buyback price per equity share (₹)	Nature of consideration
November 5, 2007	Further issue	25,015 equity shares were allotted to each of Arvind Nanda and Gautam Suri	50,030	100	100	Cash
December 5, 2007	Further issue	100,000 equity shares were allotted to OIH Mauritius	100,000	100	10,000	Cash
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated September 27, 2017 and September 29, 2017, respectively the authorised share capital of our Company was sub-divided from 1,000,000 equity shares of face value of ₹ 100 each divided into 10,000,000 Equity Shares of face value of ₹10 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 750,030 equity shares of face value of ₹ 100 per equity share to 7,500,300 Equity Shares of face value of ₹ 10 per Equity Share.						
September 29, 2017	Bonus issue in the ratio of one Equity Share for every one Equity Share held as on September 29, 2017, being the record date	2,387,650 Equity Shares were allotted to Gautam Suri, 290,000 Equity Shares were allotted to Taipan, 2,960,100 Equity Shares were allotted to Arvind Nanda, 299,950 Equity Shares were allotted to Ishaan Suri, 262,500 Equity Shares were allotted to IGS, 300,050 Equity Shares were allotted to Shobhna Suri, 1,000,000 Equity Shares were allotted to OIH and 50 Equity Shares were allotted to Prakash Chand	7,500,300	10	-	NA
September 25, 2023	Buy-back	191,154 Equity Shares were bought back from Arvind Nanda, 131,184 Equity Shares were bought back from Gautam Suri, 59,970 Equity Shares were bought back from Ishaan Suri and 202,400 Equity Shares were bought back from OIH Mauritius	(584,708)	10	667	Cash

<sup>(1)</sup> Our Company was incorporated on November 30, 1983 and our Board took note of the initial subscription of equity shares on record on December 1, 1983

\* The RoC form filings for these allotments of equity shares are not traceable. Our Company has conducted a RoC search and APR & Associates LLP, Company Secretaries (Membership number: 16125), pursuant to their inspection and independent verification of the documents available with/ maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC and by way of their report dated March 13, 2024 confirmed the unavailability of such historical records. Accordingly, we have relied on other corporate records such as board resolutions and share registers maintained by our Company See "Risk Factors – We are unable to trace some of the historical records and there have been instances of statutory non-compliances in the past. We may be subject to legal proceedings or regulatory actions by statutory authorities and our business, financial condition and reputation may be adversely affected." on page 58.

## 2. Preference share capital of our Company

Our Company has no outstanding preference shares as on the date of this Draft Red Herring Prospectus.

## 3. Shares issued for consideration other than cash or pursuant to bonus issue

Our Company has not issued any shares for consideration other than cash at any time since incorporation. Except as set out below, our Company has not undertaken any bonus issue of shares since incorporation:

Date of allotment	Nature of allotment	Name(s) of allottee(s)	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Benefits accrued
September 29, 2017	Bonus issue in the ratio of one Equity Share for every one Equity Share held as on September 29, 2017, being the record date	2,387,650 Equity Shares were allotted to Gautam Suri, 290,000 Equity Shares were allotted to Taipan, 2,960,100 Equity Shares were allotted to Arvind Nanda, 299,950 Equity Shares were allotted to Ishaan Suri, 262,500 Equity Shares were allotted to IGS, 300,050 Equity Shares were allotted to Shobhna Suri, 1,000,000 Equity Shares were allotted to OIH Mauritius and 50 Equity Shares were allotted to Prakash Chand	7,500,300	10	NA	NA	NA

## 4. Shares issued out of revaluation reserves

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

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

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

## 6. Issue of equity shares at a price lower than the Offer Price in the last year

Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus.

## 7. Issue of equity shares under employee stock option schemes

Our Company has not issued any equity shares pursuant to any employee stock option scheme since its incorporation.

## 8. Shareholding of our Promoters and members of our Promoter Group

Set forth below is the shareholding of our Promoters and members of Promoter Group, as on the date of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage of pre-Offer equity share capital (%)	Number of Equity Shares	Percentage of post-Offer equity share capital (%)*
<b>Promoters</b>				
Arvind Nanda	5,729,046	39.74	[●]	[●]
Gautam Suri	4,644,116	32.22	[●]	[●]
Ishaan Suri	539,930	3.75	[●]	[●]
Viraj Nanda	Nil	Nil	Nil	Nil
<b>Total (A)</b>	<b>10,913,092</b>	<b>75.71</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoter Group</b>				
IGS Holdings Private Limited	525,000	3.64	[●]	[●]
Shobhna Suri	600,100	4.16	[●]	[●]
Taipan Associates Private Limited	580,000	4.02	[●]	[●]
<b>Total (B)</b>	<b>1,705,100</b>	<b>11.82</b>	<b>[●]</b>	<b>[●]</b>
<b>Total (A+B)</b>	<b>12,618,192</b>	<b>87.53</b>	<b>[●]</b>	<b>[●]</b>

\*Subject to finalisation of Basis of Allotment

## 9. History of build-up of Promoters' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 10,913,092 Equity Shares, which constitute 75.71% of the issued, subscribed and paid-up equity share capital of our Company. One of our Promoters, Viraj Nanda has had no shareholding in our Company since its incorporation. All the Equity Shares held by our Promoters are in dematerialised form. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

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

Date of allotment / transfer/ buy-back	Number of equity shares allotted/ transferred/ bought back	Face value per equity share (₹)	Issue/ acquisition/ transfer/buy-back price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital <sup>#</sup>	% of the post-Offer equity share capital <sup>#</sup>
<b>Arvind Nanda</b>							
November 30, 1983 <sup>(1)</sup>	1	100	100	Cash	Initial subscription to the Memorandum of Association	Negligible	[●]
January 2, 1984	9	100	100	Cash	Further issue	Negligible	[●]
July 2, 1984	240	100	100	Cash	Further issue	0.02	[●]
July 6, 1984	(250)	100	100	Cash	Transfer of equity shares to Taipán	(0.02)	[●]
March 22, 1988	250	100	100	Cash	Transfer of equity shares from Taipán	0.02	[●]
March 30, 1993	(5)	100	100	Cash	Transfer of equity shares to Uma Nanda	Negligible	[●]
March 2, 2007	20,000	100	100	Cash	Further issue	1.39	[●]
May 14, 2007	250,000	100	100	Cash	Further issue	17.34	[●]

Date of allotment / transfer/ buy-back	Number of equity shares allotted/ transferred/ bought back	Face value per equity share (₹)	Issue/ acquisition/ transfer/ buy-back price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital <sup>#</sup>	% of the post-Offer equity share capital <sup>†</sup>
November 5, 2007	25,015	100	100	Cash	Further issue	1.74	[•]
October 9, 2015	(5)	100	1,878	Cash	Transfer of equity shares to Prakash Chand	Negligible	[•]
December 1, 2016	755	100	NA	NA	Transmission of equity shares from Uma Nanda	0.05	[•]
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated September 27, 2017 and September 29, 2017, respectively the authorised share capital of our Company was sub-divided from 1,000,000 equity shares of face value of ₹ 100 each into 10,000,000 Equity Shares of face value of ₹10 each. Accordingly, the equity shares held by Arvind Nanda was sub-divided from 296,010 equity shares of face value of ₹ 100 per equity share to 2,960,100 Equity Shares of face value of ₹ 10 per Equity Share.							
September 29, 2017	2,960,100	10	NA	NA	Bonus issue in the ratio of one Equity Share for every one Equity Share held as on September 29, 2017, being the record date	20.53	[•]
September 25, 2023	(191,154)	10	667	Cash	Buyback of Equity Shares	(1.33)	[•]
<b>Total (A)</b>	<b>5,729,046</b>					<b>39.74</b>	[•]
<b>Gautam Suri</b>							
January 2, 1984	20	100	100	Cash	Further issue	Negligible	[•]
July 2, 1984	480	100	100	Cash	Further issue	0.03	[•]
January 20, 1986	2,000	100	100	Cash	Further issue	0.14	[•]
September 1, 1988**	(1,250)	100	100	Cash	Transfer of equity shares to Ishaan Suri	(0.09)	[•]
March 31, 1995	1,000	100	100	Cash	Further issue	0.07	[•]
March 2, 2007	20,000	100	100	Cash	Further issue	1.39	[•]
May 14, 2007	250,000	100	100	Cash	Further issue	17.34	[•]
November 5, 2007	25,015	100	100	Cash	Further issue	1.74	[•]
May 27, 2009	(28,500)	100	NA	NA	Transfer of equity shares by way of gift to Ishaan Suri	(1.98)	[•]
	(30,000)	100	NA	NA	Transfer of equity shares by way of gift to Shobhna Suri	(2.08)	[•]
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated September 27, 2017 and September 29, 2017, respectively the authorised share capital of our Company was sub-divided from 1,000,000 equity shares of face value of ₹ 100 each into 10,000,000 Equity Shares of face value of ₹10 each. Accordingly, the equity shares held by Gautam Suri was sub-divided from 238,765 equity shares of face value of ₹ 100 per equity share to 2,387,650 Equity Shares of face							

Date of allotment / transfer/ buy-back	Number of equity shares allotted/ transferred/ bought back	Face value per equity share (₹)	Issue/ acquisition/ transfer/buy-back price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital <sup>#</sup>	% of the post-Offer equity share capital <sup>*</sup>
value of ₹ 10 per Equity Share.							
September 29, 2017	2,387,650	10	NA	NA	Bonus issue in the ratio of one Equity Share for every one Equity Share held	16.56	[●]
September 25, 2023	(131,184)	10	667	Cash	Buyback of Equity Shares	(0.91)	[●]
<b>Total (B)</b>	<b>4,644,116</b>					<b>32.22</b>	<b>[●]</b>
<b>Ishaan Suri</b>							
September 1, 1988**	1,250	100	100	Cash	Transfer of equity shares from Gautam Suri	0.09	[●]
March 30, 1993	(5)	100	100	Cash	Transfer of equity shares to Shobhna Suri	Negligible	[●]
March 31, 1995	250	100	100	Cash	Further issue	0.02	[●]
May 27 2009	28,500	100	NA	NA	Transfer of equity shares by way of gift from Gautam Suri	1.98	[●]
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated September 27, 2017 and September 29, 2017, respectively the authorised share capital of our Company was sub-divided from 1,000,000 equity shares of face value of ₹ 100 each to into 10,000,000 Equity Shares of face value of ₹10 each. Accordingly, the equity shares held by Ishaan Suri was sub-divided from 29,995 equity shares of face value of ₹ 100 per equity share to 299,950 Equity Shares of face value of ₹ 10 per Equity Share.							
September 29, 2017	299,950	10	NA	NA	Bonus issue in the ratio of one Equity Share for every one Equity Share held as on September 29, 2017 being the record date	2.08	[●]
September 25, 2023	(59,970)	10	667	Cash	Buyback of Equity Shares	(0.42)	[●]
<b>Total (C)</b>	<b>539,930</b>					<b>3.75</b>	<b>[●]</b>
<b>Total (A+B+C)</b>	<b>10,913,092</b>					<b>75.71</b>	

<sup>(1)</sup> Our Company was incorporated on November 30, 1983 and our Board took note of the initial subscription of equity shares on record on December 1, 1983.

\* The RoC form filings for these allotments of equity shares are not traceable. Our Company has conducted a RoC search and APR & Associates LLP, Company Secretaries (Membership number: 16125), pursuant to their inspection and independent verification of the documents available/ maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC and by way of their report dated March 13, 2024 confirmed the unavailability of such historical records. Accordingly, we have relied on the other corporate records such as board resolutions and share registers maintained by our Company.

\*\* Our Company is unable to trace the share transfer forms and accordingly we have relied on other corporate records such as board resolutions and share registers maintained by our Company. See “**Risk Factors – We are unable to trace some of the historical records and there have been instances of statutory non-compliances in the past. We may be subject to legal proceedings or regulatory actions by statutory authorities and our business, financial condition and reputation may be adversely affected.**” on page 58.

<sup>#</sup> These percentages have been adjusted to give effect to the sub-division of each equity share of face value of ₹ 100 each of our Company into 10 Equity Shares of face value of ₹ 10 each to the extent applicable pursuant to resolutions passed by our Board and the Shareholders in their meetings dated September 27, 2017 and September 29, 2017.

<sup>^</sup>Subject to finalisation of Basis of Allotment

## 10. Details of minimum Promoters' Contribution locked in for 18 months

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of 18 months or any other period as may be prescribed under applicable law, from the date of Allotment ("Promoter's Contribution") and the Equity Shares held by our Promoters in excess of Promoter's Contribution, shall be locked in for a period of six months, from the date of Allotment.

Our Promoters have given their consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The details of Equity Shares held by our Promoters, which will be locked-in for minimum Promoter's contribution for a period of 18 months, from the date of Allotment as Promoters' Contribution are as provided below:

Name of the Promoter	Number of Equity Shares held	Number of Equity Shares locked-in*	Date of allotment/transfer <sup>#</sup>	Face value per Equity Share (₹)	Allotment/ Acquisition price per Equity Share (₹)	Nature of transaction	% of the post-Offer paid-up capital (on a fully diluted basis)*
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

<sup>#</sup> Equity Shares were fully paid-up on the date of allotment/acquisition.

<sup>\*</sup> Subject to finalisation of Basis of Allotment.

The Equity Shares being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. See "*- History of build-up of Promoters' shareholding in our Company*" on page 96.

In this connection, we confirm the following:

- (i) Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;
- (ii) the Promoters' Contribution does not include any Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a Company; and
- (iv) the Equity Shares forming part of the Promoters' contribution are not subject to any pledge or any other form of encumbrance.

## 11. Details of share capital locked-in for six months

In addition to Promoters' Contribution locked in for 18 months any Equity Shares held by our Promoters in excess of Promoter's Contribution shall be locked in for a period of six months. Pursuant to Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked in for a period of six months from the date of Allotment, except for Equity Shares Allotted pursuant to the Offer for Sale. Further, in terms of Regulation 17(1)(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-



in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked-in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of category I or category II or foreign venture capital investor.

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

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

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

## **12. Lock-in of Equity Shares Allotted to Anchor Investors**

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

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

Except as disclosed in “– *History of build-up of Promoters' shareholding in our Company*” on page 96, in relation to buy-back of Equity Shares completed by our Company on September 25, 2023, none of our Promoters, members of our Promoter Group, our Directors or their relatives have sold or purchased any Equity Shares of our Company during the six months preceding the date of this Draft Red Herring Prospectus.

#### 14. *Our shareholding pattern*

The shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus is as set forth below:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V) + (VI) (VII)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			Number of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of voting rights Class Equity Shares	Class Other Shares	Total			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
(A)	Promoters and Promoter Group	6	12,618,192	-	-	12,618,192	87.53	12,618,192	-	12,618,192	-	-	-	-	-	-	-	12,618,192
(B)	Public	2	1,797,700	-	-	1,797,700	12.47	1,797,700	Nil	1,797,700	-	-	-	-	-	-	-	1,797,700
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	8	14,415,892	-	-	14,415,892	100	14,415,892	Nil	14,415,892	-	-	-	-	-	-	-	14,415,892

15. As on the date of this Draft Red Herring Prospectus, our Company has eight Shareholders.

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

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Name	Number of Equity Shares	Percentage of pre-Offer share capital (%)
<b>Director and Key Managerial Personnel</b>		
Arvind Nanda	5,729,046	39.74
Gautam Suri	4,644,116	32.22
<i>Director</i>		
Ishaan Suri	539,930	3.75
<b>Total</b>	<b>10,913,092</b>	<b>75.71</b>

None of the members of our Senior Management hold any Equity Shares as on date of this Draft Red Herring Prospectus.

**17. Details of shareholding of the major shareholders of our Company**

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

S. No.	Name of Shareholder	Number of Equity Shares	Percentage of pre-Offer share capital (%)
1.	Arvind Nanda	5,729,046	39.74
2.	Gautam Suri	4,644,116	32.22
3.	OIH Mauritius Limited	1,797,600	12.47
4.	Shobhna Suri	600,100	4.16
5.	Taipan Associates Private Limited	580,000	4.02
6.	Ishaan Suri	539,930	3.75
7.	IGS Holdings Private Limited	525,000	3.64
	<b>Total</b>	<b>14,415,792</b>	<b>100.00*</b>

\* This excludes 100 Equity Shares held by Prakash Chand.

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

S. No.	Name of Shareholder	Number of Equity Shares	Percentage of pre-Offer share capital (%)
1.	Arvind Nanda	5,729,046	39.74
2.	Gautam Suri	4,644,116	32.22
3.	OIH Mauritius Limited	1,797,600	12.47
4.	Ishaan Suri	539,930	3.75
5.	Shobhna Suri	600,100	4.16
6.	Taipan Associates Private Limited	580,000	4.02
7.	IGS Holdings Private Limited	525,000	3.64
	<b>Total</b>	<b>14,415,792</b>	<b>100.00*</b>

\* This excludes 100 Equity Shares held by Prakash Chand.

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

S. No.	Name of Shareholder	Number of Equity Shares	Percentage of pre-Offer share capital (%)
1.	Arvind Nanda	5,920,200	39.47
2.	Gautam Suri	4,775,300	31.83
3.	OIH Mauritius Limited	2,000,000	13.33
4.	Ishaan Suri	599,900	4.00
5.	Shobhna Suri	600,100	4.00
6.	Taipan Associates Private Limited	580,000	3.87
7.	IGS Holdings Private Limited	525,000	3.50
	<b>Total</b>	<b>15,000,500</b>	<b>100.00*</b>

\* This excludes 100 Equity Shares held by Prakash Chand.

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

S. No.	Name of Shareholder	Number of Equity Shares	Percentage of pre-Offer share capital (%)
1.	Arvind Nanda	5,920,200	39.47
2.	Gautam Suri	4,775,300	31.83
3.	OIH Mauritius Limited	2,000,000	13.33
4.	Ishaan Suri	599,900	4.00
5.	Shobhna Suri	600,100	4.00
6.	Taipan Associates Private Limited	580,000	3.87
7.	IGS Holdings Private Limited	525,000	3.50
	<b>Total</b>	<b>15,000,500</b>	<b>100.00*</b>

\* This excludes 100 Equity Shares held by Prakash Chand

## 18. Employee stock option scheme

As on the date of this Draft Red Herring Prospectus, our Company has adopted the Interarch Employee Stock Option Plan 2023 (“**ESOP 2023**”) pursuant to the resolutions passed by our Board on August 17, 2023, and our Shareholders on August 18, 2023 which was amended pursuant to a resolution passed by the Board and our Shareholders on March 8, 2024. As on date of this Draft Red Herring Prospectus no stock options have been granted or are outstanding under the ESOP 2023.

19. There have been no financing arrangements whereby members of our Promoter Group, our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
20. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares being offered through the Offer.
21. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.
22. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.
23. Except for the Allotment of Equity Shares pursuant to (i) the Pre-IPO Placement and (ii) the Fresh Issue, there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
24. Except for the Equity Shares to be allotted pursuant to the Fresh Issue or issued pursuant to the ESOP 2023, there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.
25. The BRLMs, and any person related to the BRLMs cannot apply in the Offer under the Anchor Investor Category, except for Mutual Funds sponsored by entities which are associate of the BRLMs, or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by entities which are associates of the BRLMs, or an FPI (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 sponsored by entities which are associates of the BRLMs.
26. None of the BRLMs and their respective associates as defined under the SEBI Merchant Bankers Regulations hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

The BRLMs and their respective associates and affiliates, in their capacity as principal or agents, may engage in transactions with, and perform services for, our Company, our Group Companies, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

- 27.** Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- 28.** Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 29.** All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 2,000.00 million by our Company and an Offer for Sale of up to 4,447,630 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders. See “*Summary of this Draft Red Herring Prospectus – Offer size*” and “*The Offer*” on pages 22 and 75, respectively.

### Offer for Sale

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale will be received by the Selling Shareholders and will not form part of the Net Proceeds. See “- *Offer related expenses*” on page 147.

### Object of the Fresh Issue

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, the “**Objects**”):

1. financing the capital expenditure towards setting up a new PEB manufacturing unit (classified as Phase 2 of our capacity development plan at the Planned Andhra Pradesh Manufacturing Facility) (“**Project**”)
2. financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility;
3. funding investment in information technology (“**IT**”) assets for upgradation of existing information technology infrastructure of our Company;
4. funding incremental working capital requirements; and
5. general corporate purposes.

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges, enhancement of our Company’s visibility and brand name amongst our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and matters necessary for furtherance of the main objects clause as set out in the Memorandum of Association enables our Company: (i) to undertake our existing business activities; and (ii) to undertake the proposed activities for which funds are being raised by us pursuant to the Fresh Issue.

### Net Proceeds

After deducting the Offer-related expenses from the gross proceeds of the Fresh Issue, we estimate the net proceeds of the Fresh Issue to be ₹ [●] million (“**Net Proceeds**”). The details of the Net Proceeds of the Offer are summarized in the table below.

S. No	Particulars	Estimated Amount (in ₹ million)
(a)	Gross proceeds of the Fresh Issue	Up to ₹ 2,000.00 million <sup>(1)</sup>
(b)	Less: Offer expenses in relation to the Fresh Issue <sup>(1)</sup>	[●] <sup>(2)(3)</sup>
(c)	<b>Net Proceeds</b>	[●] <sup>(3)</sup>

<sup>(1)</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement which may be undertaken, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus with the RoC. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards the Objects as set out in this section. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.

<sup>(2)</sup> See “- *Offer Related Expenses*” on page 147.

<sup>(3)</sup> To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing of the RoC.

### Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below:

Particulars	Amount (in ₹ million)*	Percentage of Net Proceeds (%)**
Financing the capital expenditure towards setting up the Project	585.26	[●]

Particulars	Amount (in ₹ million)*	Percentage of Net Proceeds (%)**
Financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility	192.46	[●]
Funding investment in information technology assets for upgradation of existing information technology infrastructure of our Company	109.71	[●]
Funding incremental working capital requirements	550.00	[●]
General corporate purposes <sup>(1)</sup>	[●]	[●]
<b>Total Net Proceeds<sup>(1)*</sup></b>	<b>[●]</b>	<b>100.00</b>

\*Includes the proceeds, if any, received pursuant to the Pre-IPO Placement which may be undertaken, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards the Objects as set out in this section. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.

\*\* To be updated at the Prospectus stage.

<sup>(1)</sup> To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

### Proposed schedule of implementation and deployment of Net Proceeds

We propose to utilise and deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and utilisation of funds as set forth in the table below:

(in ₹ million)					
S. No	Particulars	Total estimated cost	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2025 <sup>(2)</sup>	Amount to be deployed from the Net Proceeds in Fiscal 2026 <sup>(2)</sup>
1.	Financing the capital expenditure towards setting up the Project	585.26	585.26	-	585.26
2.	Financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility	192.46	192.46	132.06	60.40
3.	Funding investment in information technology assets for upgradation of existing information technology infrastructure of our Company	109.71	109.71	109.71	-
4.	Funding incremental working capital requirements	550.00	550.00	250.00	300.00
5.	General corporate purposes <sup>(1)</sup>	[●]	[●]	[●]	[●]
	<b>Total Net Proceeds<sup>(1)</sup></b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

<sup>(1)</sup> To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

<sup>(2)</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement which may be undertaken, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus with RoC. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards the Objects as set out in this section. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.

The above-stated fund requirements, deployment of the funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on (a) our current business plan, internal management estimates as per our business plan based on current market conditions and valid quotations obtained from various third-party vendors, which are subject to change in the future; (b) the detailed project report dated March 9, 2024 for Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities obtained from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) in relation to the Project (“**Andhra Pradesh Project Report**”); (c) certificate dated March 9, 2024 received from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), in relation to upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility; and (d) certificate dated March 18, 2024 from Manian & Rao, Chartered Accountants, independent chartered accountants in relation to the working capital requirements. However, such fund

requirements and deployment of funds have not been appraised by any bank, financial institution or any other independent agency. See **“Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control”** on page 47. Our Company’s historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the planned deployment at the discretion of our management, subject to compliance with applicable law. See **“Risk Factors - Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders’ approval”** on page 47.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, additional equity and/or debt arrangements, as required. In case the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and/or towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Further, our Company may decide to accelerate the estimated Objects ahead of the schedule specified above. However, in the event that estimated utilization out of the Net Proceeds in a scheduled Financial Year being not undertaken in its entirety, the remaining Net Proceeds shall be utilized in subsequent Financial Years, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds, in accordance with applicable laws.

#### **Details of the Objects of the Fresh Issue**

##### **1. Financing the capital expenditure towards setting up a new pre-engineered steel building manufacturing unit at the Planned Andhra Pradesh Manufacturing Facility (classified as Phase 2 of our capacity development plan) (“Project”)**

As on the date of this Draft Red Herring Prospectus, we primarily manufacture our products in-house at our four manufacturing facilities in India, comprising the Pantnagar Manufacturing Facility, Kichha Manufacturing Facility in Uttarakhand, India, the Tamil Nadu Manufacturing Facility I and the Tamil Nadu Manufacturing Facility II in Tamil Nadu, India. As of March 31, 2023, our Manufacturing Facilities had an aggregate installed capacity of 141,000 MTPA.

In order to enhance our presence and existing capacity in southern India, and by leveraging our experience and know-how, we propose to set up PEB manufacturing units at the Planned Andhra Pradesh Manufacturing Facility on industrial land allotted to us on leasehold basis for a period of 33 years admeasuring approximately 40,470 sq. mtrs situated at Plot no. 8-36, Industrial Park, Attivaram, Attivaram Village, Ozili Mandal, Tirupati District, Andhra Pradesh, India (**“Proposed Land”**) by the Andhra Pradesh Industrial Infrastructure Corporation Limited (**“APIIC”**) pursuant to provisional allotment letter No. Lr No.43240/APIIC/IP Attivaram/PL. No.8-36/2023 dated March 1, 2023, final allotment letter no. Lr No.43240/APIIC/IP Attivaram/Pl. No.8-36/2023 dated May 3, 2023 and lease deed dated May 12, 2023 entered into between APIIC and the Company for an amount of ₹ 65,278,110 (which amount has already been paid by the Company to the APIIC out of internal accruals). Further, subject to conditions mentioned in the lease deed dated May 12, 2023, our Company has the option to extend the period of the lease up to 99 years, without accruing any additional amount towards such extension on the same terms and conditions as mentioned in the aforementioned lease deed. The APIIC has allotted the Proposed Land to our Company for the purposes of manufacturing of PEBs.

Our Company proposes to set up such manufacturing units at the Planned Andhra Pradesh Manufacturing Facility in phases as set out below:

<b>S. No.</b>	<b>Phase</b>	<b>Estimated cost (in ₹ million)*</b>	<b>Target year/ month of completion and operationalisation*</b>	<b>Estimated Capacity (MTPA)</b>
1.	Phase 1	266.10	Financial Year 2025	20,000
2.	Phase 2	585.26	March 2026	One built-up line 12,500



S. No.	Phase	Estimated cost (in ₹ million)*	Target year/ month of completion and operationalisation*	Estimated Capacity (MTPA)
				One box column line 12,500
				One sheeting, CF & Accessories line 15,000

\*In terms of the Andhra Pradesh Project Report.

For details of phase 1, see “- **Details and status of Phase I**” on page 119. Our Company proposes to commence the Project subsequent to completion of Phase 1. As on the date of this Draft Red Herring Prospectus, 25,000 sq. mtrs. of land is vacant at the Proposed Land which would be used pursuant to the Project for setting up a new PEB manufacturing unit, which shall involve: (i) construction of a building (PEB manufacturing facility building comprising fabrication area, preparatory area, shot blasting area and office area), civil work and utilities such as electrical, plumbing and firefighting works; and (ii) purchase of plant and machinery. The products to be manufactured pursuant to the Project include (i) PEB steel structures products, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles, bracings and galvanized cold formed C&Z sections made from galvanized coils), and (ii) metal ceilings and corrugated roofing products comprising, corrugated roofing, metal roofing and cladding systems. Based on the proposed works and the nature of plant and machinery proposed to be purchased, the estimated capacity under Phase 2 as per the Andhra Pradesh Project Report would be 40,000 MTPA.

#### Estimated cost of the Project

Our Company has received the Andhra Pradesh Project Report dated March 9, 2024 obtained from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), in relation to the Project. The total cost of the Project is ₹ 585.26 million which is proposed to be funded entirely out of the Net Proceeds, as detailed below:

S. No.	Particulars <sup>^</sup>	Estimated cost* (in ₹ million)	% of Net Proceeds**
1.	Building, civil work and utilities	436.48	[●]
2.	Purchase of plant and machinery	148.78	[●]
<b>Total cost of the Project</b>		<b>585.26</b>	<b>[●]</b>

\*As per the Andhra Pradesh Project Report.

\*\* To be updated at the Prospectus stage.

<sup>^</sup> Land development costs for the Proposed Land have been incurred as part of Phase 1 out of internal accruals.

Our Board pursuant to their resolution dated March 18, 2024 has approved and taken note that an amount of ₹ 585.26 million is proposed to be funded for capital expenditure from the Net Proceeds towards the entire cost of the Project. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the Project, as described hereinabove, are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. See “**Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control**” on page 47.

#### Means of finance

As of the date of this Draft Red Herring Prospectus, no costs have been incurred towards the Project. We intend to fund the entire cost of the Project from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals of our Company. In case of a shortfall

in the Net Proceeds or any increase in the actual utilization of funds earmarked for the objects, our Company shall bear such cost out of internal accruals. Our Company may also consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers or inter-corporate deposits, pending receipt of the Net Proceeds.

*Building, civil works and utilities*

As part of the Project, our Company proposes to appoint a third party vendor to undertake construction of a manufacturing facility, which comprises supply and erection of a pre-engineered steel building covering fabrication area, preparatory area, shotblasting and painting area and office area and civil works for the fabrication area, preparatory area, shotblasting and painting area, office area and development of road around the pre-engineered steel building for car parking. Utilities for the Project include electrical, plumbing and fire-fighting work.

The total estimated cost for construction of building, civil works and utilities is ₹ 436.48 million, as per the Andhra Pradesh Project Report which is proposed to be paid entirely out of the Net Proceeds. The break-up for estimated cost of the building, civil works and utilities, as per the Andhra Pradesh Project Report, is as follows:

*(Remainder of this page is intentionally left blank)*

S. No	Particulars	Unit of Floor Area	Covered Area (in m <sup>2</sup> )	Unit of Construction Cost	Construction cost per relevant unit of area	Total (in ₹ million)	Name of Vendor	Date of Purchase Order/ Quotations	Validity of Purchase Order/ Quotations (from the date of the Purchase Order/ Quotation)
<b>Building Construction:</b>									
1.	Supply and Erection of pre-engineered steel building, comprising of:	Square meter		₹/square meter			Swanag Infrastructures	January 5, 2024	September 30, 2024
	a) Fabrication area		7,087		10,654.72	75.51			
	b) Preparatory area		2,808		10,673.08	29.97			
	c) Shot blasting and painting area		2,808		10,673.08	29.97			
	d) Office area		1,600		10,618.75	16.99			
<b>Total Building Construction (A)</b>						<b>152.45</b>			
<b>Civil Works for:</b>									
2.	Fabrication area Toilet	Square Meter	7,087	₹/square meter	15,143.22	107.32	Trible S Constructions Private Limited	February 1, 2024	September 30, 2024
3.	Preparatory area	Square Meter	2,808	₹/square meter	11,267.81	31.64			
4.	Shot Blasting and Painting area	Square Meter	2,808	₹/square meter	9,861.11	27.69			
5.	Office	Square Meter	1,600	₹/square meter	14,056.25	22.49			
6.	Roads Car and Two wheeler parking	Square Meter	9,650	₹/square meter	6,357.51	61.35			
7.	Open Drains	RM^	750	₹/RM	10,293.33	7.72			
<b>Total Civil Works (B)</b>						<b>258.21</b>			
<b>Utilities:</b>									
8.	Electrical Works	-	-	-	-	12.91	Trible S Constructions Private Limited	February 1, 2024	September 30, 2024
9.	FPS Works	-	-	-	-	7.75			
10.	PHE works	-	-	-	-	5.16			
<b>Total Utilities (C)</b>						<b>25.82</b>			
<b>Total Cost (A+B+C)*</b>						<b>436.48</b>			

\*Total amount includes GST at the rate of 18% of the Total Cost mentioned in the table above

^RM - running meter

Note: Electrical works cost amounts to 5% of the Total Civil Works mentioned in the table above

FPS work cost amounts to 3% of the Total Civil Works mentioned in the table above

PHE works cost amounts to 2% of the Total Civil Works mentioned in the table above

*Purchase of plant and machinery*

As part of the Project, our Company proposes to utilize an amount of ₹ 148.78 million, out of the Net Proceeds towards procurement and installation of the plant and machinery detailed below and based on our current estimates, with the specific number and nature of such plant and machinery to be procured by our Company to depend on our business requirements. An indicative list of such plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to the Report:

*(Remainder of this page is intentionally left blank)*

S. No.	Name of machinery	Name of the supplier/vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (nos. unless specified)	Rate (₹ unless specified)	Rate (₹ million)^	Total Cost (₹ million) ^	Estimated delivery as per quotation
1.	Semi Auto C/Z Interchangeable Purlin Machine – stronger 3.2mm	Xiamen Reliance Industry Co. Ltd.	China	December 6, 2023	September 30, 2024	1	USD 92,400.00#	7.66	7.66	110 days upon receipt of 30% advance payment
2.	City/BHT - Hydraulic type Iron Worker with electricals, panel board with all cutting dies	Perfect Machines Centre	India	January 30, 2024	September 30, 2024	1	1,400,000	1.40	6.67	4-8 weeks from date of receipt of confirm order
	BHT/NEBSON – Bolt threading machine along with die head complete with electricals 5HP 3Phase 1440 RPM Motor, DOL starter, Coolant Pump, V Belt with Wooden packing with extra chaser die					1	3,856,500	3.85		
	HARDEV - Hydraulic Thread Rolling Machine complete with Electricals hydraulic Force, Roll dia, Rolls Motor 10HP, Hydraulic Motor 5HP, Coolant Pump 0.25HP with Wooden Packing					1	850,000	0.85		
	NU-Tech/MSD - Horizontal High Speed Metal Cutting Bandsaw machine with 3Phase Electricals, Coolant Pump, Switch, Belt and Bimetal one set black complete					1	128,000	0.13		
	SONA/BALAJI/PERFECT – Cone Pulley Drive Heavy duty Lathe machine, Spindle bore dia, Swing over bed with standard accessories like change of gear set, Face Plate, Chuck Plate, Motor Pulley, 3Pin Guide (Study rest) Dead Centre, Sleeves & Motor Guard Complete along with Precision Quality jaw					1	440,000	0.44		

S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (nos. unless specified)	Rate (₹ unless specified)	Rate (₹ million)^	Total Cost (₹ million) ^	Estimated delivery as per quotation
	true chuck, precision quality jaw dog chuck, CROMPTON 3HP 3Phase electric motor, extra chuck plate, R/F Switch and V belt									
3.	CNC Plasma cutting machine MultiTherm Pro	Messer Cutting Systems India Private Limited	India	January 29, 2024	December 31, 2024	1	8,250,000	8.25	8.25	10-12 weeks from date of purchase with advance
4.	Pneumatically operated cart mounted heavy duty airless pump model C781 ratio 78:1 with nextra gun with tip 419 and tip guard, 15 metre 3/8" paint hose, whip hose, suction hose and filter	Jaguar Surface Coating Equipments	India	February 16, 2024	September, 30 2024	3	139,575	0.42	0.46	Ex-stock
	Pneumatic Paint Stirrer with radial piston motor					3	14,500	0.04		
5.	10 M.T Capacity Double girder E.O.T Crane	Pull-Mac Cranes India Private Limited	India	February 16, 2024	September 30, 2024	10	2,198,000	21.98	40.48	3-4 months from date of receipt of technically and commerciall y clear order and advance
	E&C Supervision charges					10 job	62,000	0.62		
	5 M.T Capacity Single girder goliath Crane					2	1,250,000	2.50		
	E&C Supervision charges					2 job	62,000	0.12		
	5 M.T Capacity Single girder EOT Crane					8	1,136,000	9.09		
	E&C Supervision charges					8 job	62,000	0.50		
	Shrouded Bus Bar DSL, GI, 4 bar					242 mtr	1,536	0.37		
	Alignment & Fixing Charges					242 mtr	403.26	0.10		
	Transportation charges					-	5,200,000	5.20		
6.	Angle Grinder 7" GWS 24-180	Bharat Machinery Agencies	India	February 15, 2024	September 30, 2024	35	9,265	0.33	0.61	1-2 weeks against receipt of purchase order
	Angle Grinder 5" GWS 14-125CI					7	6,736	0.05		
	Pencil Grinder GGS 28 LCE					5	16,001	0.08		
	Chopsaw Machine 14", GCO 14-24J					2	11,964	0.02		

S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (nos. unless specified)	Rate (₹ unless specified)	Rate (₹ million)^	Total Cost (₹ million) ^	Estimated delivery as per quotation
	Magnetic Drill M/c 50mm, GBM 50-2					2	67,045	0.13		
7.	Hydra 1565 AB With HD Tyre	JMR Equipment	India	January 30, 2024	October 31, 2024	3	1,980,000	5.94	5.94	4 weeks from receipt of 100% payment confirmation
8.	SARDA Permanent Magnet Lifter (Model e-Lift)	Rudra Magnets LLP	India	January 31, 2024	September 30, 2024	2	64,430	0.13	0.13	2-3 weeks from the date of receipt of purchase order and payment
9.	Portable Hydraulic Puncher and Pump Model: SELFER ACE HS11-1624 and HYDRAULIC PUMP HPD-05	Mahendra Tools and Machines (India) Private Limited	India	February 15, 2024	September 30, 2024	6	539,500	3.24	4.11	4 weeks from the receipt of purchase order
	Portable Magnetic Base Drilling M/C Model: WA-5000 Auto Feed Auto Control					7	124,540	0.87		
10.	NC Hydraulic Shearing Machine Model Harrier 6310	Hindustan Hydraulics Private Limited	India	February 1, 2024	October 30, 2024	1	6,100,000	6.10	19.40	3-4 months from the receipt of earnest money with technically and commercially clear purchase order
	CNC Hydraulic Press Brake Model Griffon 450-65					1	13,300,000	13.30		

S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (nos. unless specified)	Rate (₹ unless specified)	Rate (₹ million)^	Total Cost (₹ million) ^	Estimated delivery as per quotation
11.	Box Beam Welding machine	VP Synergic Weld Solutions Private Limited	India	February 15, 2024	September 30, 2024	1	13,100,000	13.10	13.10	12-14 weeks the from date of receipt of techno commerciall y clear purchase order with 50% advance
12.	Radial Drilling Machine Model: BR 7524	Batliboi Limited	India	January 30, 2024	September 30, 2024	1	2,560,000	2.56	2.56	14-16 weeks ex-works after receipt of technically and commerciall y clear order with advance
13.	Automatic Shot Blasting Machine with roller conveyor, blow off system	Surface Preparation Solutions and Technologies Private Limited	India	February 15, 2024	October 31, 2024	1	7,980,000	7.98	18.88	18 weeks from date of advance payment and drawing approval date, whichever is later
	1					3,900,000	3.90			
	1					6,750,000	6.75			
	1					250,000	0.25			
14.	ESAB make 600 Amps fully thyristorised DC welding rectifier with full bridge dual star radial rectifier control - Model – EasyWeld SSR 600	ESAB India Limited	India	February 16, 2024	September 30, 2024	11	99,000	1.09	6.94	4 to 5 weeks



S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (nos. unless specified)	Rate (₹ unless specified)	Rate (₹ million)^	Total Cost (₹ million) ^	Estimated delivery as per quotation
	ESAB make Cutting Machine - Model – PUG without TRACK					2	19,514	0.04		
	ESAB make 600 Amps Fully Thyristorised Mig/CO2 welding machine complete - Model – AUTO K 600					40	145,351	5.81		
15.	Bar turning machine hydraulically operated with 5HP power PAC complete with electric panel, electric motors and other accessories	India International Marketing Company	India	February 2, 2024	November 30, 2024	1 set	730,000	0.75	0.75	2-3 months
	Chaser set (Plain)					1 set of 6 chaser	22,000			
16.	EPM Horizontal Plate Handling Systems	East Coast Magnets Private Limited	India	January 31, 2024	September 30, 2024	1	745,000	0.75	0.75	6-8 weeks from receipt of technically clear purchase order along with advance
17.	PEBWL 2100 PEM Beam welding line	VP Synergic Weld Solutions Private Limited	India	February 15, 2024	September 30, 2024	1	11,000,000	11.00	11.00	12-14 weeks from date of receipt of techno commercially clear order with 50% advance
18.	‘CITY’ Brand ‘H’ Frame, Mechanical Pnuematic Type, Heavy Duty Power Press, Fully Steel Body, Single Geared, Heavy duty Crank Shaft made with	Accurate Fab	India	January 23, 2024	September 30, 2024	1	1,085,000	1.09	1.09	3-4 weeks from receipt of confirm order with advance

S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (nos. unless specified)	Rate (₹ unless specified)	Rate (₹ million)^	Total Cost (₹ million) ^	Estimated delivery as per quotation
	graded steel, Mild Steel Connecting rod fitted with Gun Metal Bush with standard accessories and with electricals									
<b>Total</b>								<b>148.78</b>	<b>148.78</b>	

<sup>^</sup>All decimals have been rounded off to two decimal points. Total estimated cost excludes GST, which will be funded from internal accruals. To the extent any additional charges, including packaging, installation and freight charges are required to be paid over and above the quotations disclosed hereinabove, such additional charges will be funded from internal accruals.

<sup>#</sup>This quotation is in USD. The conversion rate has been considered as of February 23, 2024 as USD 1 – ₹ 82.89. Source of exchange rate is [www.rbi.org.in](http://www.rbi.org.in).

*(Remainder of this page has been intentionally left blank)*

### *Schedule of Implementation*

Set out below is the proposed timeline and schedule for the Project:

S. No.	Particulars	Targeted Completion Date
1.	Land Acquisition	Already acquired.
2.	Appointment of architect and PMC (Project management consultant)	January 2025
3.	Lay out approval from Authority	June 2025
4.	Civil works	November 2025
5.	Building construction, Electrical, PHE (public health engineering) and Firefighting Works	December 2025
6.	Procurement of plant and machinery	January 2026
7.	Installation of plant and machinery	February 2026
8.	Plant Testing & Commissioning	March 2026
9.	Commercial Production	March 2026

### *Certain confirmations*

As on date of this Draft Red Herring Prospectus, no orders for purchase of the machinery/equipment, as provided above, have been placed towards the Project. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the plants and machinery mentioned above is proposed to be acquired in a ready-to-use condition.

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 supply the equipment at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to, *inter alia*, any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see **“Risk Factors – We are yet to place orders for equipment proposed to be funded through this Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, results of operations and financial condition may be adversely affected”** on page 48.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not have any interest in the construction of building and civil works and procurement and installation of plant and machinery, or in the entities from whom we have obtained quotations in relation to such activities. Our Company may in the ordinary course of business enter into separate arrangements with the third-party vendor to be appointed to undertake construction of a manufacturing facility, for supply of building materials which may be utilized towards setting up the pre-engineered steel building for the new PEB manufacturing unit under the Project. However, as on date of this Draft Red Herring Prospectus, there are no such arrangements and there is no assurance that we will be able to enter into such arrangements with such third-party vendor. It is undertaken that any such arrangements, if entered into, shall be entered into by our Company on an arms' length basis.

### *Power and water requirements for the Project*

The power supply of the Project is proposed to be procured from the Southern Power Distribution Company of Andhra Pradesh Limited. Further, our Company will apply in due course for water supply for the Project.

### *Government and other approvals*

In relation to the Project, we would in due course be required to obtain routine approvals including sanction of connection for power supply, building permission order, factory plan approval, no objection certificate for extraction of ground water, fire-no objection certificate and consent order for establishment which will be obtained prior to the construction and District Centre Magistrate approval, final approval from electrical inspectorate (department of energy – chief electrical inspector), factory license, occupation certificate, fire no objection certificate, and consent to operate, each of which will be applied for during and after completion of construction, as required under applicable laws and as certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to the Andhra Pradesh Project Report. While construction and set up for Phase 1 has commenced in terms of the target date of operationalisation, the construction for Project has not commenced as on the date of this Draft Red Herring Prospectus and accordingly, our Company will file necessary applications with the relevant authorities for obtaining all final approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or vary. See “**Government and Other Approvals**” on page 432 for approvals received as of the date of this Draft Red Herring Prospectus in relation to Phase 1.

### *Details and status of Phase 1*

Our Company has commenced setting up of a PEB manufacturing unit at the Planned Andhra Pradesh Manufacturing Facility on 15,470 sq. mtrs of the Proposed Land as part of Phase 1, subsequent to completion of which, our Company proposes to commence production of PEB steel structures products, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles, bracings and galvanized cold formed C&Z sections made from galvanized coils) at such manufacturing unit.

The total estimated cost of Phase 1 as certified by the Andhra Pradesh Project Report is ₹ 266.10 million (excluding cost of land acquisition), which is being funded by our Company entirely out of its internal accruals.

As on the date of this Draft Red Herring Prospectus, Phase 1 is ongoing, with all orders for plant and machinery having been placed with vendors. As per the terms of the orders placed, deliveries of such plant and machinery are scheduled for the Financial Year 2025. Based on the proposed works and the nature of plant and machinery proposed to be purchased, the estimated capacity under Phase 1 as per the Andhra Pradesh Project Report would be 20,000 MTPA. While the manufacturing units to be set up under Phase 1 and Phase 2 at the Planned Andhra Pradesh Manufacturing Facility will be separate manufacturing units with independent and distinct production lines and capacities, certain utilities set up under Phase 1 at the Proposed Land are proposed to be utilized by the manufacturing unit to be set up under Phase 2 as well.

## **2. Financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility**

In addition to the setting up of the Project, we also propose to upgrade our existing Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility. We aim to utilize an aggregate of ₹ 192.46 million, constituting [●]% of the Net Proceeds towards funding the capital expenditure on the upgradation of these four facilities.

Our Board pursuant to their resolution dated March 18, 2024 has approved and taken note that an aggregate amount of ₹ 192.46 million is proposed to be funded from the Net Proceeds for funding capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility.

Set out below are details of the proposed utilization of the Net Proceeds towards the upgradation of our Manufacturing facilities.

### **(a) Upgradation of the Kichha Manufacturing Facility**

The Kichha Manufacturing Facility was set up in 2008 and is engaged in the production of (i) PEB steel structures comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures

and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles, bracings and galvanized cold formed C&Z sections made from galvanized coils), (ii) metal ceilings and corrugated roofing, comprising metal suspended ceiling systems, metal roofing and cladding systems and permanent/metal decking (lost shuttering) over steel framing, and (iii) LGFS. See “**Our Business – Manufacturing Facilities**” on page 248. We aim to utilize an aggregate of ₹ 60.05 million, constituting [●]% of the Net Proceeds towards funding the capital expenditure on the upgradation of the Kichha Manufacturing Facility, which shall include (i) civil and road works; and (ii) procurement and installation of plant and machinery.

#### *Estimated Cost*

The total estimated cost of upgradation of the Kichha Manufacturing Facility is ₹ 60.05 million, as estimated by our management, which has been further certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to a certificate dated March 9, 2024. The detailed break-down of estimated costs, as per such certificate, is set out below.

S. No.	Particulars	Estimated Cost* (in ₹ million)	% of Net Proceeds**
1.	Civil and road works	40.65	[●]
2.	Procurement and installation of plant and machinery	19.40	[●]
<b>Total</b>		<b>60.05</b>	<b>[●]</b>

\*As certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) by way of certificate dated March 9, 2024.

\*\* To be updated at the Prospectus stage.

Note: Cost of civil and road works as set out hereinabove includes goods and services tax. However, the procurement and installation of plant and machinery as set out hereinabove excludes goods and service tax and our Company shall pay such goods and service tax applicable to the purchase of plant and machinery out of its internal accruals.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for upgradation of the Kichha Manufacturing Facility, as described hereinabove, are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

#### *Means of finance*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards upgradation of the Kichha Manufacturing Facility (as mentioned above). We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the objects, our Company shall bear such costs out of internal accruals. Our Company may also consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers or inter-corporate deposits, pending receipt of the Net Proceeds.

#### *Civil and road works*

The proposed civil and road works for upgradation of the Kichha Manufacturing Facility comprises Reinforced Cement Concrete (“**RCC**”) flooring, RCC road and road work with paver and Plain Cement Concrete (“**PCC**”). The total estimated cost for civil and road works for upgradation of the Kichha Manufacturing Facility is ₹ 40.65 million, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to their certificate dated March 9, 2024, which is proposed to be funded entirely out of the Net Proceeds.

The break-up of the estimated cost for the civil and road works, as certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to the certificate dated March 9, 2024, is as follows:

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S. No	Particulars of civil and road works	Surface area	Total cost (in ₹ million)^	Name of Vendor	Date of Purchase Order/ Quotations	Validity of Purchase Order/ Quotations (from the date of the Purchase Order/ Quotation)
1.	RCC flooring (comprising soil excavation, boulder soliding, P.C.C., R.C.C., TMT (cutting, binding, casting), flooring work, groove cutting and providing and laying of 400 micron membrane)	7,500 m <sup>2</sup>	30.00			
2.	RCC Road (comprising soil excavation, boulder soliding work P.C.C., R.C.C., TMT (cutting, binding, casting), flooring work and groove cutting and providing and laying of 400 micron membrane)	2,400 m <sup>2</sup>	9.06			
3.	Road work with paver and PCC base (comprising soil scraping, preparation and consolidation of sub grade, providing and laying PCC, excavation, providing, laying and compacting of stone soiling, providing and fixing paver blocks of M35 Grade, providing and laying brick work with cement mortar and providing and laying of 400 micron membrane)	420 m <sup>2</sup>	1.59	San & Sons Construction	February 19, 2024	September 30, 2024
<b>Total Cost inclusive of GST</b>			<b>40.65</b>			

*^All decimals have been rounded off to two decimal points. To the extent any additional charges are required to be paid over and above the quotation disclosed hereinabove, such additional charges will be funded from internal accruals.*

*Procurement and installation of plant and machinery*

As part of upgradation of the Kichha Manufacturing Facility, the Company proposes to purchase a hydraulic shearing machine and hydraulic press brake for operational efficiency. Our Company proposes to utilize an amount of ₹ 19.40 million towards procurement of the plant and machinery and based on our current estimates, with the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements, which is proposed to be funded entirely out of the Net Proceeds. An indicative list of such plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to a certificate dated March 9, 2024.

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S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (in nos. unless specified)	Rate (₹ unless specified)	Cost (₹ million)^	Amount (₹ million)^	Estimated delivery as per quotation
1.	NC Hydraulic Shearing Machine Model Harrier 6310	Hindustan Hydraulics Private Limited	India	February 1, 2024	October 30, 2024	1	6,100,000	6.10	19.40	3-4 months from the receipt of earnest money along with technically and commercially clear purchase order
2.	CNC Hydraulic Press Brake Model Griffon 450-65					1	13,300,000	13.30		
<b>Total</b>									<b>19.40</b>	

*^All decimals have been rounded off to two decimal points. Total estimated cost excludes GST, which will be funded from internal accruals. To the extent any additional charges, including packaging, installation and freight charges are required to be paid over and above the quotation disclosed hereinabove, such additional charges will be funded from internal accruals.*



The estimated timeline for the completion of the upgradation of the Kichha Manufacturing Facility is set out below:

S. No.	Item	Targeted completion
1.	Civil and road works	March 2026
2.	Procurement and installation of plant and machinery	

#### *Certain confirmations*

As on date of this Draft Red Herring Prospectus, no orders for purchase of the machinery/equipment, as provided above, have been placed towards the upgradation of the Kichha Manufacturing Facility. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the plant and machinery mentioned above is proposed to be acquired in a ready-to-use condition.

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 supply the equipment at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to inter alia any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see **“Risk Factors – We are yet to place orders for equipment proposed to be funded through this Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, results of operations and financial condition may be adversely affected”** on page 48.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not have any interest in the proposed civil and road works and procurement and installation of plant and machinery, or in the entities from whom we have obtained quotations in relation to such activities.

#### *Government and other approvals*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards financing the upgradation of the Kichha Manufacturing Facility (as mentioned above) and has not commenced the civil and road works in relation to such upgradation. The Kichha Manufacturing Facility is already in operation and hence, the licenses and approvals that we have obtained in relation to Kichha Manufacturing Facility, such as, license under Factories Act, land related approvals, adequately covers the proposed scope and ambit of the upgradation. While we do not require any further licenses/approvals from any governmental authorities at this stage of the proposed upgradation, we will apply for all such necessary approvals that we may require at future relevant stages, prior to commencing the construction process. For further details, see **“Government and Other Approvals”** on page 432.

#### **(b) Upgradation of the Tamil Nadu Manufacturing Facility I**

The Tamil Nadu Manufacturing Facility I was set up in 2007 and is engaged in production of metal ceilings and corrugated roofing, comprising metal suspended ceilings systems and metal roofing and cladding systems. See **“Our Business – Manufacturing Facilities”** on page 248. We aim to utilize an aggregate of ₹ 8.83 million, constituting [●]% of the Net Proceeds towards funding the capital expenditure on the upgradation of the Tamil Nadu Manufacturing Facility I, which shall involve (i) civil works; (ii) utilities and (ii) procurement and installation of plant and machinery.

#### *Estimated Cost*

The total estimated cost of upgradation of the Tamil Nadu Manufacturing Facility I is ₹ 8.83 million, as estimated by our management, which has been further certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to a certificate dated March 9, 2024. The detailed break-down of estimated costs, as per such certificate, is set out below.

S. No.	Particulars	Estimated Cost* (in ₹ million)	% of Net Proceeds**
1.	Civil works	4.67	[●]
2.	Utilities	3.26	[●]
3.	Procurement and installation of plant and machinery	0.90	[●]
<b>Total</b>		<b>8.83</b>	<b>[●]</b>

\*As certified by Pradeep Kumar, proprietor of Khyati Enterprises, Independent Chartered Engineer by way of their certificate dated March 9, 2024.

\*\* To be updated at the Prospectus stage.

Note: Estimated cost of civil works and utilities includes goods and services tax. However, the procurement and installation of plant and machinery as set out hereinabove excludes goods and service tax and our Company shall pay such goods and service tax applicable to the purchase of plant and machinery out of its internal accruals.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for upgradation of the Tamil Nadu Manufacturing Facility I, as described hereinabove, are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

#### *Means of finance*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards upgradation of the Tamil Nadu Manufacturing Facility I (as mentioned above). We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the objects, our Company shall bear such costs out of internal accruals. Our Company may also consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers or inter-corporate deposits, pending receipt of the Net Proceeds.

#### *Civil Works*

Civil works for upgradation of the Tamil Nadu Manufacturing Facility I include external development works and RCC hume pipe laying for stormwater drain. The total estimated cost for civil works for upgradation of the Tamil Nadu Manufacturing Facility I is ₹ 4.67 million, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) pursuant to the certificate dated March 9, 2024.

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S. No.	Particulars of civil works	Surface area	Total cost (in ₹ million)	Name of Vendor	Date of Purchase Order/ Quotations	Validity of Purchase Order/ Quotations (from the date of the Purchase Order/ Quotation)
1.	External development works (comprising road works)	1,012 m <sup>2</sup>	3.20	Harini Constructions	January 30, 2024	October 31, 2024
2.	RCC Hume Pipe laying for storm water drain (comprising <i>inter alia</i> earthwork excavation, providing and fixing hume pipes and rainwater chambers)	219 RM <sup>^</sup>	0.76			
<b>Total Cost</b>			<b>3.96</b>			
<b>Applicable GST at the rate of 18%</b>			<b>0.71</b>			
<b>Total cost inclusive of GST</b>			<b>4.67</b>			

<sup>^</sup>RM - Running Meter

### *Utilities*

The proposed utilities for upgradation of the Tamil Nadu Manufacturing Facility I includes installation of a firefighting system including pump room and hydrant system. The total estimated cost for utilities for upgradation of the Tamil Nadu Manufacturing Facility I is ₹ 3.26 million, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) pursuant to the certificate dated March 9, 2024.

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S. No.	Particulars of utilities	Quantity	Total cost (in ₹ million)	Name of Vendor	Date of Purchase Order/ Quotations	Validity of Purchase Order/ Quotations (from the date of the Purchase Order/ Quotation)
1.	Pump room	1	1.35	DRS Engineering Solutions	November 3, 2023	September 30, 2024
2.	Hydrant system	1	1.41			
<b>Total Cost</b>			<b>2.76</b>			
<b>Applicable GST at the rate of 18%</b>			<b>0.50</b>			
<b>Total Cost inclusive of GST</b>			<b>3.26</b>			

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*Procurement and installation of plant and machinery*

As part of upgradation of the Tamil Nadu Manufacturing Facility I, the Company proposes to install a sewage treatment plant for operational efficiency. Our Company proposes to utilize an amount of ₹ 0.90 million towards procurement of the plant and machinery and based on our current estimates, with the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements, which is proposed to be funded entirely out of the Net Proceeds. An indicative list of such plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) pursuant to a certificate dated March 9, 2024.

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S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity	Rate (₹ unless specified)	Cost (₹ million)^	Amount (₹ million)^	Estimated delivery as per quotation
1.	HECS Ultima+ Smart FRP 5KLD Packaged Sewage Treatment Plant	BI Marketing and Services Private Limited	India	January 4, 2024	September 30, 2024	1	760,000	0.76	0.90	6-8 weeks from receipt of commercially and technically purchase orders and advance payment, whichever is later
	Design, Erection, Commissioning, Interconnecting Pipelines					1	95,000	0.09		
	Transportation, Loading and Unloading					1	45,000	0.05		
<b>Total</b>									<b>0.90</b>	

*^All decimals have been rounded off to two decimal points. Total estimated cost excludes GST, which will be funded from internal accruals. To the extent any additional charges, including packaging, installation and freight charges are required to be paid over and above the quotation disclosed hereinabove, such additional charges will be funded from internal accruals.*

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The estimated timeline for the completion of the upgradation of the Tamil Nadu Manufacturing Facility I is set out below:

S. No.	Item	Targeted completion
1.	Civil works	March 2025
2.	Utilities	March 2025
3.	Procurement and installation of plant and machinery	March 2026

#### *Certain confirmations*

As on date of this Draft Red Herring Prospectus, no orders for purchase of the machinery/ equipment, as provided above, have been placed. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the plant and machinery mentioned above is proposed to be acquired in a ready-to-use condition.

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 supply the equipment at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to inter alia any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see **“Risk Factors – We are yet to place orders for equipment proposed to be funded through this Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, results of operations and financial condition may be adversely affected”** on page 48.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not have any interest in the proposed external development works and procurement and installation of plant and machinery, or in the entities from whom we have obtained quotations in relation to such activities.

#### *Government and other approvals*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards financing the upgradation of the Tamil Nadu Manufacturing Facility I (as mentioned above) and has not commenced the civil works in relation to such upgradation. The Tamil Nadu Manufacturing Facility I is already in operation and hence, the licenses and approvals that we have obtained in relation to Tamil Nadu Manufacturing Facility I, such as, license under Factories Act, land related approvals, adequately covers the proposed scope and ambit of the upgradation. While we do not require any further licenses/approvals from any governmental authorities at this stage of the proposed upgradation, we will apply for all such necessary approvals that we may require at future relevant stages, prior to commencing the construction process. For further details, see **“Government and Other Approvals”** on page 432.

#### ***(c) Upgradation of the Tamil Nadu Manufacturing Facility II***

The Tamil Nadu Manufacturing Facility II was set up in 2009 and is engaged in the production of PEB steel structures, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles and bracings). See **“Our Business – Manufacturing Facilities”** on page 248. We aim to utilize an aggregate of ₹ 67.63 million, constituting [●]% of the Net Proceeds towards funding the capital expenditure on the upgradation of the Tamil Nadu Manufacturing Facility II, which shall involve (i) civil works; and (ii) procurement and installation of plant and machinery.

#### *Estimated Cost*

The total estimated cost of upgradation of the Tamil Nadu Manufacturing Facility II is ₹ 67.63 million, as estimated by our management, which has been further certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to a certificate dated March 9, 2024. The break-up of the estimated costs, as per such certificate, is set out below.



S. No.	Particulars	Estimated Cost* (in ₹ million)	% of Net Proceeds**
1.	Civil works	19.11	[●]
2.	Procurement and installation of plant and machinery	48.52	[●]
<b>Total</b>		<b>67.63</b>	<b>[●]</b>

\*As certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) by way of their certificate dated March 9, 2024.

\*\* To be updated at the Prospectus stage.

Note: Cost of civil and road works as set out hereinabove includes goods and services tax. However, the cost of plant and machinery as set out hereinabove excludes goods and service tax and our Company shall pay such goods and service tax applicable to the purchase of plant and machinery out of its internal accruals.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for upgradation of the Tamil Nadu Manufacturing Facility II, as described hereinabove, are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

#### *Means of finance*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards upgradation of the Tamil Nadu Manufacturing Facility II. We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the objects, our Company shall bear such costs out of internal accruals. Our Company may also consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers or inter-corporate deposits, pending receipt of the Net Proceeds.

#### *Civil works*

Civil works for upgradation of the Tamil Nadu Manufacturing Facility II includes external development works comprising RCC flooring in island and sand blasting area and RCC flooring removing and re-casting near the weight bridge area. The total estimated cost for civil works for upgradation of the Tamil Nadu Manufacturing Facility II is ₹ 19.11 million, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to the certificate dated March 9, 2024.

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S. No	Particulars of civil works	Surface area	Total cost (in ₹ million)	Name of Vendor	Date of Purchase Order/ Quotations	Validity of Purchase Order/ Quotations (from the date of the Purchase Order/ Quotation)
1.	RCC flooring (comprising <i>inter alia</i> sectioning and levelling of areas, supplying and filling in road base, supply of high strength ribbed deformed bars to cut, bend and tie up in position and providing and laying RCC M20 flooring in panels)	3,972 m <sup>2</sup>	15.96	Harini Constructions	January 30, 2024	October 31, 2024
2.	RCC flooring removing and re-casting (comprising <i>inter alia</i> saw cutting of RCC slab, sectioning and levelling of areas, supply of high strength ribbed deformed bars to cut, bend and tie up in position and providing and laying RCC M20 Flooring in Panels)	55 m <sup>2</sup>	0.23			
<b>Total Cost</b>			<b>16.19</b>			
<b>Applicable GST at the rate of 18%</b>			<b>2.91</b>			
<b>Total Cost inclusive of GST</b>			<b>19.11</b>			

*Procurement and installation of plant and machinery*

As part of upgradation of the Tamil Nadu Manufacturing Facility II, the Company proposes to purchase an automatic shot blasting machine, electric overhead traveling cranes, a hydraulic shearing machine and a hydraulic press brake for operational efficiency. Our Company proposes to utilize an amount of ₹ 48.52 million towards procurement of the plant and machinery and based on our current estimates, with the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements, which is proposed to be funded entirely out of the Net Proceeds. An indicative list of such plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer), pursuant to a certificate dated March 9, 2024.

The total estimated cost for the plant and machinery proposed to be purchased by the Company for upgradation of the Tamil Manufacturing Facility II is ₹ 48.52 million. The break-up of such estimated cost is set out below:

S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (in nos. unless specified)	Rate (₹ unless specified)	Cost (₹ million)^	Amount (₹ million)^	Estimated delivery as per quotation
1.	Automatic Shot Blasting Machine with roller conveyor 12m long inlet and approx 56m long outlet, blow off system	Surface Preparation Solutions and Technologies Private Limited	India	February 15, 2024	October 31, 2024	1	7,980,000	7.98	18.88	18 weeks from date of advance payment or drawing approval date, whichever is later
	Inline touch up blast chamber, Painting room and Flash off Chamber with suitable equipment					1	3,900,000	3.90		
	Inline Curing Oven					1	6,750,000	6.75		
	Supervision of site erection, commissioning and training of client operator					1	250,000	0.25		
2.	10 M.T Capacity Double girder E.O.T. Crane	Pull-Mac Cranes India Private Limited	India	February 19, 2024	September 30, 2024	2	2,155,000	4.31	10.24	3-4 months from date of receipt of technically and commercially clear order and advance
	E&C Supervision charges					2 job	62,000	0.12		
	5 M.T. Capacity Single girder E.O.T. Crane					4	1,105,000	4.42		
	E&C Supervision charges					4 job	62,000	0.25		
	Transportation charges for both cranes					-	1,140,000	1.14		
3.	NC Hydraulic Shearing Machine Model Harrier 6310	Hindustan Hydraulics Private Limited	India	February 1, 2024	October 30, 2024	1	6,100,000	6.10	19.40	3-4 months from the receipt of earnest money with technically and commercially clear purchase order
	CNC Hydraulic Press Brake Model Griffon 450-65					1	13,300,000	13.30		
<b>Total</b>								<b>48.52</b>		

*^All decimals have been rounded off to two decimal points. Total estimated cost excludes GST, which will be funded from internal accruals. To the extent any additional charges, including packaging, installation and freight charges are required to be paid over and above the quotations disclosed hereinabove, such additional charges will be funded from internal accruals.*

The estimated timeline for the completion of the upgradation of the Tamil Nadu Manufacturing Facility II is set out below:

S. No.	Item	Targeted completion
1.	Civil works	Financial Year 2025
2.	Procurement and installation of plant and machinery	Financial Year 2026

#### *Certain confirmations*

As on date of this Draft Red Herring Prospectus, no orders for purchase of the machinery/ equipment, as provided above, have been placed. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the plant and machinery mentioned above is proposed to be acquired in a ready-to-use condition.

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 supply the equipment at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to inter alia any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see **“Risk Factors – We are yet to place orders for equipment proposed to be funded through this Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, results of operations and financial condition may be adversely affected”** on page 48.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not have any interest in the proposed civil works, utilities and procurement and installation of plant and machinery, or in the entities from whom we have obtained quotations in relation to such activities.

#### *Government and other approvals*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards financing the of the upgradation of the Tamil Nadu Manufacturing Facility II (as mentioned above) and has not commenced the other civil works in relation to such upgradation. The Tamil Nadu Manufacturing Facility II is already in operation and hence, the licenses and approvals that we have obtained in relation to Tamil Nadu Manufacturing Facility II, such as, license under Factories Act, land related approvals, adequately covers the proposed scope and ambit of the upgradation. While we do not require any further licenses/approvals from any governmental authorities at this stage of the proposed upgradation, we will apply for all such necessary approvals that we may require at future relevant stages, prior to commencing the construction process. For further details, see **“Government and Other Approvals”** on page 432.

#### ***(d) Upgradation of the Pantnagar Manufacturing Facility***

The Pantnagar Manufacturing Facility is located in Pantnagar, Uttarakhand, India and was set up in 2005, which is engaged in the production of PEB steel structures, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles and bracings). For details, see **“Our Business – Manufacturing Facilities”** on page 248. We aim to utilize an aggregate of ₹ 55.95 million, constituting [●]% of the Net Proceeds towards funding the capital expenditure on the upgradation of the Pantnagar Manufacturing Facility, which shall involve procurement and installation of plant and machinery.

#### *Estimated Cost*

The total estimated cost of upgradation of the Pantnagar Manufacturing Facility is ₹ 55.95 million, as estimated by our management, which has been further certified by Khyati Enterprises (acting through its proprietor, Pradeep

Kumar, chartered engineer) pursuant to a certificate dated March 9, 2024. The break-up of estimated costs, as per such certificate, is set out below.

S. No.	Particulars	Estimated Cost* (in ₹ million)	% of Net Proceeds**
1.	Procurement and installation of plant and machinery	55.95	[•]

\*As certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) by way of their certificate dated March 9, 2024.

\*\* To be updated at the Prospectus stage.

Note: Cost of plant and machinery as set out hereinabove excludes goods and service tax and our Company shall pay such goods and service tax applicable to the purchase of plant and machinery out of its internal accruals.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for upgradation of the Pantnagar Manufacturing Facility, as described hereinabove, are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

#### *Means of finance*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards upgradation of the Pantnagar Manufacturing Facility (as mentioned above). We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the objects, our Company shall bear such costs out of internal accruals. Our Company may also consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers or inter-corporate deposits, pending receipt of the Net Proceeds.

#### *Procurement and installation of plant and machinery*

As part of upgradation of the Pantnagar Manufacturing Facility, the Company proposes to purchase an automatic shot blasting machine, electric overhead traveling cranes, a hydraulic shearing machine and a box column welding machine for operational efficiency. Our Company proposes to utilize an amount of ₹ 55.95 million towards procurement of the plant and machinery and based on our current estimates, with the specific number and nature of such plant and machinery to be procured by our Company will depend on our business requirements, which is proposed to be funded entirely out of the Net Proceeds. An indicative list of such plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below, which has been certified by Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) pursuant to a certificate dated March 9, 2024.

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S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (in nos. unless specified)	Rate (₹ unless specified)	Cost (₹ million)^	Amount (₹ million)^	Estimated delivery as per quotation
1.	10 M.T Capacity Double Girder E.O.T. Crane	Pull-Mac Cranes India Private Limited	India	February 19, 2024	September 30, 2024	2	2,155,000	4.31	4.56	2.5-3 months from date of receipt of technically and commercially clear order and advance
	E&C Supervision charges					2 job	62,000	0.12		
	Transportation Charges for both cranes					-	130,000	0.13		
2.	NC Hydraulic Shearing Machine Model Harrier 6310	Hindustan Hydraulics Private Limited	India	February 1, 2024	October 30, 2024	1	6,100,000	6.10	19.40	3-4 months from the receipt of earnest money along with technically and commercially clear purchase order
	CNC Hydraulic Press Brake Model Griffon 450-65					1	13,300,000	13.30		
3.	1500X1500 Box Beam Hydraulic Fitup and Welding machine	VP Synergic Weld Solutions Private Limited	India	February 15, 2024	September 30, 2024	1	13,100,000	13.10	13.10	12-14 weeks from date of receipt of techno commercially clear order with 50% advance
4.	Automatic Shot Blasting Machine with roller conveyor 12m long inlet and approx 56m long outlet, blow off system	Surface Preparation Solutions and Technologies Private Limited	India	February 15, 2024	October 31, 2024	1	7,980,000	7.99	18.89	18 weeks from date of advance payment or drawing approval date, whichever is later
	Inline Touch up blast chamber, Painting room and Flash off Chamber with suitable equipment					1	3,900,000	3.90		



S. No.	Name of machinery	Name of the supplier/ vendor	Country	Date of quotation	Validity of Quotation (from the date of the quotation)	Quantity (in nos. unless specified)	Rate (₹ unless specified)	Cost (₹ million)^	Amount (₹ million)^	Estimated delivery as per quotation
	Inline Curing Oven					1	6,750,000	6.75		
	Supervision of site erection, commissioning and training of client operator					1	250,000	0.25		
<b>Total</b>									<b>55.95</b>	

*^All decimals have been rounded off to two decimal points. Total estimated cost excludes GST, which will be funded from internal accruals. To the extent any additional charges, including packaging, installation and freight charges are required to be paid over and above the quotations disclosed hereinabove, such additional charges will be funded from internal accruals.*

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The estimated timeline for the completion of the upgradation of the Pantnagar Manufacturing Facility is set out below:

S. No.	Item	Targeted completion
1.	Procurement and installation of plant and machinery	March 2026

#### *Certain confirmations*

As on date of this Draft Red Herring Prospectus, no orders for purchase of the machinery/ equipment, as provided above, have been placed. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the plant and machinery mentioned above is proposed to be acquired in a ready-to-use condition.

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 supply the equipment at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to inter alia any update to the pricing list of the vendor, prices of the raw materials or pursuant to foreign exchange currency fluctuations or policy changes. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see **“Risk Factors – We are yet to place orders for equipment proposed to be funded through this Offer. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, results of operations and financial condition may be adversely affected”** on page 48.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not have any interest in the proposed external development works and procurement and installation of plant and machinery, or in the entities from whom we have obtained quotations in relation to such activities.

#### *Government and other approvals*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards financing the upgradation of the Pantnagar Manufacturing Facility (as mentioned above). The Pantnagar Manufacturing Facility is already in operation and hence, the licenses and approvals that we have obtained in relation to Pantnagar Manufacturing Facility, such as, license under Factories Act, land related approvals, adequately covers the proposed scope and ambit of the upgradation. For further details, see **“Government and Other Approvals”** on page 432.

### **3. Funding investment in information technology assets for expansion of existing information technology infrastructure of our Company**

Information technology plays a pivotal role in various aspects of our business, starting from manufacturing operations to overall business strategy. Our IT governance framework ensures that our technology investments are adequately managed, and risks are adequately mitigated. We aim to strengthen our information security measures to protect our data. Our IT infrastructure mainly comprises applications for customer relationship management, design and engineering software, information security management systems, end user devices and servers and stores. We have invested in computer aided design technology to enable our design and engineering team to achieve design and detailing parameters based on our customers’ requirements, including Staad Pro, MBS, FrameCad, Tekla, Auto Cad, and ZWCAD. We have also implemented ERP infrastructure across a significant portion of our operations and internal departments, which contributes to the integration of our supply chain relationships, design and engineering and other internal processes, network of sales and marketing offices and our project management and site engineering teams to contribute towards enhancement of our cost and time efficiency. See **“Our Business – Our Strength - Significantly integrated manufacturing operations, backed by in-house design and engineering, on-site project management, and sales and marketing capabilities”** on page 230.

Our focus remains on upgrading our systems, including our ERP infrastructure to ensure efficiency and business continuity and upgrade our IT infrastructure such as our design and engineering software. In order to improve efficiency and meet changing customer requirements, we propose to utilise the Net Proceeds for upgradation of existing IT infrastructure of our Company. and **“Our Business – Our Strategies – Continue to invest in our**

*technology infrastructure to enhance in-house design and engineering, and manufacturing capabilities and thereby improve operational efficiencies” on page 239.*

Our capitalization of computers and computer software for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 and the six months ended September 30, 2023, and along with percentage of our total revenue from operations, are as follows:

Particulars	For Financial year ended March 31, 2021		For Financial year ended March 31, 2022		For Financial year ended March 31, 2023		For the six months ended September 30, 2023	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operation	Amount (in ₹ million)	% of total revenue from operations
Computers and computer software capitalized	2.27	0.04	3.41	0.04	4.39	0.04	8.57	0.14

Our Board, in its meeting dated March 18, 2024, approved an amount of ₹ 109.71 million for funding the proposed expenditure towards upgrading our IT infrastructure from the Net Proceeds, which shall involve the purchase and implementation of SAP S/4 HANA Private Cloud Solutions platform, which would enable us to map all core business processes in a single ERP system and implement comprehensive solutions for seamless integration with such ERP solution. Our Company has received quotations for the proposed expenditure and is yet to place any orders or enter into definitive agreements for purchase of any IT assets. Any additional costs towards such IT infrastructure shall be met from our internal accruals. The break-up of such estimated costs are set forth below:

S. No.	Particulars	Total amount (in ₹ million)	Name of Vendor	Date of quotation	Valid up to
1.	Implementation of SAP Digital Core Solutions	25.05	Highbar Technocrat Limited	February 29, 2024	May 28, 2024
	3 months hyper care support	4.50			
	Lump sum out of pocket expenses for wave 1A and 1B	2.70			
	One-year AMS with 200 tickets from offshore	2.30			
	One-year AMS with up to 120 man-days bucket	2.00			
2.	SAP Cloud Services	73.16	SAP India Private Limited	February 29, 2024	March 25, 2024
<b>Total</b>		<b>109.71</b>			

*^All decimals have been rounded off to two decimal points. Total estimated cost excludes GST, which will be funded from internal accruals.*

The quotation is valid as on the date of this Draft Red Herring Prospectus. However, since we have not entered into any definitive agreement with the relevant vendors, there can be no assurance that the same vendors would be engaged to eventually supply the IT assets at the same prices, or that the vendors we ultimately source such IT assets from will agree to similar terms or prices.

Our Promoters, members of the Promoter Group, Group Companies, Directors, Key Managerial Personnel and members of Senior Management, do not have any interest in the proposed acquisition of the IT assets or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the IT assets.

#### *Means of finance*

As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards investment in information technology assets for expansion of existing information technology infrastructure of our Company (as mentioned above). We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the objects, our Company shall bear such costs out of internal accruals. Our Company may also consider raising bridge financing facilities, including through secured or unsecured loans or

any short-term instrument like non-convertible debentures, commercial papers or inter-corporate deposits, pending receipt of the Net Proceeds.

#### 4. Funding incremental working capital requirements

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of business from internal accruals and financing from various banks and financial institutions. As on January 31, 2024, our Company has total sanctioned limit of fund based working capital facilities of ₹ 450.00 million. For details, see “*Financial Indebtedness*” on page 382. We propose to utilise ₹ 550.00 million from the Net Proceeds to fund the working capital for meeting business requirements of our Company. The Board pursuant to their resolution dated March 18, 2024 have approved the business plan and financial projections for the Financial Years ending March 31, 2024, March 31, 2025 and March 31, 2026 and the estimated working capital requirements and funding pattern for the respective Financial Years.

##### (a) Existing working capital

Set forth below are details of the working capital requirements and funding pattern of our Company for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 and the six months ended September 30, 2023.

Particulars	(₹ in million)			
	March 31, 2021	March 31, 2022	As at March 31, 2023	September 30, 2023
<b>Current Assets</b>				
Inventories				
- Raw Materials	656.50	971.37	896.63	950.83
- Work in Progress	164.64	149.64	202.13	288.65
- Semi-Finished Goods	128.87	190.47	238.33	368.78
- Finished Goods	2.44	1.95	1.90	1.01
- Stores & Spares	21.39	22.50	23.01	23.77
- Other Inventories	5.34	5.35	7.76	7.46
Contract assets	166.09	212.46	279.29	598.72
Trade receivables	687.22	857.01	1,587.08	1,145.11
Loans	2.62	3.37	2.76	6.19
Other financial assets	9.13	11.82	10.19	17.40
Current tax assets (net)	-	56.01	-	-
Other current assets	113.54	135.91	196.03	169.09
<b>Total Current Assets (A)</b>	<b>1,957.78</b>	<b>2,617.86</b>	<b>3,445.11</b>	<b>3,577.01</b>
<b>Current Liabilities</b>				
Contract liabilities	459.82	875.91	1,060.26	1,372.70
Financial Liabilities				
- Lease liabilities	3.10	3.38	5.67	5.83
- Trade Payables	703.98	804.59	1,036.60	1,140.88
- Other Financial Liabilities	100.96	111.00	118.64	150.91
Provisions	25.00	11.58	13.75	22.99
Government Grants	0.15	0.15	0.15	0.15
Employee Defined Obligation (net)	18.29	15.44	80.00	90.69
Other current liabilities	69.40	123.01	120.71	74.67
Liabilities for current tax (net)	-	11.30	-	-
<b>Total Current liabilities (B)</b>	<b>1,380.70</b>	<b>1,956.36</b>	<b>2,435.78</b>	<b>2,858.82</b>
<b>Net Working Capital Requirements (A)-(B) *</b>	<b>577.08</b>	<b>661.50</b>	<b>1,009.33</b>	<b>718.19</b>
<b>Funding Pattern</b>				
A. Cash Credits from Banks	3.66	2.87	94.81	23.21
B. Borrowings from related parties	9.00	16.50	2.00	-

Particulars	As at			
	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
C. Internal Accruals	564.42	642.13	912.52	694.98
<b>Total</b>	<b>577.08</b>	<b>661.50</b>	<b>1,009.33</b>	<b>718.19</b>

\*Net working capital requirement = Current Assets (excluding cash and cash equivalents and bank balances other than cash and cash equivalents) – Current Liabilities (excluding current borrowings).

As certified by Manian & Rao, Chartered Accountants pursuant to their certificate dated March 18, 2024.

(b) Future working capital

We propose to utilize ₹ 250.00 million and ₹ 300.00 million of the Net Proceeds in Fiscals 2025 and 2026, respectively, towards our Company's working capital requirements. The balance portion of working capital requirement of our Company shall be met through internal accruals.

On the basis of our existing working capital requirements and the estimated working capital requirements, our Board, pursuant to their resolution dated March 18, 2024, has approved the expected working capital requirements for Fiscals 2024, 2025 and 2026 and the proposed funding of such working capital requirements are stated below:

Particulars	Estimated as at		
	March 31, 2024	March 31, 2025	March 31, 2026
<b>Current Assets</b>			
Inventories			
- Raw Materials	1,080.59	1,210.73	1,478.14
- Work in Progress	313.83	250.04	292.55
- Semi-Finished Goods	286.52	313.80	367.15
- Finished Goods	2.05	2.35	2.75
- Stores & Spares	25.58	29.42	34.42
- Other Inventories	8.53	9.81	11.47
Contract assets	305.02	357.93	418.78
Trade receivables	1,637.23	1,961.27	2,340.58
Loans	8.00	7.00	7.00
Other financial assets	18.13	18.13	18.13
Current tax assets (net)	-	-	-
Other current assets	246.89	315.12	367.79
<b>Total Current Assets (A)</b>	<b>3,932.37</b>	<b>4,475.60</b>	<b>5,338.76</b>
<b>Current Liabilities</b>			
Contract liabilities	1,182.73	1,360.14	1,591.36
Financial Liabilities			
- Lease liabilities	6.94	7.06	7.18
- Trade Payables	1,270.92	1,134.65	1,319.58
- Other Financial Liabilities	117.33	107.41	123.38
Provisions	14.38	15.25	17.90
Government Grants	-	-	-
Employee Defined Obligation (Net)	94.82	100.58	112.23
Other current liabilities	106.70	117.90	132.51
Liabilities for current tax (net)	30.56	65.79	89.96
<b>Total Current liabilities (B)</b>	<b>2,824.38</b>	<b>2,908.78</b>	<b>3,394.10</b>
<b>Net Working Capital Requirements (A)-(B) *</b>	<b>1,107.99</b>	<b>1,566.82</b>	<b>1,944.66</b>
<b>Funding Pattern</b>			
A. Borrowings from banks, financial institution and non-banking financial companies (including bill discounting)	23.63	20.25	20.25
B. Internal Accruals	1,084.36	1,296.57	1,374.41
C. Proceeds from the Fresh Issue	Nil	250.00	550.00**
<b>Total</b>	<b>1,107.99</b>	<b>1,566.82</b>	<b>1,944.66</b>

\*Net working capital requirement = Current Assets (excluding cash and cash equivalents and bank balances other than cash and cash equivalents) – Current Liabilities (excluding current borrowings).

\*\* Cumulative amount for Financial Years ending March 31, 2025 and March 31, 2026.

Note: Per the certificate dated March 18, 2024 issued by Manian & Rao, Chartered Accountants

## Holding levels

Provided below are details of the holding levels (days) considered:

Particulars	Actuals				Estimated			
	Financial year ended March 31, 2021	Financial year ended March 31, 2022	Financial year ended March 31, 2023	Six months ended September 30, 2023	Financial year ended March 31, 2024	Financial year ended March 31, 2025	Financial year ended March 31, 2026	
Inventories								
- Raw Materials <sup>(1)</sup>	71	53	47	45	43	44	44	
- Work in Progress <sup>(2)</sup>	15	10	9	12	11	11	9	
- Semi-Finished Goods <sup>(3)</sup>	11	7	7	9	8	8	7	
Contract Assets <sup>(4)</sup>	8	8	8	14	9	8	8	
Trade Receivables <sup>(5)</sup>	52	34	40	42	47	46	47	
Contract Liabilities <sup>(6)</sup>	31	29	31	38	33	32	32	
Trade Payables <sup>(7)</sup>	58	38	36	40	41	37	33	

Note: Per the certificate dated March 18, 2024 issued by Manian & Rao, Chartered Accountants

- <sup>(1)</sup> Raw Material days is calculated as average raw materials held during the period/ year divided by cost of goods sold over 365 days/ 183 days. Average raw materials is calculated as the average of raw materials at the beginning of the period/ year and end of the period/ year. Cost of goods sold is calculated as cost of raw materials and components consumed plus changes in inventories of finished goods and work in progress.
- <sup>(2)</sup> Work in progress days is calculated as average work in progress held during the period/ year divided by cost of goods sold over 365 days/ 183 days. Average work in progress is calculated as the average of work in progress at the beginning of the period/ year and end of the period/ year. Cost of goods sold is calculated as cost of raw materials and components consumed plus changes in inventories of finished goods and work in progress.
- <sup>(3)</sup> Semi-finished goods days is calculated as average semi-finished goods held during the period/ year divided by revenue from operations over 365 days/ 183 days. Average semi-finished goods is calculated as the average of semi-finished goods at the beginning of the period/ year and end of the period/ year.
- <sup>(4)</sup> Contract Assets days is calculated as average contract assets held during the period/ year divided by revenue from operations over 365 days/ 183 days. Average contract assets is calculated as the average of contract assets at the beginning of the period/ year and end of the period/ year.
- <sup>(5)</sup> Trade receivable days is calculated as average trade receivables held during the period/ year divided by revenue from operations over 365 days/ 183 days. Average trade receivables is calculated as the average of trade receivables at the beginning of the period/ year and end of the period/ year.
- <sup>(6)</sup> Contract liabilities days is calculated as average contract liabilities held during the period/ year divided by revenue from operations over 365 days/ 183 days. Average contract liabilities is calculated as the average of contract liabilities at the beginning of the period/ year and end of the period/ year.
- <sup>(7)</sup> Trade payable days is calculated as average trade payables held during the period/ year divided by total expenses less employee benefit expenses over 365 days/ 183 days. Average trade payables is calculated as the average of trade payables at the beginning of the period/ year and end of the period/ year.

## Justifications for holding period levels

S. No.	Particulars	Description
		<b>Raw Material</b>
1.	Inventories	The Company maintained an inventory of raw material required for 71 days, 53 days, 47 days and 45 days in Fiscals 2021, 2022, 2023 and six months ended September 30, 2023 respectively. Such inventory is essential for the Company to ensure uninterrupted production. Accordingly, the Company has assumed raw material inventory of 43 days, 44 days and 44 days of its cost of goods sold for Fiscal 2024, 2025 and 2026 respectively.
		<b>Work-in-Process</b>

S. No.	Particulars	Description
		Historically, work in process inventory has been 15 days, 10 days, 9 days and 12 days of cost of materials consumed for Fiscals 2021, 2022, 2023 and for the six months ended September 30, 2023 respectively. Accordingly, the Company has assumed work in process inventory of 11 days, 11 days and 9 days of its cost of goods sold for Fiscal 2024, 2025 and 2026 respectively.
		<b>Semi-Finished Goods</b>
		Historically, inventory of semi-finished goods has been 11 days, 7 days, 7 days and 9 days in Fiscals 2021, 2022, 2023 and for the six months ended September 30, 2023 respectively. Accordingly, the Company has assumed inventory of semi-finished goods to be 8 days, 8 days and 7 days of its revenue from operations for Fiscal 2024, 2025 and 2026 respectively.
2.	Contract Assets	Historically, the Company had contract asset days of 8 days in Fiscals 2021, 2022, 2023 and 14 days for the six months ended September 30, 2023. Basis the past trend, contract asset days are expected to continue at 9 days of its revenue from operations for Fiscal 2024 and 8 days of its revenue from operations for Fiscals 2025 and 2026.
3.	Trade receivables	The Company had trade receivables days of 52 days, 34 days, 40 days and 42 days in Fiscals 2021, 2022, 2023 and for the six months ended September 30, 2023, respectively. Based on the typical credit and terms extended to the customers, the Company expects trade receivable days level of 47 days, 46 days and 47 days of its revenue from operations for Fiscals 2024, 2025 and 2026 respectively.
4.	Contractual liabilities	Historically, the Company had contract liability days of 31 days, 29 days, 31 days and 38 days in Fiscals 2021, 2022, 2023 and for the six months ended September 30, 2023, respectively. Based on the past trend, the Company expects contract liability days to continue at 33 days, 32 days and 32 days of its revenue from operations for Fiscals 2024, 2025 and 2026, respectively.
5.	Trade Payables	The Company had trade payable days of 58 days, 38 days, 36 days and 40 days in Fiscals 2021, 2022, 2023 and for the six months ended September 30, 2023, respectively. Based on the historic trend, the Company expects trade payable days level of 41 days, 37 days and 33 days for Fiscal 2024, 2025 and 2026, respectively.

*Note: Per the certificate dated March 18, 2024 issued by Manian & Rao, Chartered Accountants*

Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

For further details, see “**Material Contracts and Documents for Inspection – Material Documents**” on page 499.

## 5. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to (i) funding growth opportunities; (ii) strengthening marketing capabilities and brand building; (iii) meeting ongoing general corporate contingencies; (iv) employee and other personnel expenses; and (v) any other purpose.

The allocation or quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the business requirements of our Company and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board shall have flexibility in utilising surplus amounts, if any.

In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

## Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) the listing fees, audit fees (not in relation to the Offer), and expenses for any product or corporate advertisements consistent with past practice of our Company (other than the expenses relating to the Offer), which will be borne by our Company; and (b) fees and expenses in relation to the legal counsel to each Selling Shareholder, which shall be borne by the respective Selling Shareholder, severally and not jointly, all costs, charges, fees and expenses associated with and incurred in connection with the Offer, including but not limited to offer advertising, printing, road show expenses, accommodation and travel expenses, stamp duty, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, Registrar's fees, fees to be paid to the BRLMs, fees and expenses of legal counsels to our Company and the BRLMs, fees and expenses of the auditors, fees to be paid to Sponsor Banks, SCSBs (processing fees and selling commission), brokerage for Syndicate Members, commission to Registered Brokers, Collecting DPs and Collecting RTAs, underwriting commissions, and payments to consultants, and advisors, shall be shared among the Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by our Company pursuant to the Fresh Issue and sold by the Selling Shareholders through the Offer for Sale, in accordance with applicable law including Section 28(3) of the Companies Act, 2013. All such payments to the extent required to be borne by a Selling Shareholder, shall be made by our Company on behalf of the Selling Shareholders and the Selling Shareholders agree to reimburse (in proportion to the number of Equity Shares sold by the Selling Shareholders through the Offer for Sale) our Company for any expenses incurred by our Company on behalf of the Selling Shareholders. The fees of the BRLMs shall be paid directly from the Public Offer Account, and immediately upon receipt of final listing and trading approvals from the Stock Exchanges. It is further clarified that all payments shall be made first by our Company and that the Selling Shareholders shall reimburse the Company on pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the through the Offer for Sale. All amounts due to the BRLMs and the Syndicate Members or their Affiliates, the Syndicate Agreement or the Engagement Letter shall be payable directly from the Public Offer Account after transfer of funds from the Escrow Account(s) and the ASBA Accounts to the Public Offer Account and within the time prescribed under the Engagement Letter and the Syndicate Agreement, in accordance with Applicable Laws, post receipt of listing and trading approvals from the Stock Exchanges.

In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, all costs and expenses with respect to the Offer shall be borne by the Company and the Selling Shareholders on pro rate basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale, including but not limited to, the fees and expenses of the BRLMs and the legal counsels in relation to the Offer, in such manner as agreed.

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

S. No	Activity	Estimated amount <sup>(1)</sup> (₹ in million)	As a % of total estimated Offer Expenses	As a % of Offer Size
(1)	BRLMs' fees and commissions (including underwriting commission)	[●]	[●]	[●]
(2)	Brokerage, selling commission, bidding charges, processing fees and bidding charges for the Members of the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs <sup>(2)(3)(4)(5)(6)(7)</sup>	[●]	[●]	[●]
(3)	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
(4)	Other expenses including but not limited to:	[●]	[●]	[●]



S. No	Activity	Estimated amount <sup>(1)</sup> (₹ in million)	As a % of total estimated Offer Expenses	As a % of Offer Size
i.	Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
ii.	Printing and stationery expenses	[●]	[●]	[●]
iii.	Fees payable to the legal counsels	[●]	[●]	[●]
iv.	Advertising and marketing expenses for the Offer	[●]	[●]	[●]
v.	Fees payable to other parties to the Offer including but not limited to the Statutory Auditors, independent chartered accountants, industry report provider, chartered engineer, architect and Monitoring Agency	[●]	[●]	[●]
vi.	Miscellaneous	[●]	[●]	[●]
vii.	<b>Total Estimated Offer Expenses</b>	[●]	[●]	[●]

<sup>(1)</sup> Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated in the Prospectus on determination of Offer Price.

<sup>(2)</sup> Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees, which are directly procured by the SCSBs, would be as follows:

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

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

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

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

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

<sup>(4)</sup> The Processing fees for applications made by UPI Bidders would be as follows:

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

\*For each valid application.

<sup>(5)</sup> Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

<sup>(6)</sup> Bidding charges of ₹ [●] (plus applicable taxes) shall be paid per valid Bid cum Application Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Bidders). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured and bid by them.

<sup>(7)</sup> Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

### **Monitoring of Utilisation of Funds**

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Net Proceeds, prior to the filing of the Red Herring Prospectus, as our size of the Fresh Issue exceeds ₹ 1,000 million, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards general corporate purposes) and the Monitoring Agency shall submit the report to our Company, as required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Further, our Company shall within forty-five days from the end of each quarter, publicly disseminate the report of the monitoring agency by uploading the same on our website as well as submitting the same to the Stock Exchanges. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised if any, of such currently unutilised Net Proceeds. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. Provided that pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall place the statement before the Audit Committee for their review prior to the submission to the Stock Exchanges.

On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

### **Interim use of Net Proceeds**

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

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

### **Appraisal of the Objects**

The Objects have not been appraised by any bank, financial institution or agency and we have not raised any bridge loans against the Net Proceeds. See “**Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are not appraised by any independent agency and are based on management estimates and may be subject to change based on various factors, some of which are beyond our control**” on page 47.

### **Bridge financing**

As on the date of this Draft Red Herring Prospectus, our Company has not raised any bridge loans from any bank or financial institution towards any of the Objects, which are proposed to be repaid from the Net Proceeds.

### **Other confirmations**

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Promoter Selling Shareholders and Promoter Group Selling Shareholders, no part of the proceeds from the Offer will be paid by our Company as consideration to the Promoters, members of our Promoter Group, our Directors, Key Managerial Personnel, or members of Senior Management. Further, our Company has not entered into and is not planning to enter into any arrangements/ agreements with any of our Promoters, members of Promoter Group, our Directors, Key Managerial Personnel, or members of Senior Management, in relation to utilization of the Net Proceeds. Further, there are no existing or anticipated interest of such individuals or entities in the Objects as set out above.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Notice**”) shall specify the prescribed details as required under the Companies Act, 2013. The Notice shall simultaneously be published in newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal, to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations. See “**Risk Factors - Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders’ approval**” on page 47.

## BASIS FOR OFFER PRICE

The Price Band and Employee Discount if any, will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, and the Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process in accordance with the SEBI ICDR Regulations and applicable law, and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections “*Risk Factors*”, “*Our Business*”, “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 30, 224, 300 and 384, respectively, to have an informed view before making an investment decision.

### I. Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are set forth below:

- established brand presence and market position in the growing pre-engineered building industry in India;
- significantly integrated manufacturing operations, backed by in-house design and engineering, on-site project management, and sales and marketing capabilities;
- demonstrated track record of execution of pre-engineered steel building projects;
- diverse customer base and long-standing relationships with key customers;
- demonstrated financial performance and robust order book; and
- experienced and qualified Promoters and management team.

For further details, see “*Risk Factors*” and “*Our Business – Our Strengths*” on pages 30 and 229, respectively.

### II. Quantitative factors

Certain information presented below relating to our Company is based on or derived from the Restated Financial Information. See “*Restated Financial Information*” on page 300.

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

#### 1. Basic and diluted earnings per Equity Share:

Financial Year/period ended	Basic & Diluted EPS (₹)	Weight
March 31, 2021	4.29	1
March 31, 2022	11.42	2
March 31, 2023	54.31	3
<b>Weighted Average</b>	<b>31.68</b>	
Six months ended September 30, 2023*	23.07	

\*Not annualised.

Notes:

- i. Earnings per share calculations are in accordance with Ind AS 33.
- ii. The ratios have been computed as below:
  - Basic earnings per Equity Share (₹) = Restated profit attributable to Shareholders of our Company for the year/period divided by weighted average number of Equity Shares outstanding during the year/period computed in accordance with Ind AS 33.
  - Diluted earnings per Equity Share (₹) = Restated profit attributable to Shareholders of our Company for the year/period divided by weighted average number of Equity Shares outstanding during the year/period as adjusted for the effects of all dilutive potential Equity Shares computed in accordance with Ind AS 33.
  - Weighted average = Product of basic and diluted EPS and the respective assigned weight, dividing the resultant by the total aggregate weight.
- iii. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued/bought back during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

## 2. Price/Earning ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Based on basic EPS for Financial Year ended March 31, 2023	[●]	[●]
Based on diluted EPS for Financial Year ended March 31, 2023	[●]	[●]

\* To be updated at the Price Band stage.

## 3. Industry Price/Earning ratio

Based on the peer group information (excluding our Company) given below in this section, details of the highest, lowest and industry average P/E ratio are set forth below.

Particulars	P/E ratio
Highest	40.57
Lowest	19.89
Average	30.23

Note: The highest and lowest industry P/E shown above is based on the listed industry peers. See “Basis for Offer Price – Comparison of accounting ratios with listed peers” on page 152. The industry average has been calculated as the arithmetic average P/E of the peers. See “Basis for Offer Price – Comparison of accounting ratios with listed peers” on page 152. The industry P / E ratio mentioned above is computed based on the closing market price of equity shares as on March 13, 2024 divided by the diluted earnings per share for the Financial Year ended March 31, 2023. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Financial Year March 31, 2023, as available on the websites of the Stock Exchanges.

## 4. Return on Net Worth (“RoNW”)

Financial Year/period ended	RoNW (%)	Weight
March 31, 2021	2.68	1
March 31, 2022	6.52	2
March 31, 2023	23.69	3
<b>Weighted Average</b>	<b>14.47</b>	
September 30, 2023*	10.33	

\* Not annualised.

Notes:

- Return on Net Worth = Restated profit for the year/period divided by the Net Worth at the end of the respective year/period.
- Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off but does not include reserves created out of revaluation of assets, capital reserve, write back of depreciation and amalgamation. Accordingly, we have calculated it as Total equity excluding the fair value gain (net of tax) recognised on measurements of assets at fair value and reserves not created out of the profits.
- The weighted average return on net worth is a product of return on net worth and the respective assigned weight, dividing the resultant by the total aggregate weight.

## 5. Net asset value per Equity Share

NAV per Equity Share	(in ₹)
As on March 31, 2023	229.19
As on September 30, 2023	232.24
<i>After the completion of the Offer</i>	
- At the Floor Price	[●]
- At the Cap Price	[●]
<i>At Offer Price</i>	[●]

Notes:

- Net asset value per Equity Share = Net Worth at the end of the year/period divided by the number of Equity Shares outstanding at the end of the year/period.

## III. Comparison of accounting ratios with listed peers

Set forth below is a comparison of our accounting ratios with our peer group companies listed in India, as identified in accordance with the SEBI ICDR Regulations.

Name of company	Face value per Equity share (₹)	Revenue from Operations for Financial Year ended March 31, 2023 (In ₹ million)	EPS (₹) for Financial Year ended March 31, 2023		P/E	Return on Net worth (%) for Fiscal 2023	Net asset value per equity share (₹) as at March 31, 2023
			Basic	Diluted			
Interarch Building Products Limited <sup>#</sup>	10	11,239.26	54.31	54.31	[●]^	23.69	229.19
<b>Listed peers*</b>							
Everest Industries Limited	10	16,476.34	26.98	26.90	40.57	7.29	369.50
Pennar Industries Limited	5	28,946.20	5.49	5.49	19.89	9.68	57.73

<sup>#</sup>Financial information of our Company has been derived from the Restated Financial Information as at or for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023.

<sup>\*</sup>To be updated upon finalization of the Price Band.

<sup>\*</sup>Sources for listed peers information included above:

1. All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the Financial Year ended March 31, 2023 available on the website of the Stock Exchanges.
2. P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares as on March 13, 2024 divided by the diluted earnings per share for the Financial Year ended March 31, 2023.
3. Return on Net Worth = Restated profit for the year/ period divided by the Net Worth at the end of respective year/period.
4. Net asset value per Equity Share = Net Worth at the end of the year/period divided by the number of Equity Shares outstanding at the end of the year/period.

#### IV. Key Performance Indicators

The table below sets forth the details of the KPIs that our Company considers to have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 18, 2024 and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of this Draft Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by Manian & Rao, Chartered Accountants, pursuant to certificate dated March 18, 2024, which has been included as part of the "**Material Contracts and Documents for Inspections**" on page 499.

A list of our KPIs as at and for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and the six months ended September 30, 2023 is set out below:

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Installed Capacity (in MTPA)	132,000	132,000	141,000	141,000
Number of manufacturing plants related to PEB/structural steel	4	4	4	4
Revenue from operations (in ₹ million)	5,760.64	8,349.43	11,239.26	5,915.28
EBITDA (in ₹ million)	110.44	328.89	1,063.80	441.10
EBITDA margin (%)	1.92	3.94	9.47	7.46
Profit (in ₹ million)	64.37	171.33	814.63	345.74
Profit Margin (%)	1.12	2.05	7.25	5.84
Return on Capital Employed (%)	3.21	8.30	26.75	11.76*
Return on equity (%)	2.15	5.38	20.40	8.84*

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Net cash generated from operating activities (in ₹ million)	388.32	261.80	312.86	560.21
Asset Turnover Ratio (times)	1.20	1.65	1.84	0.86*
Cash Conversion Cycle (days)	93.39	64.89	64.58	67.54
Net Debt (in ₹ million)	11.65	(322.58)	(409.35)	(333.34)
Net Debt to EBITDA (times)	0.11	(0.98)	(0.38)	(0.76)*
Net Debt to Equity (times)	0.00	(0.10)	(0.10)	(0.09)

\*Not annualized.

KPIs	Description
Installed Capacity (in MTPA)	Installed Capacity is the capacity available at the Manufacturing Facilities of the Company at the end of the given year/period
Number of manufacturing plants related to PEB/structural steel	Number of manufacturing plants is the number of manufacturing plants of our Company which were operational for the given year/period
Revenue from Operations	Revenue from operations is revenue from pre-engineered building contracts, sale of building materials, scrap sales and other operating services
EBITDA	EBITDA is calculated as profit for the year/period plus total tax expenses, finance costs, depreciation and amortization expense less other income
EBITDA Margin	EBITDA margin is calculated as the EBITDA divided by the revenue from operations
Profit	Profit for the year/period
Profit Margin	Profit margin is calculated as profit for the year/ period divided by revenue from operations for the respective year/period
Return on Capital Employed	Return on capital employed is calculated as EBIT divided by capital employed  EBIT is calculated as profit for the year/period plus total tax expense plus finance costs.  Capital employed is calculated as total equity minus intangible assets plus total debt. Total debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities plus current lease liabilities.
Return on Equity	Return on Equity is calculated as profit for the year/period divided by total equity
Net Cash generated from operating activities	Net cash generated from operating activities by the Company during the year/period
Asset Turnover Ratio	Asset Turnover Ratio is computed as revenue from operations divided by average total assets. Average total assets refer to average of opening total assets and closing total assets.
Cash Conversion Cycle	Cash conversion cycle is computed as inventory days plus trade receivable days minus trade payable days. Trade receivable days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years and 183 days for six months period. Inventory days is calculated as average inventory divided by revenue from operations multiplied by 365 for Financial Years and 183 days for six months period. Trade payable days is calculated as average trade payables divided by revenue from operations multiplied by 365 for Financial Years and 183 days for six months period
Net Debt	Net Debt is computed as our Company's total debt less cash and cash equivalents. Total debt is calculated as non-current borrowings plus current borrowings plus non-current lease liabilities plus current lease liabilities
Net Debt to EBITDA	Net Debt to EBITDA ratio is computed as Net Debt divided by EBITDA
Net Debt to Equity	Net Debt to Equity ratio is computed as Net Debt divided by total equity

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

For details other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 224 and 384, respectively.

**Description on the historic use of the key performance indicators by our Company to analyze, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Financial Information. These KPIs may not be defined under Ind AS and are not presented in accordance with Ind AS and hence, should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our performance, liquidity, profitability or results of operations. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business. See ***“Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.”*** on page 73.

**Explanation for the key performance indicators**

The following table provides the explanation of and rationale for each of the KPIs that have a bearing on arriving at the basis for Offer Price and the relevance of such to the business of our Company:

S. No.	Key performance indicators	Explanation
1.	Installed Capacity (in MTPA)	Installed capacity of our Manufacturing Facilities shows the manufacturing strength of our Company
2.	Number of manufacturing plants related to PEB/structural steel	Number of manufacturing plants shows the manufacturing strength of our Company
3.	Revenue from Operations	Revenue from operations is revenue from pre-engineered building contracts, sale of building materials, scrap sales and other operating services and helps assess the revenue profile and overall financial performance of our Company and size of our operations
4.	EBITDA	This gives information regarding the operating profits generated by our Company.
5.	EBITDA Margin	This gives information regarding operating profitability of our Company in comparison to the revenue from operations of our Company
6.	Profit	This gives information regarding the overall profitability of our Company
7.	Profit Margin	This gives information regarding the overall profitability of our Company in comparison to revenue from operations of our Company
8.	Return on Capital Employed	This gives information regarding profitability of our Company on the capital employed in the business
9.	Return on Equity	This gives information regarding profitability of our Company on the equity capital in the business
10.	Net Cash generated from operating activities	Net cash generated from operating activities by the Company during the year/period
11.	Asset Turnover Ratio	Asset turnover ratio measures the efficiency of our assets in generating revenue or sales
12.	Cash Conversion Cycle	Cash conversion cycle is the time it takes to convert net current assets and current liabilities into cash
13.	Net Debt	Net Debt is gives us information on our debt position
14.	Net Debt to EBITDA	Net Debt to EBITDA ratio enables us to measure the ability and extent to which we can cover our debt in comparison to the EBITDA being generated by us. It highlights how many years it would take for a company to pay back its debt if debt and EBITDA are held constant
15.	Net Debt to Equity	Net Debt to Equity ratio is a measure of the extent to which our Company can cover our debt and represents our debt position in comparison to our equity position. It helps evaluate our financial leverage



## V. Comparison of key performance indicators with listed industry peers

The following table provides a comparison of our KPIs with those of our peers listed on Indian stock exchanges, in accordance with the SEBI ICDR Regulations:

*(In ₹ million, unless mentioned otherwise)*

Particulars	Interarch Building Products Limited				Everest Industries Limited				Pennar Industries Limited			
	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Installed Capacity (in MTPA)	132,000	132,000	141,000	141,000	NA	NA	NA	NA	NA	NA	NA	NA
Number of manufacturing facilities related to PEB/Structural Steel	4	4	4	4	NA	NA	NA	NA	NA	NA	NA	NA
Revenue from Operations	5,760.64	8,349.43	11,239.26	5,915.28	12,179.19	13,647.06	16,476.34	7,917.54	15,253.50	22,657.50	28,946.20	15,630.20
EBITDA	110.44	328.89	1,063.80	441.10	1,119.70	689.51	675.19	261.66	1,128.30	1,713.60	2,211.90	1,321.80
EBITDA Margin(%)	1.92%	3.94%	9.47%	7.46%	9.19%	5.05%	4.10%	3.30%	7.40%	7.56%	7.64%	8.46%
Profit	64.37	171.33	814.63	345.74	563.91	440.85	423.60	117.47	28.40	419.10	754.30	441.70
Profit Margin(%)	1.12%	2.05%	7.25%	5.84%	4.63%	3.23%	2.57%	1.48%	0.19%	1.85%	2.61%	2.83%
Return on Capital Employed (%)	3.21%	8.30%	26.75%	11.76%*	18.49%	11.66%	10.71%	3.14%*	6.60%	9.72%	12.95%	7.49%*
Return on Equity(%)	2.15%	5.38%	20.40%	8.84%*	11.09%	8.13%	7.29%	2.00%*	0.41%	5.69%	9.68%	5.36%*
Net Cash generated from operating activities	388.32	261.80	312.86	560.21	2,639.20	321.55	(1,681.73)	1,403.99	(427.60)	1,949.30	2,441.20	516.80

Particulars	Interarch Building Products Limited				Everest Industries Limited				Pennar Industries Limited			
	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Cash Conversion cycle (days)	93.39	64.89	64.58	67.54	56.92	48.76	73.59	85.13	106.06	83.25	71.76	69.39
Asset Turnover Ratio (times)	1.20	1.65	1.84	0.86*	1.37	1.37	1.50	0.73*	0.81	1.12	1.30	0.65*
Net Debt	11.65	(322.58)	(409.35)	(333.34)	(395.21)	(430.85)	1,002.65	700.23	5,317.10	6,076.10	5,422.50	6,315.80
Net Debt to EBITDA (times)	0.11	(0.98)	(0.38)	(0.76)*	(0.35)	(0.62)	1.48	2.68*	4.71	3.55	2.45	4.78*
Net Debt to Equity (times)	0.00	(0.10)	(0.10)	(0.09)	(0.08)	(0.08)	0.17	0.12	0.76	0.83	0.70	0.77

\* **Not annualized**

Notes:

- 1) The financial information pertaining to our Company has been certified by Manian & Rao Chartered Accountants by way of their certificate dated March 18, 2024.
- 2) The financial information pertaining to the industry peer group has been derived from its audited consolidated financial statements for the Financial Years ended March 31, 2023, March 31, 2022 and 2021, unaudited financial results for the six months ended September 30, 2023 or investor presentations as available on the website of the Stock Exchanges and website of the industry peers.

## VI. Weighted average cost of acquisition, Floor Price and Cap Price

1. **Price per share of the Company based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)**

There has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Draft Red Herring Prospectus (excluding Equity Shares issued pursuant to exercise of employee stock options or any bonus issuances), where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

2. **Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other Shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of the this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)**

There have been no secondary sale/transfers or acquisition of any Equity Shares or convertible securities, where the Promoters, members of the Promoter Group, the Selling Shareholders or Shareholders having the right to nominate Directors to the Board of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

3. **Since there are no transactions to report under points 1 and 2, the following are the details based on the last five primary issuances and secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholders having the right to nominate director(s) to the Board of our Company, are a party to the transaction), not older than the three years preceding the date of this Draft Red Herring Prospectus, irrespective of the size of transactions**

There have been no primary issuances or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholders having the right to nominate director(s) to the Board of our Company, are a party to the transaction), in the three years preceding the date of this Draft Red Herring Prospectus.

Note: The above excludes 584,708 Equity Shares which were bought back by our Company on September 25, 2023 at a price of ₹ 667.00 per Equity Share, pursuant to the resolutions of our Board of Directors and Shareholders dated August 17, 2023 and August 18, 2023, respectively.

4. **Floor Price and Cap Price vis-a-vis the weighted average cost of acquisition at which the Equity Shares based on primary issuances/secondary transactions during the last three years:**

Past transactions	Weighted average cost of acquisition per Equity Share (₹)#	Floor Price (₹ [•])	Cap Price (₹ [•])
Weighted average cost of acquisition for last 18 months based on primary/new issue of shares (equity/convertible securities), excluding	Not applicable	Not applicable	Not applicable

Past transactions	Weighted average cost of acquisition per Equity Share (₹)#	Floor Price (₹ [●])	Cap Price (₹ [●])
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shares issued under the employee stock options schemes and issuance of bonus shares, during the 18 months preceding the date of filing of this Daft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

Weighted average cost of acquisition for last 18 months based on secondary sale/acquisition of shares equity/convertible securities), where the Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board or Selling Shareholder in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	Not applicable	Not applicable	Not applicable
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Weighted average cost of acquisition for last 18 months based on secondary sale/acquisition of shares equity/convertible securities), where the Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board or Selling Shareholder in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

Since there are no transactions to report under 1 and 2 above, the following are the details based on the last five primary and secondary transactions (secondary transactions where Promoter(s), members of the Promoter Group, Selling Shareholders or Shareholders having the right to nominate Director(s) to the Board of our Company, are a party to the transaction), during the three years preceding the date of this Draft Red Herring Prospectus, irrespective of the size of transactions:

Weighted average cost of acquisition of Primary Issuances	Not applicable	Not applicable	Not applicable
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Weighted average cost of acquisition of Secondary Transactions^^	Not applicable	Not applicable	Not applicable
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\* To be updated at the Prospectus stage.

# As certified by Manian & Rao Chartered Accountants by way of their certificate dated March 18, 2024.

^^The above excludes 584,708 Equity Shares which were bought back by our Company on September 25, 2023 at a price of ₹ 667.00 per Equity Share, pursuant to the resolutions of our Board of Directors and Shareholders dated August 17, 2023 and August 18, 2023, respectively.

5. **Detailed explanation for Offer Price/ Cap Price being [●] times of weighted average cost of acquisition of primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's key performance indicators and financial ratios for Financial Years 2021, 2022, 2023 and six months ended September 30, 2023**

[●]\*

\* To be included on finalisation of Price Band.

6. **Explanation for the Offer Price/Cap Price, being [●] times of weighted average cost of acquisition of primary issuances/secondary transactions of Equity Shares (as disclosed in point 3 above) in view of the external factors which may have influenced the pricing of the Issue.**

[●]\*

*\*To be included on finalisation of Price Band.*

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*” and “*Restated Financial Information*” on pages 30, 224 and 300, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” on page 30 and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors  
Interarch Building Products Limited (formerly known as Interarch Building Products Private Limited),  
B-30, Sector 57,  
Noida 201301, Uttar Pradesh,  
India.  
Dear Sir/Madam,

#### Statement of Special Tax Benefits available to Interarch Building Products Limited (formerly known as Interarch Building Products Private Limited) and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexures 1 and 2 (together the “Annexures”), prepared by Interarch Building Products Limited (formerly known as Interarch Building Products Private Limited) (“the Company”) provides the special tax benefits available to the Company and its shareholders, under the provisions of the Income-tax Act, 1961 (“the Act”) read with the Income-tax Rules, 1962, as amended by the Finance Act, 2023 i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 (together, the “Direct Tax Laws”), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, relevant State Goods and Services Tax Act, 2017 read with rules, circulars, and notifications (“GST law”), the Customs Act, 1962, the Customs Tariff Act, 1975 read with rules, circulars, and notifications (“Customs law”), each as amended by the Finance Act 2023 applicable for the Financial Year 2023-24 and Foreign Trade (Development and Regulation) Act, 1992 and Foreign Trade Policy 2023 - 2028 (FTP), each as amended and presently in force in India (collectively referred as “Indirect Tax Laws” and along with “Direct Tax Laws”, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexures cover only special tax benefits available to the Company and to the shareholders of the Company and do not cover any general tax benefits available to the Company and to the shareholders of the Company.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of the equity shares of the Company (“Offer”).
4. We do not express any opinion or provide any assurance as to whether:
  - the Company or its shareholders will obtain/ continue to obtain these special tax benefits in the future;
  - the conditions prescribed for availing the special tax benefits have been / would be met with; or
  - the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

6. This statement is prepared solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

**For S.R. BATLIBOI & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**per Pravin Tulsyan**

Partner

Membership No.: 108044

UDIN: 24108044BKFLXO1241

Place: Gurugram

Date: March 18, 2024

**Annexure 1 Statement of Special Tax Benefits available to Interarch Building Products Limited (Formerly known as Interarch Building Products Private Limited), ('The Company') and its Shareholders**

**Outlined below are the special tax benefits available to the Company and its Shareholders under the Income Tax Act, 1961 read with the Income-tax Rules, 1962 (hereinafter referred to as 'the Act'), as amended by the Finance Act, 2023, applicable for the Financial Year ('FY') 2023-24 relevant to Assessment Year ('AY') 2024-25**

**1. Special tax benefits available to the Company under the Act**

**A. Lower corporate tax rate under Section 115BAA of the Act**

A new Section 115BAA had been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. FY 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives.

The Amendment Act, 2019 further provided that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT had further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115 JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

The Company has opted for the beneficial tax rate under section 115BAA of the Act from FY 2019-20 onwards. As the Company has opted for the beneficial tax rate introduced by the ordinance, they are not eligible to avail the exemptions/ incentives as specified under Section 115BAA of the Act. Further, the option once exercised by the Company cannot be subsequently withdrawn for the same or any other FY.

**B. Deductions from Gross Total Income**

- Section 80JJAA: Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

The deduction u/s 80JJAA of the Act shall be applicable even if the Company avail the benefits of the special rate u/s 115BAA of the Act

- Section 80M of the Act: Deduction in respect of inter-corporate dividends

A new Section 80M had been inserted by the Finance Act, 2020 w.e.f. FY 2020-21 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust to the extent it does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the company receives any such dividend during a FY and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said FY, it shall be entitled to the deduction under Section 80M of the Act. The deduction u/s 80M of the Act shall be applicable for the company availing the benefits of the special rate u/s 115BAA of the Act.

**2. Special tax benefits available to the Shareholders**

- A. Higher cost of acquisition benefit in relation to long term capital asset being shares of company referred to in section 112A of the Act**



A new section 55(2)(ac) of the Act has been inserted to provide grandfathering of gains on the specified assets (as defined u/s 112A of the Act) acquired prior to 1 February 2018. The Cost of acquisition would be higher of:-

a) Cost of acquisition and

b) Lower of

- Fair market value\* of such shares
- Full value of consideration received or accruing as result of transfer of capital Asset

\*'fair market value' means —

In a case where the capital asset is an equity share in a company which is not listed on a recognised stock exchange as on the 31st day of January, 2018 but listed on such exchange on the date of transfer, an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the financial year 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the assessee or for the year beginning on the first day of April, 2001, whichever is later.

B. No interest on deferment of advance tax instalment with respect to dividend income

The Finance Act 2020 amended the manner of taxation of dividend income by abolishing dividend distribution tax and restoring classical system of dividend taxation (i.e., taxation of dividend income in the hands of the shareholders). Considering the nature of income, it is not possible for taxpayer to accurately determine the advance tax liability on dividend income and therefore, the proviso to section 234C(1) of the Act provides that no interest shall be levied under section 234C of the Act, if the shortfall in payment of advance tax instalment is on account of underestimation or failure to estimate dividend income. The amendment was introduced by Finance Act 2021 and is applicable from 1 April 2021.

C. Surcharge on all long-term capital gains capped at 15%

The Finance Act 2022 has capped the surcharge on LTCG on sale of unlisted equity shares to 15% from erstwhile graded surcharge up to 37%.

D. Surcharge on personal income capped at 25% for individuals opting concessional tax regime under section 115BAC

The Finance Act 2023 has capped surcharge on total income of individual assessee's opting for concessional tax regime under section 115BAC to 25% (instead of earlier surcharge of 37% for individuals having total income exceeding Rs. 5 crores).

NOTES:

1. The above statement of possible special tax benefits sets out the provisions of Direct Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company. The above are based on the existing provisions of the Direct Tax Laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which also be retrospective, could have an effect on the validity of the above. We do not assume responsibility to update the views consequent to such changes.

3. The above statement of possible special tax benefits is as per the current Direct Tax Laws relevant for the assessment year 2024-25. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

**For Interarch Building Products Limited**

Arvind Nanda  
Managing Director

**For Interarch Building Products Limited**

Manish Kumar Garg

**Chief Executive Officer**

**For Interarch Building Products Limited**

Pushpendra Kumar Bansal

**Chief Financial Officer**

Date: March 18, 2024

Place: Noida

## ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO INTERARCH BUILDING PRODUCTS LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS

- I. **Outlined below are the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and relevant State Goods and Services Tax Act, 2017 read with rules, circulars, and notifications (hereinafter collectively referred to as “GST law”), the Customs Act, 1962 and the Customs Tariff Act, 1975 read with rules, circulars, and notifications (hereinafter collectively referred to as “Customs law”), each as amended by the Finance Act 2023 applicable for the Financial Year 2023-24 and Foreign Trade (Development and Regulation) Act, 1992 and Foreign Trade Policy 2023-2028 (hereinafter referred to as “FTP”), each as amended and presently in force in India (herein collectively referred to as “Indirect Tax Laws”)**

### 1. **Special tax benefits available to the Company**

- A. **Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:** As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on export of goods. The Company is availing duty drawback under Section 75 of the Customs Act read with Notification No. 77/2023-Cus. (N.T.) dated 20 October 2023.
- B. **Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):** Under the GST regime, supplies of goods or services which qualify as ‘export’ of goods or services are treated as zero-rated supplies which can be supplied either with or without payment of Integrated Goods and Services Tax (hereinafter referred to as “IGST”) subject to fulfilment of conditions prescribed. The exporter has the options as under:
- i. To undertake exports under cover of a Bond/ Letter of Undertaking (hereinafter referred to as “LUT”) without payment of IGST and claim refund of accumulated Input Tax Credit subject to fulfilment of conditions prescribed under the provisions of Section 54 of the Central Goods and Services Tax Act, 2017.
  - ii. To undertake export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of the Central Goods and Services Tax Act, 2017.

Thus, the GST law permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

The Company undertakes export of goods without payment of IGST basis the LUT as prescribed under the GST law. In such case, it will have the option of claiming refund of unutilized input tax credit, subject to fulfilment of all prescribed conditions. Currently, the Company is able to utilise its input tax credit and is not exercising the option of filing a refund claim.

### 2. **Special tax benefits available to the Shareholders of the Company**

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

#### Notes:

1. The above statement of special tax benefits is based on the best understanding of the Company’s business landscape and tax benefits available to the Company and its shareholders under the current Indirect Tax Laws presently in force in India.
2. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax advisor with respect to the specific tax implications arising out of their participation in the Offer.

3. This statement does not discuss any tax consequences in a country outside India of an investment in the equity shares of the Company ("Equity Shares"). The subscribers of the Equity Shares in a country other than India are urged to consult their own professional advisers regarding possible indirect-tax consequences that apply to them.
4. The above statement covers only special tax benefits under Indirect Tax Laws and does not cover any income tax law benefits or benefit under any other law.
5. During the period from 1 April 2023 to the date of this Annexure, the Company:
  1. has availed above mentioned exemption, benefits and incentives under Indirect Tax Laws
  2. has exported goods and/ or services outside India
  3. has imported goods and/ or services from outside India
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes.

**For Interarch Building Products Limited**

Arvind Nanda  
Managing Director

**For Interarch Building Products Limited**

Manish Kumar Garg  
**Chief Executive Officer**  
**For Interarch Building Products Limited**

Pushpendra Kumar Bansal  
**Chief Financial Officer**  
Date: March 18, 2024  
Place: Noida

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, “Assessment of pre-engineered steel buildings industry in India” released in January 2024 (“**CRISIL Report**”) prepared by CRISIL appointed by our Company pursuant to an engagement letter dated July 10, 2023. The CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see ‘**Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk**’ on page 64. Also see, ‘**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data**’ on page 18. The CRISIL Report is available on the website of our Company at <https://www.interarchbuildings.com/crisil-report.asp> from the date of this Draft Red Herring Prospectus till the Bid/Offer Closing Date. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

#### Macroeconomic assessment of India

##### Gross domestic product outlook

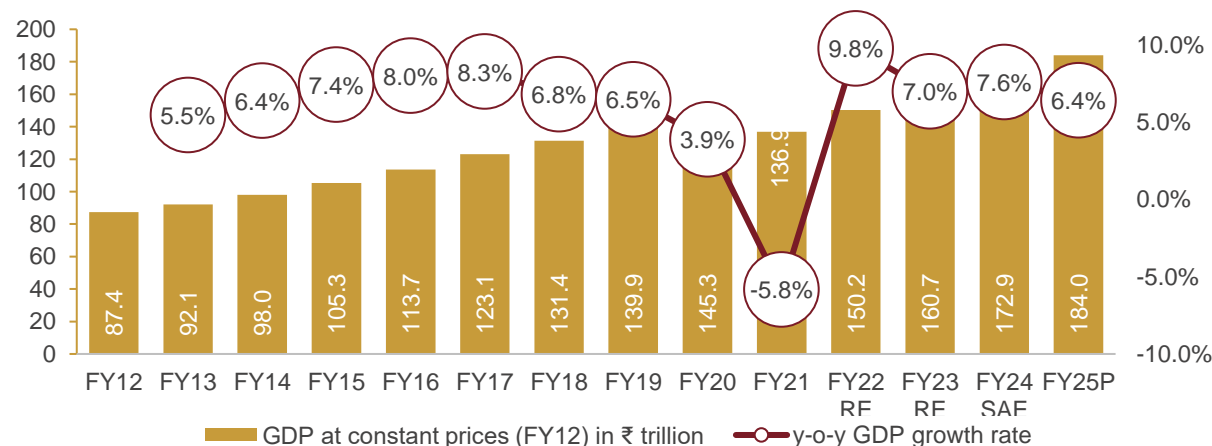
##### GDP saw a CAGR of 5.7% between Financial Year 2012-2023

The country’s gross domestic product (GDP) increased at a compound annual growth rate (CAGR) of 5.7% to ₹ 160 trillion in Financial Year 2023 from ₹ 87 trillion in Financial Year 2012.

In Financial Year 2022, the economy recovered from the pandemic-related stress as restrictions were eased and economic activity resumed, though inflation spiralled in the last quarter due to geopolitical pressures, with a GDP growth of 9.8% vs -5.8% in Financial Year 2021. In Financial Year 2023, GDP rose to 7.0% on strong growth momentum propelled by investments and private consumption.

In Financial Year 2024, real GDP is estimated to grow by 7.6%. Even as the agricultural economy slowed sharply in Financial Year 2024 following a weak monsoon, the surge in non-agricultural economy has more than offset it. The government-driven investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. However, services have been slowing with waning pent-up demand (post pandemic), with the exception of financial, real estate and professional services, which has powered ahead on the back of robust growth in banking and real estate. In Financial Year 2025, CRISIL expects the country’s GDP to expand 6.4%, driven by the manufacturing sector, strong growth in investments and resilient domestic demand. However, it will be slower than Financial Year 2024 due to slowing global growth, impact of rising interest rates, waning of pent-up demand for services and increasing geopolitical uncertainty.

##### Real GDP growth in India (new series) – constant prices








Note: RE: revised estimates, SAE: Second Advance Estimates, P: projected  
 These values are reported by the government under various stages of estimates  
 Only actuals and estimates of GDP are provided in the bar graph.  
 FY: Financial Year (Indian financial year 1<sup>st</sup> April to 31 March of the following year)

Source: Provisional estimates of national income 2022-2023 and quarterly estimates of GDP for the fourth quarter of Financial Year 2023, Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

### South India was the highest contributor to India's GDP followed by North India in Financial Year 2022

In Financial Year 2022, southern states had a combined Gross State Domestic Product (GSDP) of ₹ 45.6 trillion, followed by Northern states, which had the combined GSDP of ₹ 40.2 trillion. Contribution of southern states, and northeastern states to India's overall GDP has increased in Financial Year 2022 compared to Financial Year 2018, whereas contribution of northern and western states in India's overall GDP has decreased in Financial Year 2022 compared to Financial Year 2018. Contribution of eastern states have remained constant at 12.3%.

Additionally, southern states have registered the highest growth CAGR (Financial Years 2018 - 2022) of ~4.4% followed by North-eastern states at 4.3% CAGR (Financial Years 2018 - 2022). Both the regions outperformed India's GDP growth, which registered a CAGR of ~3.8% during the same period.

Region	States	GSDP (Constant) ₹ trillion			Contribution to India's GDP*	
		FY18	FY22	CAGR (FY18-22)	FY18	FY22
 <b>North</b>	Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand	35.1	40.2	3.4%	26.9%	26.5%
 <b>South</b>	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Andaman and Nicobar Islands	38.4	45.6	4.4%	29.4%	30.0%
 <b>East</b>	Bihar, Orissa, Jharkhand, West Bengal	16.1	18.6	3.7%	12.3%	12.3%
 <b>West</b>	Goa, Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh	37.5	43.2	3.7%	28.7%	28.5%
 <b>Northeast</b>	Assam, Sikkim, Nagaland, Meghalaya, Manipur, Mizoram, Tripura and Arunachal Pradesh	3.6	4.2	4.3%	2.7%	2.8%

Note: Analysis over five-year period ending Financial Year 2022 is considered to ensure consistency as GSDP Financial Year 2023 data of multiple states is not available as of February 2024. \*Contribution: (Summation of GSDP of all the states/ union territories in the particular region)/ (Summation of GSDP of all the states/ union territories)

Source: RBI, CRISIL MI&A Research

### India among the world's fastest-growing large economies.

India was one of the fastest-growing economies in calendar year 2018 and calendar year 2019. In calendar year 2020, GDP of most countries, including developed ones such as the US and the UK, except China, contracted due to the pandemic. India's GDP shrank 5.8% in calendar year 2020 (Financial Year 2021). In calendar year 2021, GDP growth of all major economies rebounded as economic activity resumed and due to the low base of calendar year 2020. Among major economies, India, with a growth rate of ~9.8%, was the fastest growing in calendar year 2021 (Financial Year 2022), followed by China at 8.4%. The country also overtook the UK as the fifth-largest economy in the world in the April-June quarter of calendar year 2022 and registered a GDP growth of 7.0% in calendar year 2022 (fiscal 2023). Moving forward, India's GDP is projected to grow at ~7.6% and 6.8% in calendar year 2023 (fiscal 2024) and calendar year 2024 (fiscal 2025) respectively. Additionally, India is expected to grow faster than China as well as the global average in calendar year 2024 (fiscal 2025).

### Real GDP growth by geographies

Regions	CY201	CY201	CY202	CY202	CY202	CY202	CY202	CY202
	8	9	0	1	2E	3E	4P	5P
US	2.9	2.3	-2.8	5.9	1.9	2.5	2.1	1.7
Euro area	1.8	1.6	-6.1	5.6	3.4	0.5	0.9	1.7
UK	1.7	1.6	-11.0	7.6	4.3	0.5	0.6	1.6
China	6.8	6.0	2.2	8.5	3.0	5.2	4.6	4.1
<b>India*</b>	6.5	3.9	-5.8	9.8*	7.0*	7.6*	6.8*	6.5
Advanced economies	2.3	1.7	-4.2	5.6	2.6	1.6	1.5	1.8
Emerging market and developing economies	4.6	3.6	-1.8	6.9	4.1	4.1	4.1	4.2
World	3.6	2.8	-2.8	6.3	3.5	3.1	3.1	3.2

P: Projected. \* Numbers for India are for financial year (2020 is fiscal 2021 and so on) and as per the CRISIL's forecast for 2024 and as per IMF's forecast for 2025 to 2028. India GDP estimate for the current fiscal is 7.6% according to second advanced estimate from the Ministry of Statistics and Programme Implementation (MoSPI).

CY: Calendar year

Note: Projection as per IMF update in January 2024

Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

### Robust growth in per capita income over Financial Year 2012-2023

India's per capita income, a broad indicator of living standards, rose from ₹ 63,462 in Financial Year 2012 to ₹ 99,404 in Financial Year 2023, logging 4.2% CAGR. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR. Furthermore, according to second advance estimates (SAE), per capita net national income (constant prices) is estimated to have increased to ₹ 106,134; thereby registering a year-on-year growth of ~6.8%.

### Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21RE	FY22RE	FY23RE	FY24SAE
Per-capita NNI (₹)	63,462	65,538	68,572	72,805	77,659	83,003	87,586	92,133	94,270	86,054	94,054	99,404	106,134
Y-o-Y growth (%)		3.3	4.6	6.2	6.7	6.9	5.5	5.2	2.3	-8.7	9.3	5.7	6.8

Note: RE: revised estimates, SAE: Second Advance estimates

Source: Provisional Estimates of Annual National Income, 2022-23, CSO, MoSPI, CRISIL MI&A

### Demographic factors support India's growth.

### India's per capita GDP has grown faster than global average.

Global GDP per capita clocked a CAGR of 1.8% between calendar year 2012 and calendar year 2022, as per the (International Monetary Fund) IMF data. Meanwhile, India's corresponding figure registered a CAGR of 5.2%.

### Per capita GDP at current prices (USD)

	CY2012	CY2013	CY2014	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CAGR CY12-22
<b>India</b>	1,434.0	1,438.1	1,559.9	1,590.2	1,714.3	1,958.0	1,974.4	2,050.2	1,913.2	2,238.1	2,391.9	5.2%
<b>World</b>	10,747.8	10,922.7	11,077.2	10,330.1	10,378.0	10,906.0	11,456.9	11,500.2	11,077.3	12,468.4	12,895.4	1.8%

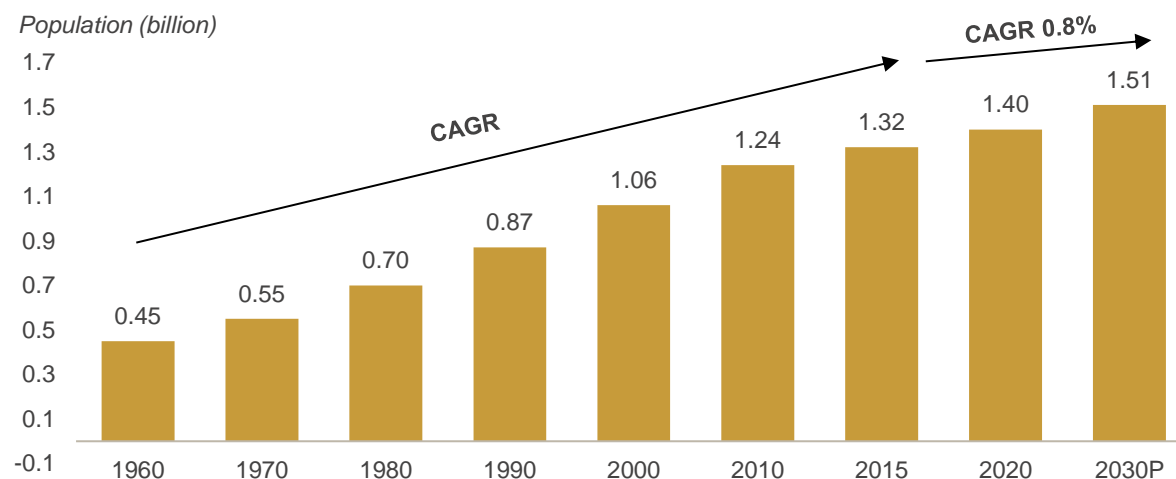
Source: IMF, CSO, MoSPI, CRISIL MI&A

### India's population projected to log 0.8% CAGR between 2020 and 2030

Census 2011 estimated India's population at ~1.2 billion, clocking a CAGR of 1.9% between calendar year 2001 and 2011. The number of households was estimated at ~246 million.

As per the United Nations Population Fund's (UNFPA) *State of World Population Report* of 2023, India's population by mid-2023 is estimated to have surpassed China by ~2.9 million.

### India's population growth



Note: P: projected

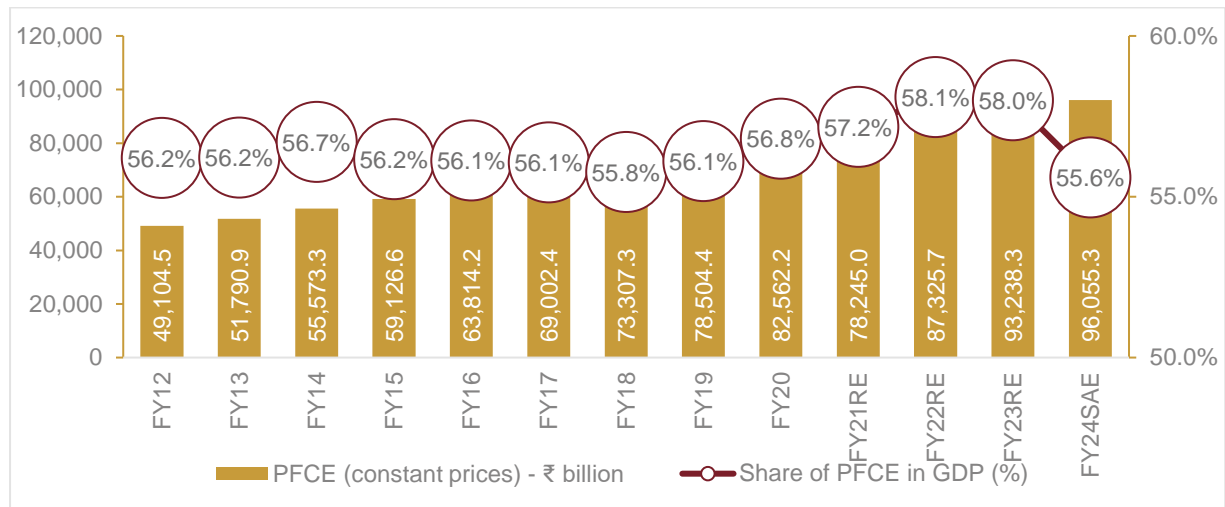
Source: UN Department of Economic and Social Affairs, *World Population Prospects 2022*, CRISIL MI&A

### PFCE to maintain dominant share in India's GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6% CAGR between Financial Year 2012-2023, maintaining its dominant share of ~58.0% in Financial Year 2023 (~₹ 93,238 billion in absolute terms, up 6.8% year-on-year). Growth was led by healthy monsoon, wage revisions due to the implementation of the Seventh Central Pay Commission's (CPC) recommendations, benign interest rates, growing middle age population and low inflation.



## PFCE at constant prices



Note: RE: revised estimates; SAE: Second Advance estimates  
Source: MoSPI, CRISIL MI&A

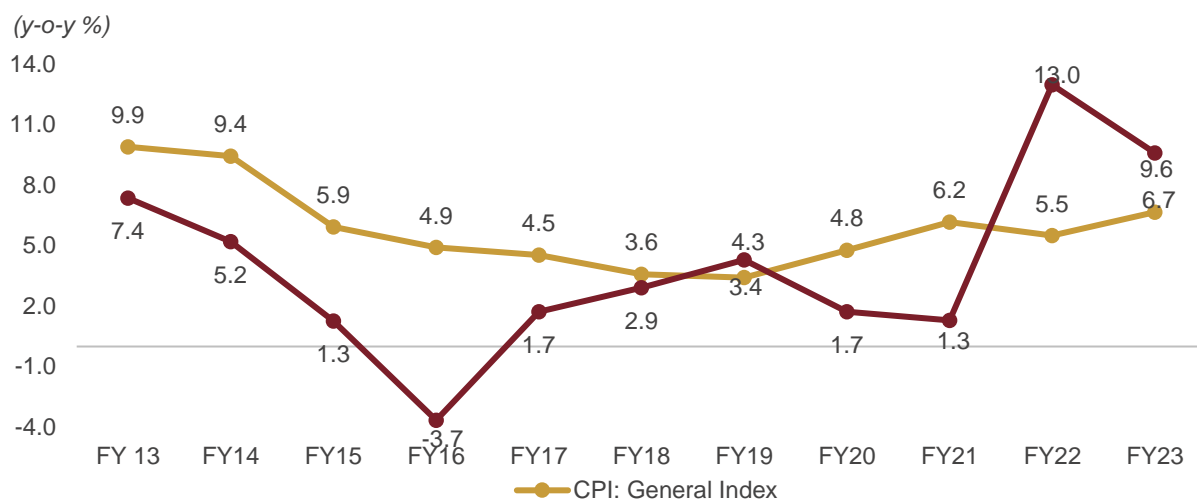
## WPI eased to 9.6% in Financial Year 2023 from a high of 13% in Financial Year 2022

India's wholesale price index (WPI), which has a higher weight for items linked to global prices, has seen wild swings in the aftermath of the pandemic and geopolitical tensions. From 1.7%, on average, in Financial Year 2020, WPI inflation, averaged around ~1.3% in Financial Year 2021, before touching a high of 13.0% in Financial Year 2022. In Financial Year 2023, WPI inflation moderated to 9.6% from a high of 13.0% in Financial Year 2022. Broadly, a fall in global energy and commodity prices has eased pressures on WPI inflation. This, along with sluggish demand, will continue to drive down inflation through the rest of Financial Year 2024.

Furthermore, consumer price index (CPI) based inflation was 6.7% in Financial Year 2023, above the Reserve Bank of India's (RBI) upper tolerance limit of 6%. Input costs had sharply escalated in the past two years following the pandemic and geopolitical tensions. By mid-2022, however, oil and commodity prices started declining and cost pressures abated. But retail price hikes by manufacturers continued, as the pass-through of high input costs during these years had remained incomplete. Prices also stayed high as global supply chain snarls had not quite resolved fully, impacting costs of other inputs, transport and shipping. Additionally, weaker demand for inputs from advanced economies as well as uneven recovery in China in calendar year 2023, after initial exuberance post lifting of restrictions, has contributed. With this, pressures on manufacturers to pass on high costs to retail prices have abated, too. While some sectors where demand is strong could still see price pass-throughs, in most others, they seem to have diminished. This, in conjunction with slower expected demand in the second half of the current Financial Year, means retail prices will increase at a slower pace than calendar year 2022.

Furthermore, CRISIL's inflation (CPI average) forecast for Financial Year 2024 is 5.0%, on an average. However, this forecast faces upside risks from high global food prices and the prediction of a possible setback from evolving El Niño conditions.

## Inflation (year-on-year %)



Note : WPI data from Financial Year 2014 is as per the 2011-12 base

Source: Ministry of Commerce and Industry, CRISIL MI&A

## Overall cost of construction jumped in Financial Year 2023

Construction cost inflation index rose to 136.0 in Financial Year 2023 from 113.8 in Financial Year 2021, registering annual inflation of 9.3%, on high steel prices and rise in cost of flooring, painting and electrical products. Price inflation saw some respite till August 2024, with the inflation index reducing 3% to 132.

Building materials such as steel structures, cement, concrete, sand, clay, bitumen, gravel, aluminium, copper, paints, electricals, flooring, etc are used in the construction industry. Cement and steel together account for nearly 35-40% of the total material cost. Other major components considered for this index include bricks and concrete, with a given weightage of ~13% and ~9%, respectively.

The overall cost of construction raw materials jumped in Financial Year 2022 and Financial Year 2023, due to material increase in prices of components such as steel, flooring, plumbing, electrical and painting. In Financial Year 2022, majorly steel and electrical components registered high inflation of 28.8% and 25.7% respectively. The overall inflation of construction index was in line with the broader WPI inflation, which reached to 13.0% in Financial Year 2022. Furthermore, the inflation of overall construction index cooled down to 6.1% and -3.0% in Financial Year 2023 and Financial Year 2024(August), majorly due to decrease in the inflation of steel prices and flooring amid weak demand.

Additionally, in Financial Year 2022, revenue, and profit of major PEB players increased compared to Financial Year 2021, signifying their capability to maintain margins despite high inflation. Moving forward, profitability of PEB players will depend on demand- supply dynamics as well as their ability to pass on high prices to the customers. Notably, owing to the commercial nature of PEB applications, delays arising from inflated prices are less prevalent in comparison to residential projects, where inflation often prompts project deferrals. This suggests a higher likelihood for PEB players to effectively relay these escalated costs to their clientele.

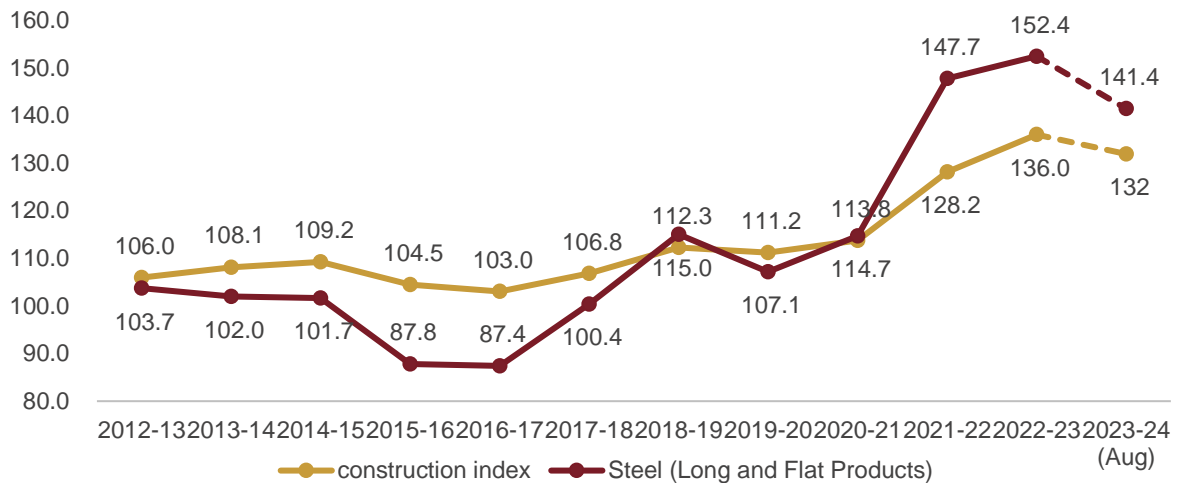
## Inflation of key construction materials

Commodity	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E (Aug)
<b>Cement</b>	2.9%	2.8%	0.6%	1.1%	2.1%	2.9%	1.1%	-0.5%	3.2%	5.1%	2.6%
<b>Steel</b>	-1.7%	-0.3%	-13.7%	-0.4%	14.8%	14.6%	-6.9%	7.0%	28.8%	3.2%	-7.2%
<b>Concrete</b>	3.5%	4.5%	-3.4%	-0.9%	4.9%	8.0%	4.4%	3.4%	2.7%	7.1%	1.4%
<b>Bricks</b>	3.6%	-9.6%	0.1%	0.2%	-3.5%	0.1%	0.4%	-4.3%	3.9%	1.2%	-3.1%
<b>Flooring</b>	3.0%	5.4%	4.4%	-3.3%	-2.5%	-2.1%	-2.6%	1.5%	5.9%	21.1%	-11.0%
<b>Plumbing</b>	4.5%	8.8%	-11.8%	-6.2%	-5.1%	-2.3%	3.6%	5.0%	8.9%	13.4%	-4.4%
<b>Painting</b>	3.6%	2.2%	-1.7%	-1.1%	-0.3%	3.5%	1.3%	0.3%	14.1%	14.6%	-2.0%

Commodity	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E (Aug)
Electrical	2.2%	-0.8%	-5.3%	-6.7%	7.4%	5.5%	-0.9%	5.2%	25.7%	-0.1%	-0.5%
Construction Index	2.0%	1.0%	-4.4%	-1.4%	3.7%	5.1%	-1.0%	2.3%	12.7%	6.1%	-3.0%

Source: Ministry of Commerce and Industry, CRISIL MI&A; Note: % inflation above 6% is highlighted in red and below -6% is highlighted in green

### Inflation in construction index

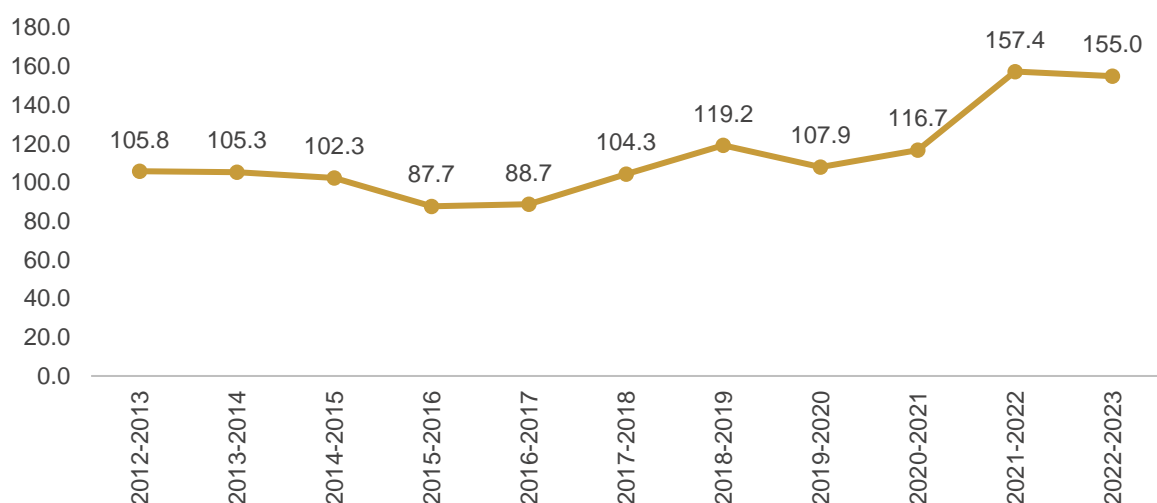


Source: Office of Economic Advisor, CRISIL MI&A

### Steel inflation decreased in Financial Year 2023 due to muted global demand

The Russia-Ukraine conflict has had a profound impact on the commodities market. Regions heavily reliant on materials from these nations faced heightened concerns, leading to a substantial increase in input costs and finished product prices. The escalation in export prices also caused domestic prices to rise, thereby impacting local demand negatively. To address soaring prices, the government implemented export duties on iron ore, steel, and pig iron from May to November 2022. Simultaneously, import duties on coking coal were abolished. This policy shift led to an immediate correction in prices. Additionally, factors such as muted global demand, cheaper imports and better realisations in the domestic market also helped in price correction in Financial Year 2023. This price correction in steel had been a favourable development for suppliers in the pre-engineered building (PEB) sector, given that steel constitutes a significant input cost for PEB construction. Notably, the operating and profitability margins of almost all major PEB players showed improvement in Financial Year 2023 compared to Financial Year 2022, reflecting the positive impact of the steel price correction on the sector.

### Trend in steel prices – hot rolled coils and sheets, including narrow strips (long and flat products)



Source: Office of Economic Advisor, CRISIL MI&A

### Construction GVA

#### Healthy growth in Financial Year 2023 in line with GDP growth

On the supply side, gross value added (GVA) grew at ~6.7% in Financial Year 2023, as per the revised estimates (compared with 9.4% growth in Financial Year 2022). In absolute terms, real GVA was ₹ 148.0 trillion in Financial Year 2023, up from ₹ 138.8 trillion in Financial Year 2022. Additionally, as of Financial Year 2024SAE, GVA is expected to reach ₹ 158.3 trillion, up from 148.0 trillion, registering a growth of ~6.9%.

#### Construction sector had 8.4% share in overall GVA Financial Year 2023

Construction GVA is an important indicator of economic activity and represents the value generated by the construction sector, which includes activities related to building infrastructure, real estate and other construction projects. In India, construction GVA has grown from ₹ 7.8 trillion in Financial Year 2012 to ₹ 13.1 trillion in Financial Year 2023, at a CAGR of 4.8%.

Several factors contributed to this growth: economic growth; the government's commitment to infrastructure development, particularly in roads, railways and energy projects; and increase in foreign direct investment (FDI), which boosted private sector investments. Furthermore, increasing demand for affordable housing, driven by rising urbanisation and an expanding middle-class population, has also played a significant role in elevating construction GVA.

Despite steady growth, there were minor fluctuations in the percentage share of the construction sector in the country's total GVA in Financial Year 2021 due to the Covid-19 pandemic and its adverse effect on the economy. However, in Financial Year 2022, the share of construction GVA in the overall GVA rebounded to 8.6%. This is estimated (provisional) to have increased to 8.8% in Financial Year 2023. Additionally, construction GVA is expected at ₹ 14.5 trillion in Financial Year 2024SAE. Thereby, contributing to 9.1% in overall GVA in Financial Year 2024SAE.

#### GVA at constant prices

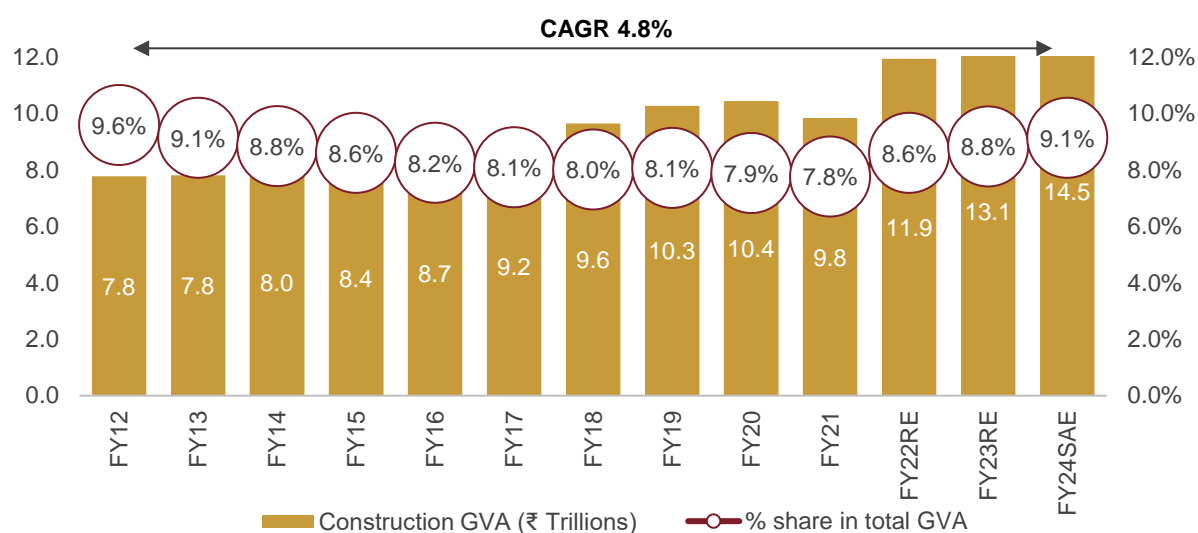
₹ trillion	FY12	FY19	FY20	FY21	FY22 RE	FY23 RE	FY24 SAE	Share in GVA FY24	Annual growth in FY24
Agriculture, forestry and fishing	15.0	18.8	19.9	20.8	21.7	22.7	22.9	14.5%	0.7%
Mining and quarrying	2.6	3.3	3.2	2.9	3.1	3.2	3.4	2.2%	8.1%
Manufacturing	14.1	23.3	22.6	23.3	25.6	25.0	27.2	17.2%	8.5%

₹ trillion	FY12	FY19	FY20	FY21	FY22 RE	FY23 RE	FY24 SAE	Share in GVA FY24	Annual growth in FY24
Electricity, gas, water supply & other utility services	1.9	2.9	3.0	2.9	3.2	3.5	3.7	2.4%	7.5%
Construction	7.8	10.3	10.4	9.8	11.9	13.1	14.5	9.1%	10.7%
Trade, Hotels, Transport, Communication & Services related to Broadcasting	14.1	25.4	26.9	21.6	24.8	27.8	29.6	18.7%	6.5%
Financial, Real Estate & Professional Services	15.3	27.1	29.0	29.6	31.2	34.1	36.8	23.3%	8.2%
Public Administration, Defence & Other Services	10.3	16.3	17.3	16.0	17.2	18.8	20.2	12.8%	7.7%
<b>Total GVA at current prices</b>	<b>81.1</b>	<b>127.3</b>	<b>132.4</b>	<b>126.8</b>	<b>138.8</b>	<b>148.0</b>	<b>158.3</b>	<b>0.0%</b>	<b>6.9%</b>

Note: RE: revised estimate, SAE: Second Advance Estimates

Source: MoSPI, CRISIL MI&A

### Construction GVA



PE: provisional estimate

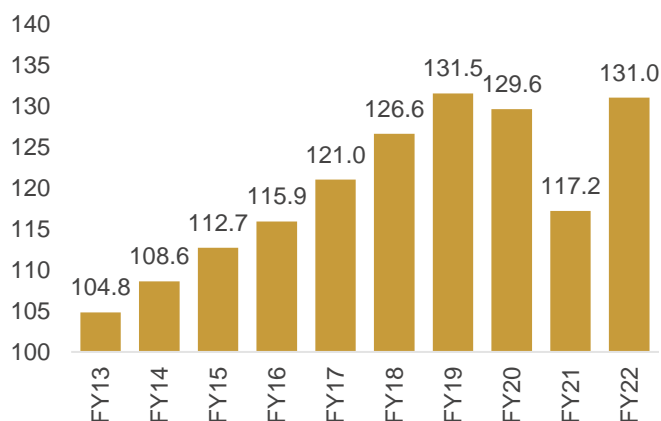
Source: MoSPI, CRISIL MI&A

### Manufacturing IIP bounced back to normal in Financial Year 2023, after pandemic-induced decline

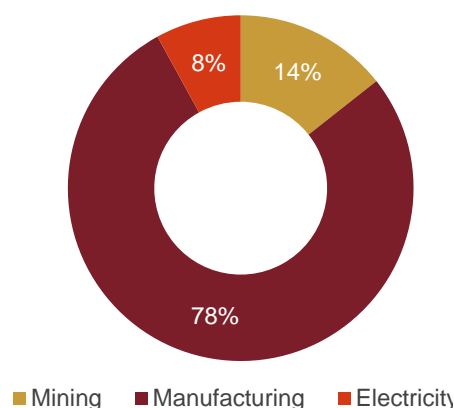
The Index of Industrial Production (IIP) for manufacturing saw growth from 104.8 in Financial Year 2013 to 137.1 in Financial Year 2023. The manufacturing sector is a significant contributor to the country's overall industrial growth, with 78% weightage in the overall IIP as of Financial Year 2023.

Even though manufacturing IIP declined significantly in Financial Year 2020 to 129.6 and to 117.2 in Financial Year 2021, due to the pandemic, it recovered to 131.0 in Financial Year 2022 because of various factors such as the easing of restrictions, government stimulus measures, increasing consumer demand and efforts to revitalise the manufacturing sector. Furthermore, the manufacturing IIP stood at 137.1 in Financial Year 2023, showing an improvement in the indicator.

**Manufacturing IIP (FY13-23)**



**Weight of manufacturing in IIP (FY23)**



\* Figures for Financial Year 2023 are provisional  
Source: MoSPI, CRISIL MI&A

### India’s manufacturing value added as a percentage of GDP has potential to increase

In calendar year 2022, India's manufacturing value added, expressed as a percentage of the country's GDP, stood at 13.3%. India flared better than countries like Brazil (11.1%) and UK (8.4%). However, India’s manufacturing value as percentage of GDP was lower than the world average of 16.2%, suggesting scope for further improvement.

Increased infrastructure spending by the government, coupled with increase in the industrial capex driven by sectors like metal and oil and gas, is expected to have favourable effect on the manufacturing sector in India. This boost in manufacturing sector in India, will also indirectly increase the demand the pre-engineered buildings in the country.

### Manufacturing value added as a percentage of GDP

Country	CY2018	CY2019	CY2020	CY2021	CY2022
Bangladesh	20.8	21.2	20.6	21.2	21.8
Brazil	10.5	10.3	10.7	10.2	11.1
China	27.8	26.8	26.3	27.5	27.7
India	14.9	13.5	14.1	14.5	13.3
Malaysia	21.5	21.4	22.3	23.5	23.5
South Asia	14.9	14.1	14.5	14.9	14.2
UK	8.8	8.7	8.7	8.7	8.4
US	11.3	11.1	10.6	10.7	N.A.
World	16.4	16.0	16.0	16.5	16.2

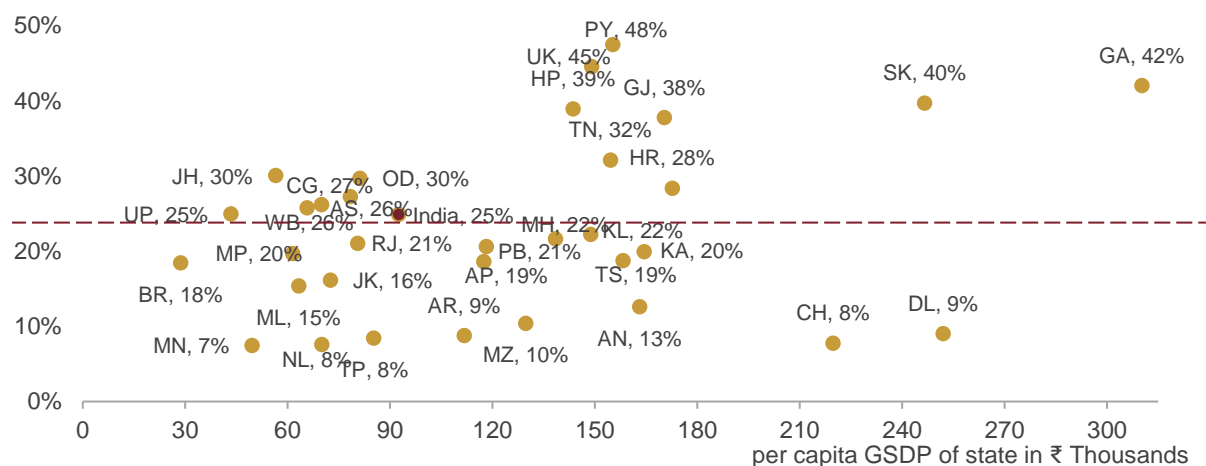
Source: World Bank, CRISIL MI&A

### Increased focus on manufacturing and construction by state governments

Manufacturing and construction sectors in India have seen resurgence with rise in private investments and government schemes and initiatives such as Production Linked Incentive (PLI), Make in India, National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), National Logistics Policy etc. As of Financial Year 2022, contribution of construction and manufacturing GVA as a percent of India’s overall GDP stood at 25%, with multiple states like Puducherry, Uttarakhand and Goa having construction and manufacturing GVA contribution in their GSDP at 48%, 45%, and 42% respectively.

Additionally, contribution of manufacturing and construction GVA to overall GSDP of states like West Bengal (26%), Jharkhand (30%) and Assam (26%) stood close to the national average of 25% as of Financial Year 2022. However, their manufacturing and construction GVA have grown at a faster rate compared to their GSDP between Financial Years 2018-2022, indicating further growth in these sectors.

### Construction and manufacturing GVA as % of GSDP (Financial Year 2022)



Source: RBI, Crisil MI&A

Certain states like Madhya Pradesh, and Bihar have seen higher growth in construction/ manufacturing GVA compared to their GSDP (Gross state domestic product) growth. However, as of Financial Year 2022, contribution of construction and manufacturing GVA of these states to their total GSDP is still lower than the national average of ~25%, suggesting further scope of improvement in the construction and manufacturing sectors.

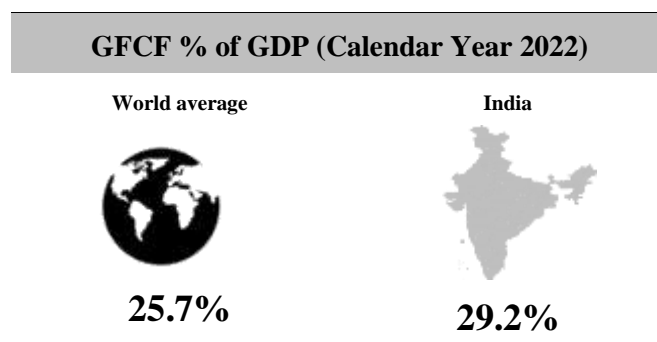
Nonetheless, increased focus by state governments through schemes/ projects like Electronics Policy and Development and Promotion of Electric Vehicle (EV) (Telangana), Industrial Investment Promotion Policy (Bihar), infrastructure development projects by government (MP), along with central government policies is expected to boost manufacturing and construction in these states, thereby boosting overall construction and manufacturing industry in India.

Furthermore, governments of states like Arunachal Pradesh and Kerala, which had a relatively low share of manufacturing and construction GVA in their GSDP, have launched schemes like State Industrial and Investment policy 2020 (Arunachal Pradesh) and Kerala Industrial Policy 2023, which can potentially provide boost to manufacturing/ construction industry of the state.

States	GSDP		Construction GVA		Manufacturing GVA	
	(constant prices)		(constant prices)		(constant prices)	
	In ₹ million	CAGR (FY18-22)	In ₹ million	CAGR (FY18-22)	In ₹ million	CAGR (FY18-22)
Andhra Pradesh	70,488.9	4.3%	4,979.3	3.2%	8,160.3	5.6%
Arunachal Pradesh	1,980.1	6.2%	154.4	-2.8%	19.2	-15.1%
Assam	26,252.3	4.5%	2,254.1	5.1%	4,514.5	7.8%
Bihar	39,993.0	3.8%	3,649.6	3.6%	3,732.7	5.1%
Jharkhand	24,334.8	3.7%	1,987.7	4.1%	5,328.0	6.3%
Karnataka	122,971.3	4.8%	6,187.8	1.6%	18,313.2	2.0%

States	GSDP		Construction GVA		Manufacturing GVA	
	(constant prices)		(constant prices)		(constant prices)	
	In ₹ million	CAGR (FY18-22)	In ₹ million	CAGR (FY18-22)	In ₹ million	CAGR (FY18-22)
<b>Kerala</b>	57,274.7	2.6%	6,928.6	2.0%	5,819.3	-1.1%
<b>Madhya Pradesh</b>	60,068.9	4.8%	4,840.0	4.7%	6,999.6	5.1%
<b>Punjab</b>	43,376.9	3.7%	2,712.2	5.0%	6,231.2	4.8%
<b>Rajasthan</b>	73,892.2	4.1%	5,605.0	4.1%	9,950.0	7.9%
<b>Telangana</b>	67,437.1	4.9%	3,246.7	3.9%	9,400.6	7.3%
<b>West Bengal</b>	78,775.8	3.2%	7,831.5	7.0%	12,808.1	6.0%

Source: RBI, Crisil MI&A



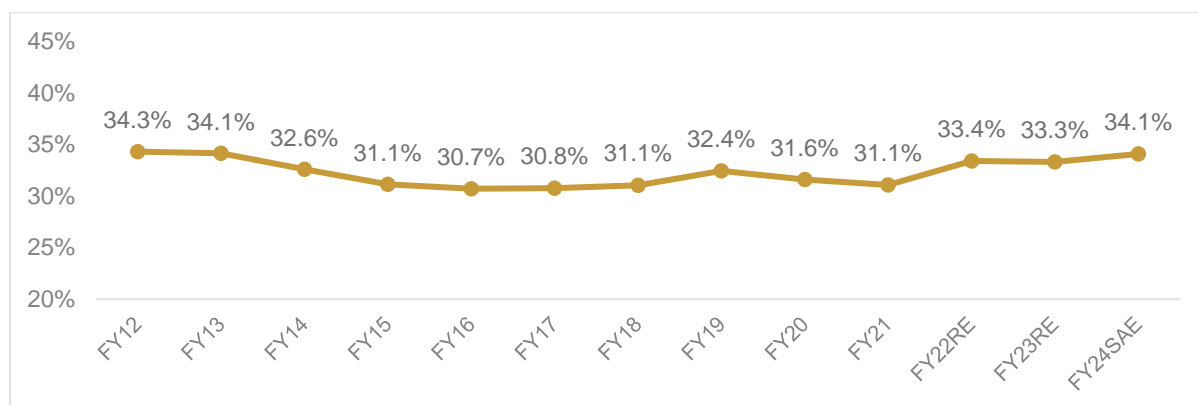
Source: World Bank, Crisil MI&A

Gross fixed capital formation (GFCF) is a critical economic indicator that measures the level of investment in creating physical assets and infrastructure, which plays a crucial role in fostering economic growth and development. As of calendar year 2022, India's GFCF as a percent of GDP stood at 29.2%, above the world average of 25.7%

In Financial Year 2020 and Financial Year 2021, GFCF dropped to 31.6% and 31.1% of GDP respectively as investments in physical assets saw a negative impact of the unprecedented disruptions in supply chains and business operations due to the pandemic. It, however, recovered to 33.4% of GDP in Financial Year 2022 and 33.3% of GDP in Financial Year 2023. The recovery can be attributed to various factors, including the easing of pandemic-related restrictions, the government's focus on infrastructure development, economic reforms and general increase in urbanisation, which boosted demand for affordable housing. As of Financial Year 2024SAE, GFCF as % of India's GDP as further increased to 34.1%.



## GFCF as % of India's GDP (Financial Years 2012-2024SAE)



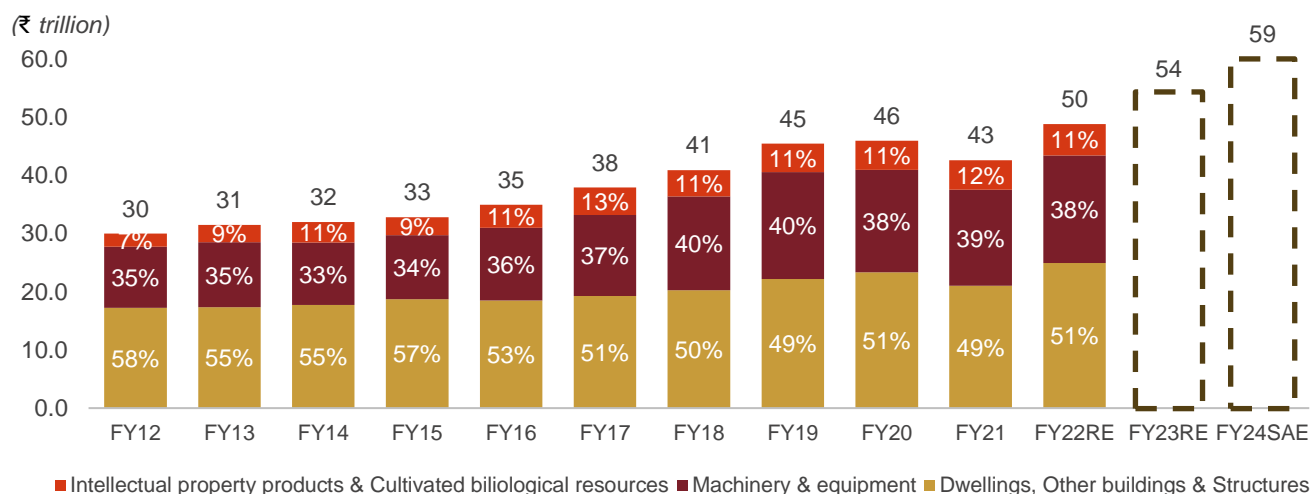
Note: RE: revised estimate, PE: provisional estimate, SAE: Second Advance Estimates  
 Source: MoSPI, Press Information Bureau of India (PIB), CRISIL MI&A

### Dwellings, other buildings and structures comprise prominent vertical of GFCF

India's GFCF has been on a positive trajectory over the years, except for the decline in Financial Year 2021, which is primarily attributable to the adverse impact of the pandemic and subsequent economic slowdown. It rebounded in Financial Year 2022, reaching ₹ ~50 trillion, a notable ascent from the ₹ 30 trillion in Financial Year 2012, increasing at ~5.3% CAGR. Furthermore, GFCF increased to ₹ ~54 trillion in Financial Year 2023. Additionally, as per Financial Year 2024SAE, GFCF has further increased to ₹ 59 trillion.

Dwellings, other buildings and structures had a significant 51% weightage in the GFCF as of Financial Year 2022. The important factors contributing to the prominent share include economic growth; the government's commitment to infrastructure development, particularly in roads, railways, and energy projects; and increase in foreign direct investment (FDI) that boosted private sector investment. Additionally, the growth of the middle class and increasing urbanisation further drove demand for housing and commercial properties, stimulating investment in the construction sector.

### GFCF- India



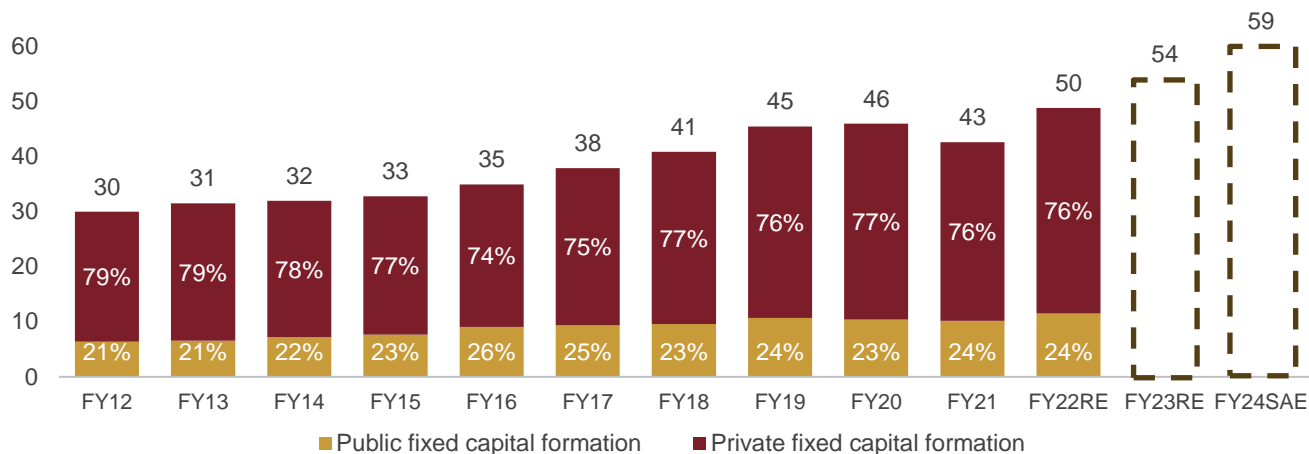
Source: MoSPI, CRISIL MI&A

### Private sector is a major contributor to GFCF

The distribution of GFCF between the private and public sectors has remained relatively constant in India, with the private sector consistently emerging as the predominant contributor. In Financial Year 2022, the private sector accounted for 76% of the total GFCF, while the public sector accounted for 24%.

### Share of public and private sectors in GFCF

(₹ trillion)



Note: Private fixed capital formation includes the household sector

Source: MOSPI, CRISIL MI&A

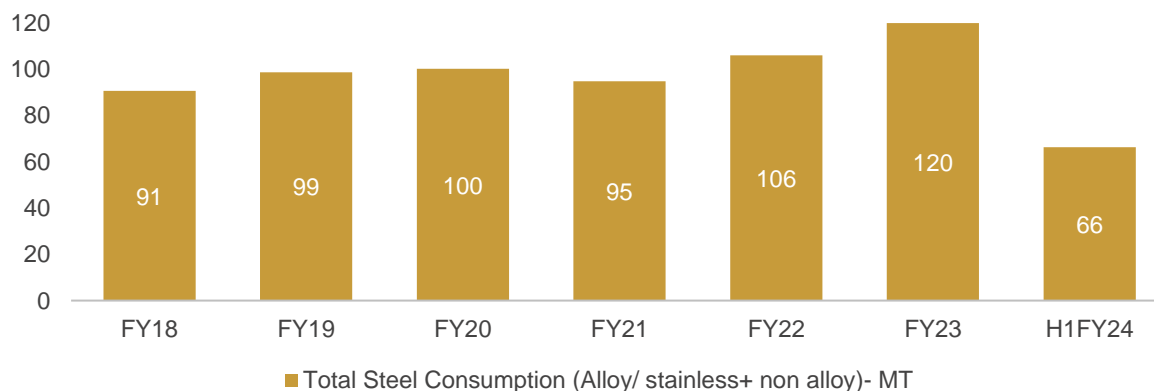
### India steel consumption growth is expected to rise with investment in infrastructure

Steel consumption grew from Financial Year 2018 to Financial Year 2023 from 91 million tonne (MT) to 120 MT. The growth was barring Financial Year 2021, when it declined to 95 MT due to the pandemic. However, there was a robust rebound in Financial Year 2022, with steel consumption surging to 106.0 MT. The government's initiatives, such as Make in India, Smart Cities Mission, Production Linked Incentive (PLI) and Pradhan Mantri Awas Yojana have also supported the steel demand during the period.

However, India has considerable scope to enhance steel usage across various sectors. As of calendar year 2022, the country's annual per capita steel consumption stands at 81 kg per annum, compared to the world's average of 222 kg.

Moving forward, CRISIL estimates demand in Financial Year 2024 to increase 10-13% to 130-140 MT due to strong demand from allied sectors and the government's capital spending drive. Additionally, as steel demand is driven by the infrastructure boom in roads and railways and Financial Year 2024 is a pre-election year, a surge in the government's capital expenditure in infrastructure is expected, which will likely drive domestic steel growth.

### Finished steel (alloy/stainless + non-alloy) consumption in India

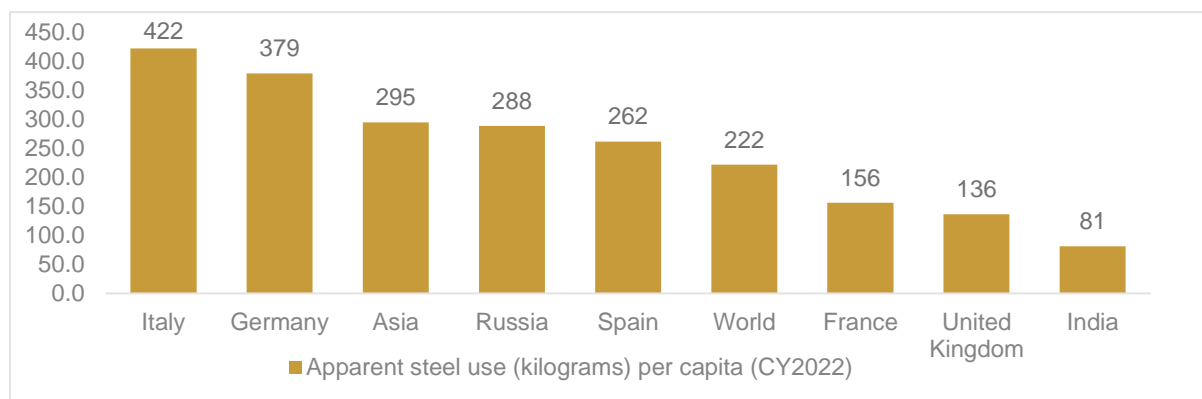


Note: P: Projected

H1 numbers of Financial Year 2024 numbers are provisional

Source: Ministry of Steel annual report, Joint Plant Committee (JPC), CRISIL MI&A

### Apparent steel use (kilograms) per capita (Calendar year 2022)

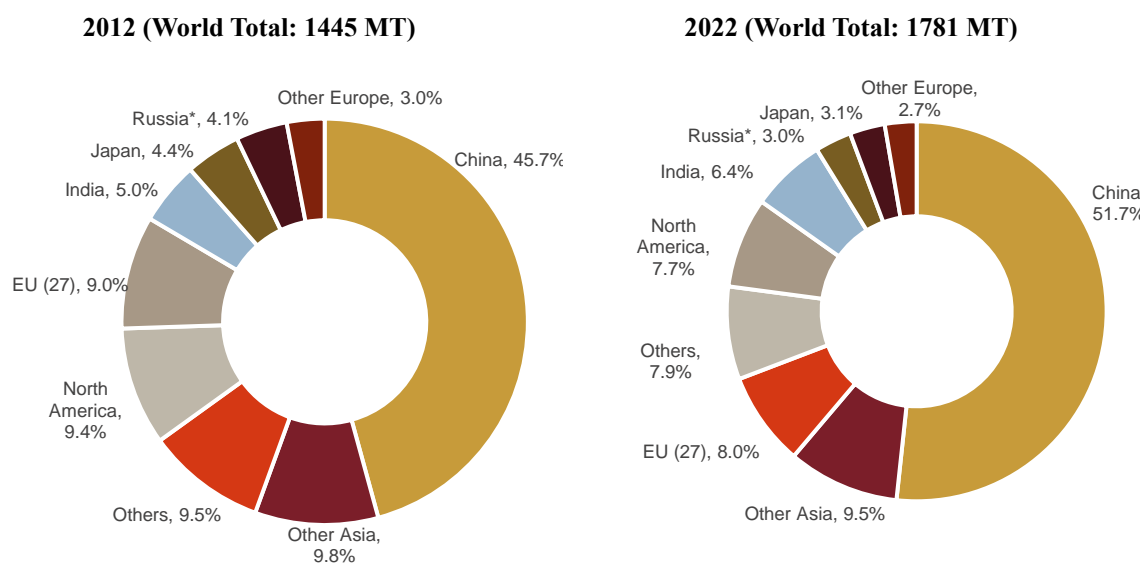


Source: World Steel Organisation, CRISIL MI&A

### India finished steel products consumption increased from calendar years 2012 to 2022

Finished steel products consumption in India contributed to 6.4% of the global finished steel product consumption in calendar year 2022, up from 5.0% in calendar year 2012. On the other hand, the percentage contribution of the European Union, Japan and North America in global finished steel product consumption decreased in calendar year 2022 compared with calendar year 2012. However, India still trails China, which contributes to 51.7% of the global finished steel product consumption in calendar year 2022, up from 45.7% in calendar year 2012, suggesting scope for improvement.

### Apparent steel use (finished steel products in million tonnes (MT))



Note: \*Russia and other CIS+ Ukraine

Others comprises of Africa, Middle east, Central and South America and Australia and New Zealand

Source: World Steel Organisation, CRISIL MI&A

### Assessment of construction capex in India

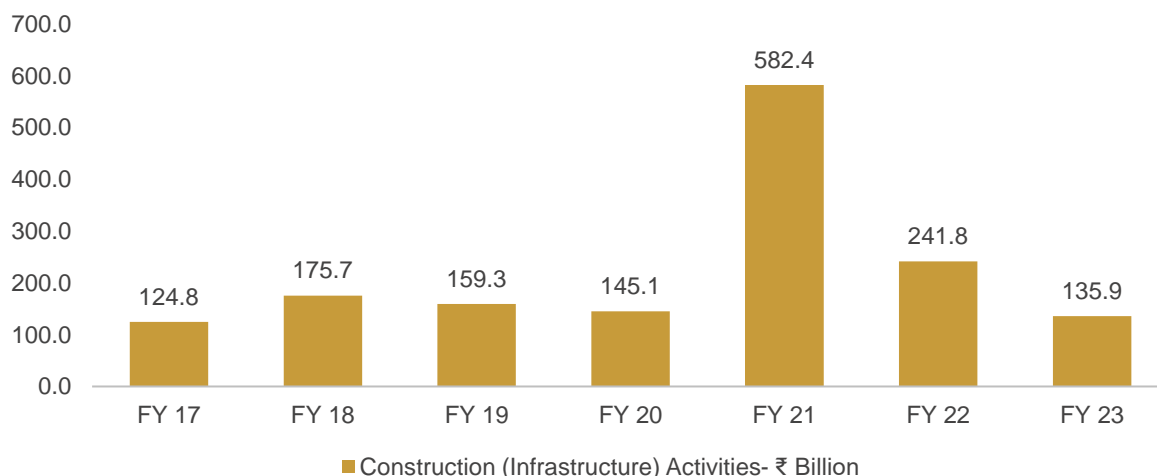
#### Construction among top 10 sectors to attract Foreign Direct Investment

Foreign Direct Investment “FDI” plays an important role in propelling India's economic growth and development, particularly in the construction sector. Currently, key construction (development) projects, including townships, residential and commercial premises, roads, bridges, hotels, hospitals, educational institutions, recreational facilities, and city and regional-level infrastructure are open to 100% FDI through the automatic route. Moreover,

FDI limits for real estate projects within Special Economic Zones (SEZ) and industrial parks have been raised to 100% in the construction sector through the automatic route.

In the construction (infrastructure) sector, FDI stood at ₹ 135.9 billion in Financial Year 2023, compared to ₹ 124.8 billion in Financial Year 2017.

### FDI equity inflow in construction (infrastructure) activities



Source: Department of Industry Policy & Promotion, CRISIL MI&A

### Capital investment outlay

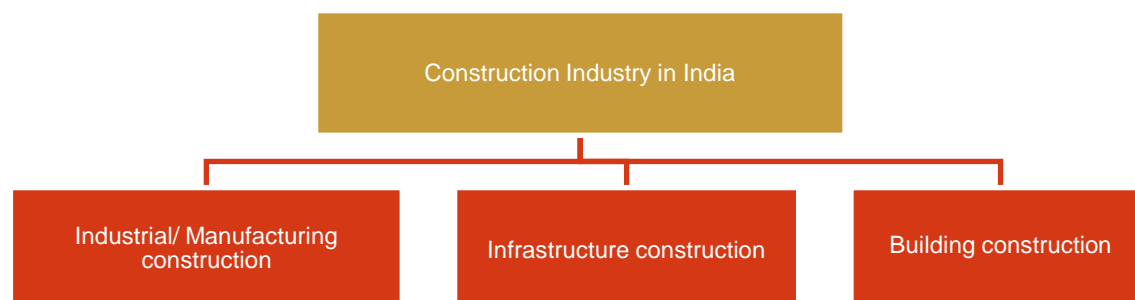
The aggregate budgetary support for capital expenditures (including capital outlay, grants for capital creation, and internal and external budgetary resources) has received a significant boost in Financial Year 2024, reaching ₹ 18.6 trillion. This marks a substantial 28% increase compared with the estimates of the Financial Year 2023E.

The share of 11 core infrastructure ministries (road transport and highways, housing and urban affairs, civil aviation, power, railways, shipping, rural development, water resources, new and renewable energy, defence and petroleum and natural gas) accounts for nearly ~60% of the overall capex. The aggregate budgetary support for capex for these ministries is up 19% at ₹ 10.9 trillion in the Financial Year 2024 budget.

Further, the central government plans to provide a noteworthy boost to the infrastructure development of states by:

- offering a 50-year interest-free loan totalling ₹ 1.3 trillion; and
- focusing on urban infrastructure through formation of the Urban Infrastructure Development Fund (UIDF), which will aid urban infrastructure in Tier 2 and 3 cities

### Construction sector



Source: CRISIL MI&A

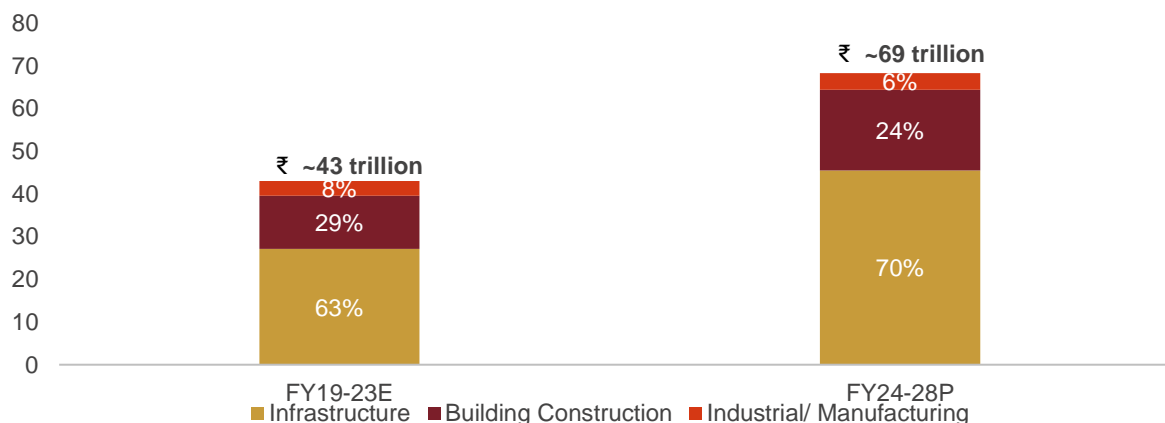
The construction sector in India can be broadly classified into Building Construction, Industrial/ Manufacturing construction, and Infrastructure construction.

Industrial/manufacturing construction includes manufacturing plants, factories, power plants, and other highly specialised facilities. Infrastructure construction includes warehouses, bridges, dams, roads, airports, canals, etc. and building construction includes constructing buildings for residential uses such as houses, residential towers, etc. as well as non-commercial buildings like hospitals, educational institutions as well as buildings for commercial use such as offices, retail malls, etc.

The further classification of these verticals into conventional and unconventional construction methods has been discussed in Section 3 (3.1 Overview of construction industry).

### Domestic construction sector

#### Break-up of the domestic construction sector



Note: E - Estimated, P – Projected

Infrastructure vertical includes warehouse

Building construction includes residential, commercial and non-commercial verticals

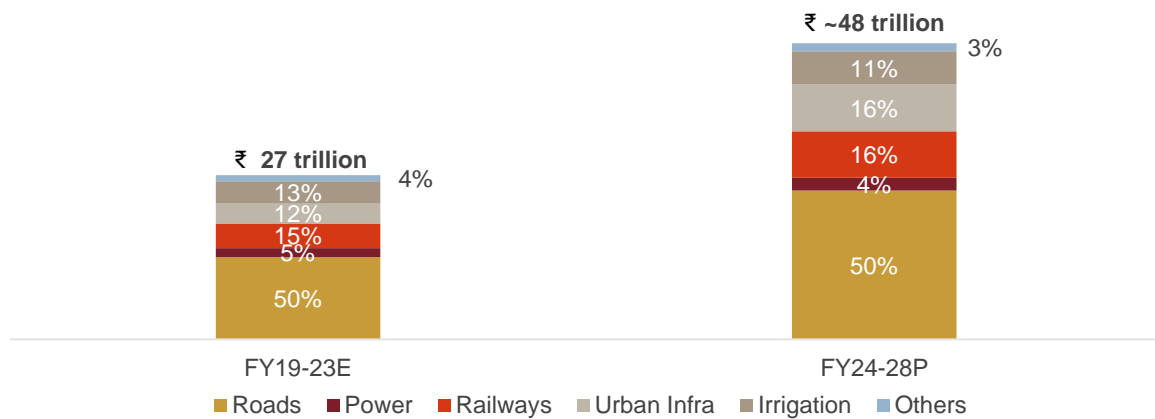
Source: CRISIL MI&A

CRISIL estimates, total construction investments of ₹ 43 trillion between Financial Years 2019- 2023 and the same is expected to increase to ₹ ~69 trillion between Financial Years 2024- 2028(P). Investments in construction sector are estimated to have grown 16-18% in in Financial Year 2023 attributable to rising focus on infrastructure growth by government coupled with deferred investments in building & construction sector as well as capacity additions in industrial sector.

Moving forward, CRISIL estimates the construction sector would grow 10-13% in Financial Year 2024. Expansion of the infrastructure sector will drive the growth on the back of the development of roads and urban infrastructure along with a boost provided by central and state capex.

### Infrastructure

#### Share of infrastructure investments by sector



Note: E-Estimated, P-Projected  
 Source: CRISIL MI&A

Infrastructure investments are seen growing faster than the other two sectors due to the government's focus under the National Infrastructure Pipeline (NIP), National Monetization Pipeline (NMP) and the Gati Shakti initiatives. Total construction investments in this sector is expected to attract investments of ~₹ 48.3 trillion between Financial Years 2024-2028(P), up from ₹ 26.6 trillion between Financial Years 2019 to 2023. This upsurge aligns with the focus on infrastructure, evident in the increased capex allocations within central and state budgets. Within the infrastructure space, road projects will be a critical investment driver from Financial Year 2024-2028. CRISIL MI&A expects investment in roads to rise 10-12% year-on-year Financial Year 2024. It will be led by a strong pipeline of awarded and under-execution national highway projects, execution of higher value expressways and recovery in state road investments.

Additionally, in railways, a 12-14% rise in investment is expected in Financial Year 2024, led by an increase in budget allocation for the sector, implementation of high-value projects such as the Mumbai-Ahmedabad Bullet train, gaining traction in station redevelopment and completion of the freight corridor. The rise is post an expected 32-34% increase in investment in the railways in Financial Year 2023. This is owing to the government's focus on completion of Dedicated Freight Corridor projects, traction in high-speed rail, investment in newer avenues such as Vande Bharat trains and rising focus on station redevelopment programme. CRISIL MI&A expects construction expenditure in railway projects to double between Financial Years 2024-2028 to ₹ 7.3-7.8 trillion compared with ₹ 3.7-4.2 trillion in the preceding five Financial Years 2019-2023.

Furthermore, CRISIL MI&A expects increased investment in power, urban infrastructure as well as irrigation. Investment in urban infrastructure is expected increase 31-33% in Financial Year 2024, led by water supply and sanitation under schemes such as Swachh Bharat Mission, Jal Jeevan Mission, AMRUT and deferred investments in Metro projects, a bulk of which were under implementation and have achieved financial closure. In the long term, CRISIL MI&A expect ₹ 7.0-7.5 trillion spend on urban infrastructure between Financial Years 2024-2028, which is nearly 2.2x of the amount invested in the previous Financial Years 2019-2023.

Construction spending on power is expected to rise 4-6% year-on-year in Financial Year 2024. It can be attributed to investment in conventional coal-based capacity additions to meet the power demand, coupled with a sharp pick-up in renewable investments to meet the 300GW target till 2030 set out by the Prime Minister. Investment is estimated to increase by 13% in Financial Year 2023 due to deferred investment from Financial Year 2021 and Financial Year 2022. The deferred investment is on the back of extensions granted due to the pandemic and supply chain issues plaguing the sector. Overall, construction investment over the Financial Years 2024-2028P is projected at ~ ₹ 2 trillion, up from ₹ 1.4 trillion over the past Financial Years 2019-2023. It will be led a rise in the addition of renewable and non-renewable generation capacity, investment in the transmission and distribution sector and revival of stalled hydel projects and traction in pump storage investments.

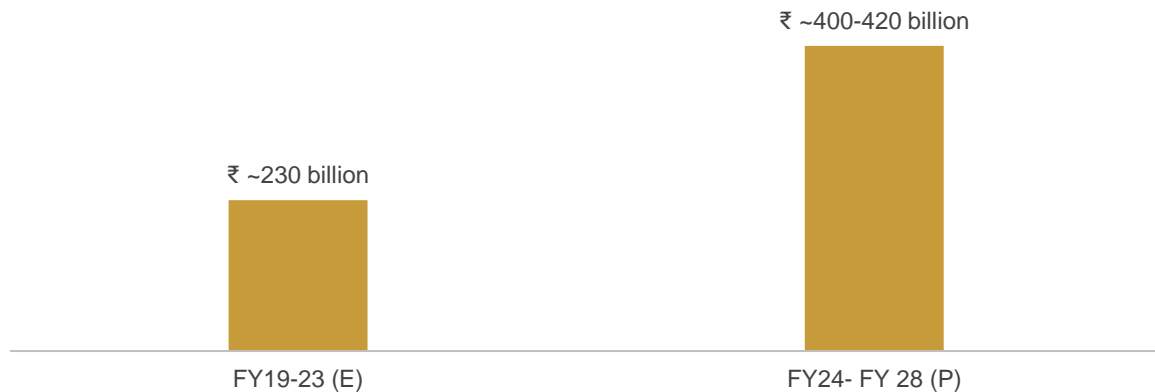
Similarly, construction capex in irrigation is expected to rise 6-8% year-on-year in Financial Year 2024. Construction spend in irrigation is projected to rise to ₹ 5-5.5 trillion over Financial Years 2024-2028 from ₹ 3.5 trillion over the Financial Years 2019-2023 owing to the push from state governments to increase irrigation penetration in states.

Moving forward, CRISIL MI&A expects the construction sector to grow at 10-13% in Financial Year 2024, driven by growth in the infrastructure sector.

### Warehouses

Pursuant to the change of the indirect tax regime, there is a huge demand for warehouses. Additionally, the entry of several retail giants in India and increased penetration of e-commerce players is expected to lead the demand for Grade A warehousing infrastructure and upgradation of old-style warehousing into Grade A modern warehousing in India, which would contribute to the demand of pre-engineered steel structures.

### Construction investments warehousing and cold storage



Source: Union Budget documents (Financial Year 2019-Financial Year 2023), CRISIL MI&A

CRISIL projects construction investments in the warehousing (agricultural and industrial) and cold-storage (single- and multi-commodity) sectors to rise to ₹ 400-420 billion over the Financial Years 2024-2028 on expectations of increased demand. Industrial warehousing is likely to account for 85-90% of total investments. Investments in the sector of multipurpose cold storages are expected to rise due to their faster return on investment compared to single-commodity storages. The multipurpose facilities offer the advantage of accommodating various types of perishable goods simultaneously, ensuring a better capacity utilization, thereby making it a more economically viable option.

In Financial Year 2023, the supply addition was estimated at 35-40 msf (million square feet) as developers were awaiting some amount of demand realisation, or a reduction in vacancy levels. Furthermore, due to elevated raw material prices, many developers deferred construction of industrial warehouses. In Financial Year 2023, due to dropping vacancy levels and softening commodity prices, supply addition is expected to increase 15-20% year-on-year. This would translate to addition of 43-48 msf during the year.

Over the long term, the annual demand for Grade A and B warehouses in top eight Indian cities is expected to log 10-15% CAGR between Financial Years 2024-2028. The annual supply is also expected to rise at the same rate.

### Smaller hubs are also emerging due to rising e-commerce demand



Source: CRISIL MI&A

Furthermore, CRISIL MI&A also expects the warehousing industry to evolve structurally over the long term – led by automation and investment in technology and reduced dependence on labour. Most end-user industries are also expected to automate their supply chains and warehouse management services.

### 3PL vertical to be the largest driver of industrial warehousing demand Financial Year 2024

Robust demand is anticipated from third-party logistics (3PL) providers, particularly in sectors such as electronics, white goods, retail, and fast-moving consumer goods (FMCG). These sectors are leveraging 3PL services to optimise inventory management and reduce costs. Overall, the annual demand in warehousing, driven by e-commerce and 3PL end-use sectors, is expected to contribute significantly, accounting for 55-60% of the overall demand.

### PEB warehouses gained prominence post GST implementation

The warehousing industry in India is fragmented with unorganised players occupying a majority share in volume terms. They have smaller reinforced cement concrete (RCC) warehouses with small shelves, build small warehouses and have an asset heavy strategy. Typically, they do not provide value-added services such as packaging, labelling, inventory management, etc.

In the pre-GST scenario, players used to prefer setting up warehouses in every state to save on inter-state taxes.

But in the past 4-5 years, the industry has started gaining traction due to implementation of GST; many large players have started investing in huge, modernised warehouses which are PEB structures. This was on account of end-user industries moving towards a hub-and-spoke model as the need to establish warehouses in each states diminishes. Larger PEB warehouses of 1,00,000-2,00,000 sq. ft. are being set up as hub warehouses and smaller warehouses of 20,000-30,000 sq. ft. which would serve as the key ‘spoke’ warehouses. The PEB warehouses generally have a height of 22-24 feet (typically higher than RCC).

Realignment towards the hub-and-spoke model is expected to result in major business opportunities for organised 3PL players operating large-sized warehouses in key geographies. They not only provide huge modernised PEB storage but also warehouses equipped with racking and storage solutions, forklifts and reach trucks, and value-added services. The 3PL players also have an asset light model. They take warehouses on lease from warehousing developers which, in turn, acquire the land and construct.

### Building and construction to grow in the medium term led by housing demand

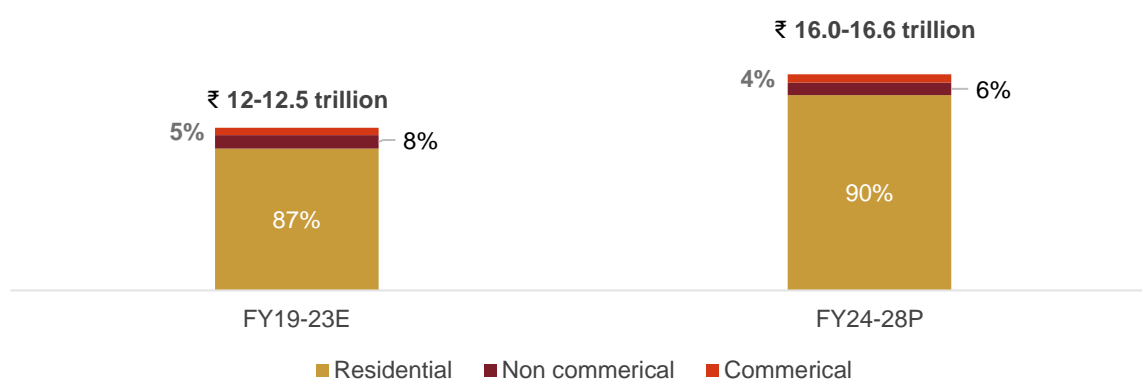


CRISIL MI&A estimates the building and construction sector to grow at 4-6% in Financial Year 2024, with demand in the real estate sector slowing along with rising inventory levels in key cities. Increase in the execution of deferred projects and government schemes such as PMAY provide the required boost to the sector.

The sector is estimated to rise by 10-14% in Financial Year 2024, surpassing pre-Covid levels, led by rising demand from end-user sectors. This can be attributable to low interest rates, return of normalcy across the sector, increasing demand for owned and larger properties post the pandemic, and improvement in the financial profile of buyers.

The sector is expected to rise to ₹ 16-16.6 trillion between Financial Years 2024-2028P from an investment of ₹ 12-12.5 trillion between Financial Years 2019-2023, growing ~1.3 times.

### Share of commercial and residential buildings



Note: E-Estimated, P-Projected  
Source: CRISIL MI&A

#### Residential

Residential forms the largest vertical within building construction, occupying 87% as of Financial Year 2019- Financial Year 2023. The real estate industry has been facing changes and challenges with developments such as demonetisation, enactment of the Real Estate (Regulation and Development) Act, 2016 (RERA), and implementation of the Goods and Services Tax (GST). The pandemic further significantly impacted the sector in Financial Year 2021. Although Financial Year 2022 came with its own set of challenges given the second wave, easing of curbs in various states, increase in vaccination across the country and deferred project completions from Financial Year 2021 helped the sector rise 95-105% in Financial Year 2022, returning to pre-Covid levels and creating a high base for Financial Year 2023. The increase in budgetary allocations for the PMAY scheme and announcements by state governments of stamp duty cuts has helped in the recovery of sectors to pre-Covid levels.

#### Non-commercial

Non-commercial vertical includes educational institutions and healthcare facilities. It currently forms ~8% of total building construction. Investment in India's educational services is expected to decline at negative 3-4% CAGR between Financial Years 2024-2028. CRISIL MI&A expects ₹ ~0.7 trillion in construction investment, excluding land cost, to be ploughed into the sector during the period. However, this represents 15-18% decline over the ₹ 0.8 trillion invested over Financial Years 2018-2022 as pandemic has also led to a rise and acceptance of digital schools and universities, which will constrain additional investment in the sector.

Additionally, CRISIL MI&A expects the healthcare services sector grow at 8-10% over Financial Years 2023-2028, recording a construction spend of ₹ 340-360 billion compared with ₹ 277 billion over Financial Years 2019-2023, on the back of increased allocation by state governments as well as private entities.

#### Commercial

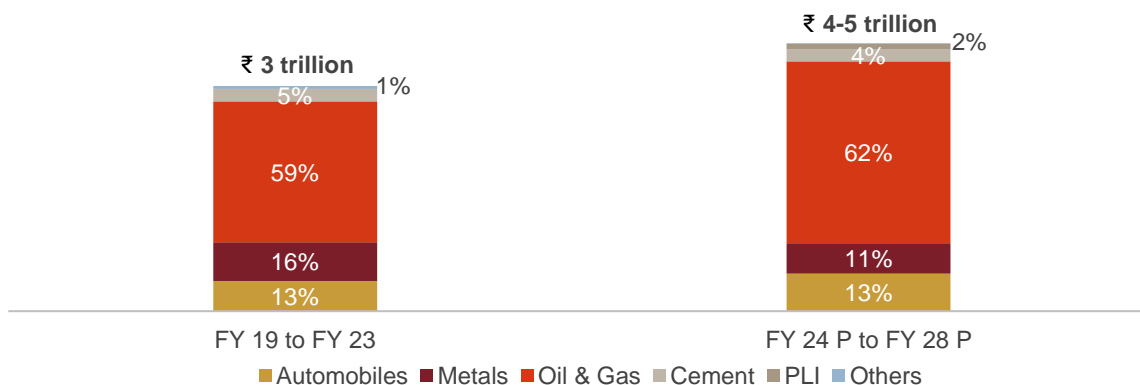
Demand for commercial real estate is expected to grow at 2.5-3% between Financial Years 2024-2028 compared with 3.5-4% between Financial Years 2018-2022 (despite a sharp decline in calendar year 2021 owing to the pandemic).

Pivot towards hybrid work models, increased acceptance of work-from-home and digital means of communication such as video conferencing are expected to result in muted growth in commercial area uptake. However, in prime micro markets, where the supply is limited and vacancy level is low, CRISIL MI&A expects an increase in lease rentals.

In the retail space, owing to already available supply and vacancy levels, very limited supply is likely in the short term. Lease rentals, which had been impacted due to the pandemic, are now back to pre-Covid levels and have even surpassed them in some markets led by a return to normalcy.

### Industrial/ manufacturing sector

#### Share of industrial construction investment in India by sector



Note: E-Estimated, P-Projected;  
Source: CRISIL MI&A

Construction spends within industrial/ manufacturing sector are seen rising 6-8% in Financial Year 2024, driven by expansion in the oil and gas and metals verticals. The growth is on a high base of Financial Year 2023, when the sector grew due to deferred investments from Financial Year 2021 and Financial Year 2022 and capex investments from the PLI scheme picking up. The latter is a time-bound incentive scheme wherein the government rewards companies by 5-15% of their annual revenue based on them meeting pre-decided targets for incremental production and/or exports and capex over a base year.

Based on an analysis of eight key sectors, CRISIL MI&A estimates construction investment in the industrial sector at ₹ 4-5 trillion between Financial Years 2024-2028, rising 1.2 times over spends seen in Financial Years 2019-2023. The rise in investment is projected due to inclusion of the PLI scheme in the capex investments of the industrial sector. While the PLI scheme covers 13 sectors, CRISIL have only considered 3 capex-intensive sectors, viz., auto and auto components, textiles and speciality steel for inclusion in our estimates.

Within the industrial sector, the oil and gas sector is estimated to provide ₹ 2.5-2.6 trillion in construction opportunities (upstream and downstream) over the five-year period, thereby comprising 55-60% of total industrial construction expenditure. Investments in the sector will be driven by refinery expansions at HPCL's Barmer, Vizag, IOCL Barauni, Numaligarh, capacity expansion plans announced by RIL and increasing investments towards retail outlets.

Other sectors that will contribute to the increased demand includes automobiles, where investment is expected to rise to ₹ 520-560 billion over Financial Years 2024-2028, from Financial Years 2019-2023 level of ₹ 400-450 billion. Investments are expected to rise to ₹ 120-150 billion in Financial Years 2024-2028 in petrochemicals, against ~₹ 85 billion in Financial Years 2019-2023. Investments in PLI and cement are expected to increase to ~₹ 200 billion and ₹~ 172 billion, respectively.

However, overall, industrial investment between Financial Years 2024-2028 is expected to rise 20-25% over the Financial Years 2019-2023 with the bump-up attributable to the PLI scheme.

## Key growth drivers in Indian construction industry

Key drivers	Description
<b>Increased urbanisation</b>	India's rapid urbanisation, coupled with a growing middle-income group, has been a major growth driver for the construction sector as it has led to increased demand for affordable housing as well as better public infrastructure connectivity through roads and railways.
<b>Smart City Mission</b>	The government's Smart Cities Mission that aims to develop 100 smart cities across India, serves as a prominent growth driver for the construction industry. Furthermore, smart city investments are expected to grow to ₹ 0.6 trillion over Financial Years 2024-2028 (P) from a comparatively low base of ₹ 0.2 trillion Financial Years 2018-2022.
<b>Growing investments in renewable energy</b>	Growing commitment by companies to renewable energy has led to a surge in the construction of solar and wind power projects. Furthermore, deferred investments from Financial Years 2021 due to the pandemic, coupled with a rise in investments in Financial Years 2023 for meeting the renewable energy target of the government, will boost the construction industry.
<b>Increased spending on warehousing</b>	With rapid growth of the e-commerce sector, there has been a surge in demand for efficient warehousing and cold storage facilities in India for better connectivity. For example, Haryana is increasingly finding favour as a consumer-durable-and-FMCG hub given its position as one of the highest consumption markets in the National Capital Region and proximity to major markets.
<b>Favourable government initiatives</b>	Indian government has introduced various initiatives and policies to boost the construction sector, such as the Make in India, Production-Linked Incentive (PLI) scheme, National Infrastructure Pipeline (NIP), NMP and the Gati Shakti initiative. These programmes have led to an increase in capex investments in the overall construction industry and proved to be a significant growth driver.

Source: CRISIL MI&A

## Major government initiatives to boost the construction industry

Key Government of India's initiatives, such as, 'AatmaNirbhar Bharat', PLI scheme, Bharatmala Pariyojana, Sagar Mala, PMAY-G and PMAY-U are expected to drive growth of the PEB industry in India.

### PLI scheme

The PLI scheme was introduced by the Indian government to boost domestic manufacturing, attract investments, and enhance exports by offering incentives. It has overall financial limits of ₹ 1.97 trillion for implementation across 14 sectors. As of March 2023, actual investments of ₹ 625 billion had been realised, resulting in incremental production/sales of over ₹ 6.75 trillion and employment generation of around 3,25,000.

The PLI scheme will also provide a fillip to the Industrial sector. The three major sectors covered under PLI, viz., auto, and auto components, textiles and speciality steel are together expected to catalyse investments of ₹ 20,000 crore in the industrial sector alone.

### NIP

The NIP aims to improve project preparation and attract investments in infrastructure. It is expected to positively impact the construction industry through a projected infrastructure investment of around ₹ 111 trillion over Financial Years 2020-2025, to provide high quality infrastructure across the country to build robust infrastructure and boost the economy by increasing employment opportunities and enhancing living standards. Sectors such as energy (24%), roads (19%), urban (16%), and railways (13%) comprise ~70% of the projected capital expenditure in infrastructure in India over this period (Financial Years 2020-2025).

As of January 2023, NIP had 8,964 projects with a total investment of more than ₹ 108 trillion under different stages of implementation. It has been proposed to integrate NIP and Project Monitoring Group (PMG) portals.

### Bharatmala Pariyojana

Bharatmala Pariyojana is an umbrella project of the central government since 2015, that aims to improve efficiency in the roads sector. It is expected to supersede the National Highways Development Project (NHDP) and envisages the construction of 65,000 km of highways under the following categories: national corridor (north-south, east-west, and golden quadrilateral), economic corridor, inter-corridor roads, and feeder roads. Further, in order to reduce congestion on the proposed corridors, enhance logistic efficiency and reduce logistics costs of freight movements, 35 locations have been identified for development of multimodal logistics parks.

As per the ministry, Bharatmala, along with schemes currently undertaken, could require a total outlay of ₹ 6.9 trillion. Phase-I of the scheme envisages development of about 24,800 km length of national highways/roads, plus residual 10,000 km of NHDP between Financial Years 2018-2022. Awarding under Bharatmala has begun from Financial Year 2018 and is likely to stretch till Financial Year 2025 for Phase 1.

### **Atmanirbhar Bharat Abhiyan**

Prime Minister Narendra Modi launched the Atmanirbhar Bharat Abhiyan on May 12, 2020, to make the country self-reliant through five pillars: economy, infrastructure, system, vibrant demography, and demand.

As Atmanirbhar Bharat places a strong emphasis on infrastructure development, including roads, highways, bridges, airports, urban projects as well as local manufacturing and production, it is not only expected to drive demand for infrastructure construction through construction of roads and highways but also facilitate growth of allied industries such as cement and metals.

### **Urban infra projects: WSS and Metro projects**

Government schemes focused on urban infra such as AMRUT, Smart Cities Mission and the implementation of Metro projects are set to drive significant growth in the construction sector.

In May 2015, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was succeeded by the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) to prioritise essential infrastructure services, including water supply, sewerage (sewage system), stormwater drains, transportation, and the development of green spaces and parks in urban areas.

Additionally, the government's emphasis on urban infrastructure projects, including the Smart Cities Mission and Metro projects should fuel substantial growth in the construction sector. According to CRISIL estimates, Metro projects are the second-highest contributors to urban infrastructure investments at approximately ₹ 1.2 trillion over Financial Years 2024-2028 (P). Furthermore, Smart Cities Mission will also boost the construction sector as construction-intensive verticals such as housing, roads, non-residential development, and sewage systems will constitute a considerable portion of total investments.

### **Sagarmala**

Sagarmala is the flagship central sector scheme of the Ministry of Ports, Shipping and Waterways to promote port-led development in the country which was approved by the Union Cabinet on March 25, 2015. Main purpose of this project is to promote port-led development in the country by taking advantage of India's 7,500 km long coastline, 14,500 km long potentially navigable waterways and the strategic location on major maritime trade routes. As a part of Sagarmala, more than 800 projects at an estimated cost of around ₹ 5.48 trillion have been identified for implementation. Sagarmala projects includes those from various categories such as modernisation of existing ports and terminals, new ports, terminals, RoRo and tourism jetties, enhancement of port connectivity, inland waterways, lighthouse tourism, industrialisation around port, skill development, and technology centres. The construction of these new ports, terminals and related facilities in various states will require extensive construction work, thereby driving the overall construction sector.

Overall, 14 projects related to development of new ports at an estimated investment of ₹ 1,257.8 billion are part of the Sagarmala programme. These projects are spread across coastal states/union territories including Andhra Pradesh, Maharashtra, Gujarat, Karnataka, Andaman & Nicobar Islands and Tamil Nadu.

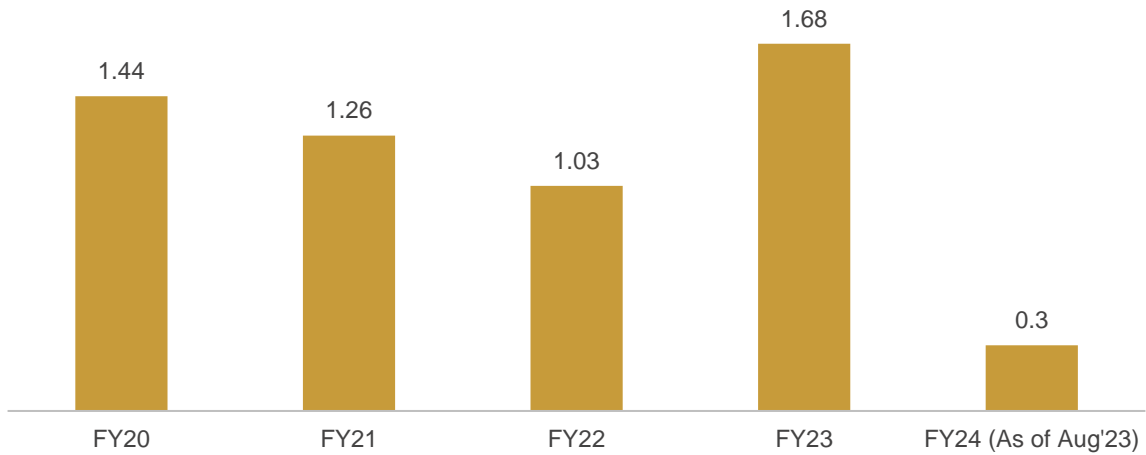
### **Pradhan Mantri Awas Yojana - Urban (PMAY-U)**

PMAY-U under Housing for All is one of the major flagship programmes being implemented by Government of India to provide all-weather pucca houses to all eligible beneficiaries in the urban areas of the country through states/UTs/central nodal agencies. The scheme covers all urban areas of the country, i.e., all statutory towns as per Census 2011 and towns notified subsequently, including notified planning/development areas.

In Financial Year 2023, construction pace recovered with fast-paced execution of ~1.68 million units during the fiscal after seeing a low of ~1.03 million units constructed in Financial Year 2022. While most of the targeted houses have been sanctioned (~11.9 million as of August 2023), over ~7.6 million have already been completed (~64%), another ~3.7 million are under various stages of construction.

### Progress in urban housing (number of housing units)

in million units



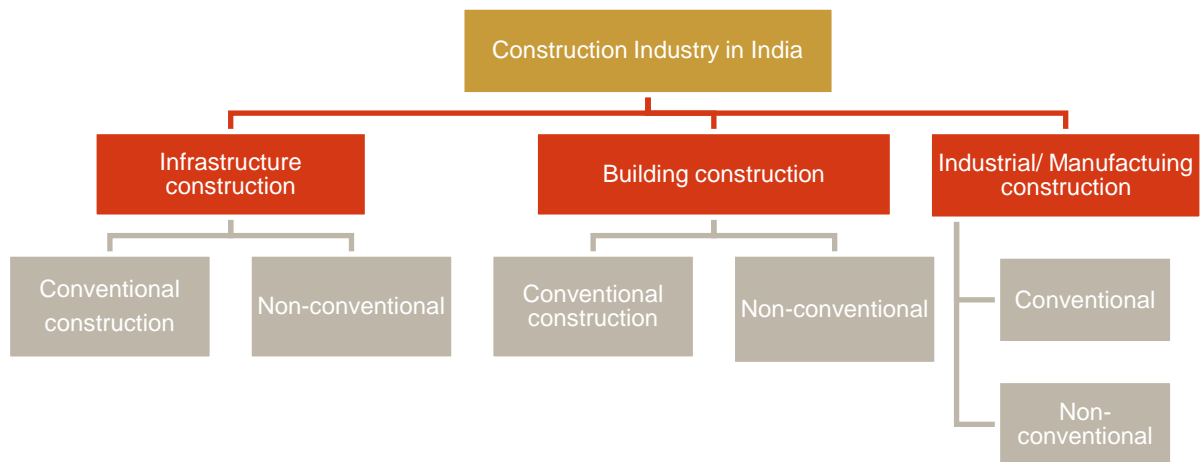
Source: MoHUA, CRISIL MI&A

### Pradhan Mantri Awas Yojana – Gramin (PMAY-G)

In order to achieve the target of “Housing for All” in rural areas, the Ministry of Rural Development is implementing the PMAY-G to provide assistance to construct 29.5 million pucca houses with basic amenities. The initial timeline for PMAY-G was 2022, which has now been extended to March 2024. Of the overall target of 29.5 million houses under PMAY-G, a target of 29.4 million houses has already been allocated to states/union territories (UTs). Of this, 28.5 million houses have already been sanctioned to the beneficiaries by various States/UTs and 22.2 million houses have been completed as on March 24, 2023.

### Assessment of Pre- engineered steel building industry in India

#### Overview of construction industry



Source: CRISIL MI&A

As discussed in the section 2.3 (Construction sector), the construction sector is bifurcated into building construction, industrial/manufacturing, and infrastructure construction. Furthermore, the construction industry can be further categorised into conventional methods and non-conventional based on type of construction method / structure. Non-conventional structure can be further divided into:

- **Pre-cast:** These structures are manufactured/produced in factories out of concrete components. Once cast, these components are transported to the construction site and assembled, creating the final building.
- **Prefabricated:** In this, entire structures or modules are manufactured in the factory, including all necessary components and finishes and then transported to the site as completely built units or in semi-knocked-down form, where it is directly installed without the need for further on-site assembly (e.g., guard rooms). It is important to note that prefabricated structures are generally not used in industrial settings.
- **Pre-engineered steel buildings:** In these, steel structures are fabricated in the factories in a controlled environment and then transported to the construction site where the final assembly takes place.

Furthermore, within conventional construction, RCC and steel buildings are prominent methods of construction. Steel players like Tata Steel, Nippon Steel, ArcelorMittal Nippon Steel India, Steel Authority of India Limited, Jindal Steel & Power Ltd., Jindal Steel, etc. provide structural steel long products for construction of steel buildings, which is further used by EPC players, PEB players as well as directly by steel players themselves to provide steel buildings.

### Overview of pre-engineered products and their applications

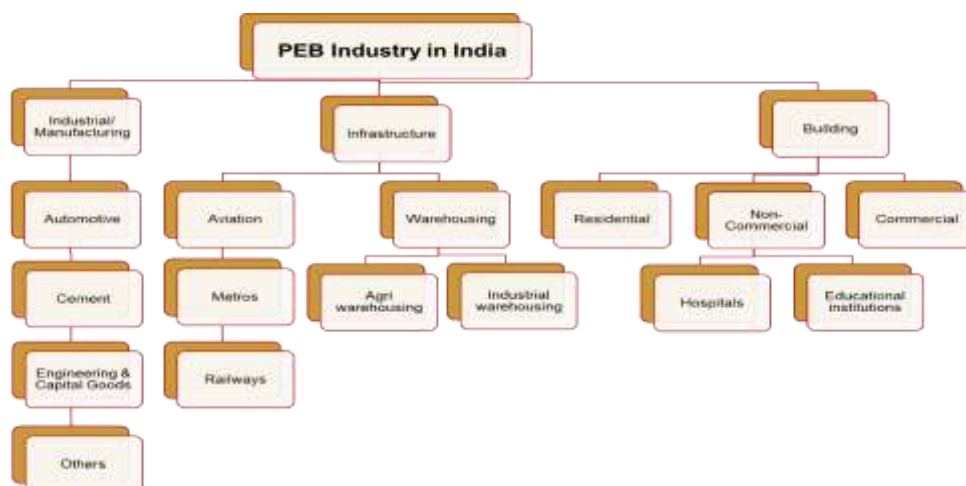
Pre-engineered steel construction has emerged as an innovative building method due to rapid growth of automation in the construction industry. Furthermore, a shortage of skilled labour, combined with the inherent advantages of these structures in terms of speed, cost-effectiveness, and environmental impact, is significantly propelling their popularity in the construction sector.

Pre-engineered structures/units are more eco-friendly than traditionally constructed ones and provide common benefits such as reduced material wastage, enhanced quality control, and improved on-site safety. The controlled manufacturing process minimises material wastage, promoting sustainable building practices, while rigorous quality control ensures consistent and durable structures.

Key components/sub-structures of pre-engineered steel buildings:

1. **Main frame or primary structure:** This frame is the main load-carrying and support structure of a pre-engineered building, made of rigid steel frames. The primary structure consists of columns, rafters, and other supporting structures. The shape and size of these structures differ based on their application and requirements. The frame is constructed by bolting the end plates of connecting sections together.
2. **Secondary structure:** Secondary structure consists of purlins, girts, and eave struts, used to support the wall and roof panels. Purlins are employed on the roof, girts on walls, and eave struts at the intersection of the sidewall and roof.
3. **Roof, wall panels, and insulation:** These components are used for sheeting and are generally made of ribbed steel sheets. They are used as roof and wall sheeting, roof and wall liners, partition, and soft sheeting. Steel sheets are generally produced from steel coils.

### Pre-engineered steel buildings industry segmentation by end user



Pre-engineered steel construction is gaining popularity in the commercial, infrastructure, and industrial landscape, such as in the automobile, cement, paper sectors, offices, aircraft hangers, warehouses and logistics, and data centres. Use of pre-engineered constructed units allows companies to accelerate the construction process in a cost-effective manner without compromising on quality. In fact, the absence of external, uncontrollable factors such as adverse weather in pre-engineered construction allows for better control on quality through standardised operations and streamlined processes.

In the realm of building construction, pre-engineering is reshaping the construction industry by decreasing the overall construction duration for commercial complexes, hospitals, office buildings, high-rise buildings, and so on, without compromising on construction quality. The institutional and recreational field also constructs pre-engineered steel structures in the form of schools, exhibition halls, hospitals, theatres, auditoriums, gymnasiums, and indoor sports courts.

### Difference between RCC and pre-engineered steel construction

Parameter	Traditional RCC construction	Pre-engineered steel construction
<b>Major component</b>	Concrete and reinforced steel bars	Steel and metal accessories
<b>Raw materials used</b>	Cement, steel, sand, bricks, etc	Steel, anchors, channels, etc
<b>Construction location</b>	Completely on site	The entire structure is manufactured in controlled environments such as factories, only assembling of structures happens onsite. Foundation in Pre-engineered steel buildings is similar to RCC construction; but the requirements of foundation may vary with the weight of the pre-engineered steel building structures.
<b>Construction time</b>	Construction time depends largely on the type (industrial, residential, etc), height and area of construction. However, RCC construction usually takes more construction time than pre-engineered steel building construction	Pre-engineered steel building construction requires lesser time than RCC construction as majority of components are manufactured in a controlled environment and only assembling of parts takes place on site. According to industry sources, construction of pre-engineered steel buildings takes 40%-50% lesser time than RCC construction
<b>Manpower</b>	Demands a substantial workforce since the entire construction process, including moulding and shaping concrete, occurs on-site	Requires less manpower as only assembling of the final structure happens on site. According to industry sources, manpower required in construction of pre-engineered steel buildings is approximately 25% lesser than the conventional method
<b>Applications</b>	Residential as well as industrial; even infrastructural	Largely industrial and warehouse or shed requirements at infrastructure setup
<b>Effect on environment</b>	RCC construction has a more adverse environmental impact owing to the generation of significant waste and landfill mass during on-site construction activities.	Owing to the streamlined nature of construction in a controlled environment, it minimises its environmental footprint by minimising wastage. Additionally, pre-engineered steel building components can be recycled, which optimises the use of raw materials and minimises construction waste
<b>Modifications</b>	RCC structures face challenges in modifications once the concrete has hardened, making alterations complex and costly	Pre-engineered steel offers superior flexibility as modifications involve changing the assembly of prefabricated components, adjusting to make it more manageable and cost-effective
<b>Cost efficiency</b>	Construction of RCC structures is a highly labour-intensive work in an uncontrolled environment, which makes it more costly than pre-engineered steel building structures.	Pre-engineered steel structures are comparatively lighter, requires less material, needs shorter construction time, comparatively less labour on-site, contributing to lower cost as compared to RCC structures.

Parameter	Traditional RCC construction	Pre-engineered steel construction
	But the cost is dependent on the size and type of structure, span, etc, and varies from project to project	But the cost is dependent on the size and type of the structure, span, etc, and varies from project to project

Source: Ministry of Housing and Urban Affairs, CRISIL MI&A

### Advantages of pre-engineered steel buildings over traditional construction

#### 1. Technical difficulties and shortage of labour in traditional construction

Scarcity of on-site skilled labour in the conventional construction industry is expected to be a major driver for the pre-engineered construction industry. Traditional construction methods rely heavily on on-site skilled workers for on-site assembly and intricate tasks, the current shortage of such labour poses challenges to timely and efficient project completion.

Hence, pre-engineered construction offers a viable solution as majority of the construction is done in controlled factory environments, reducing the need for on-site labour. Moreover, companies are achieving economies of scale with improved manufacturing processes, further boosting growth of the pre-engineered construction industry, enabling faster component production, and ensuring greater accuracy and consistency in final structures.

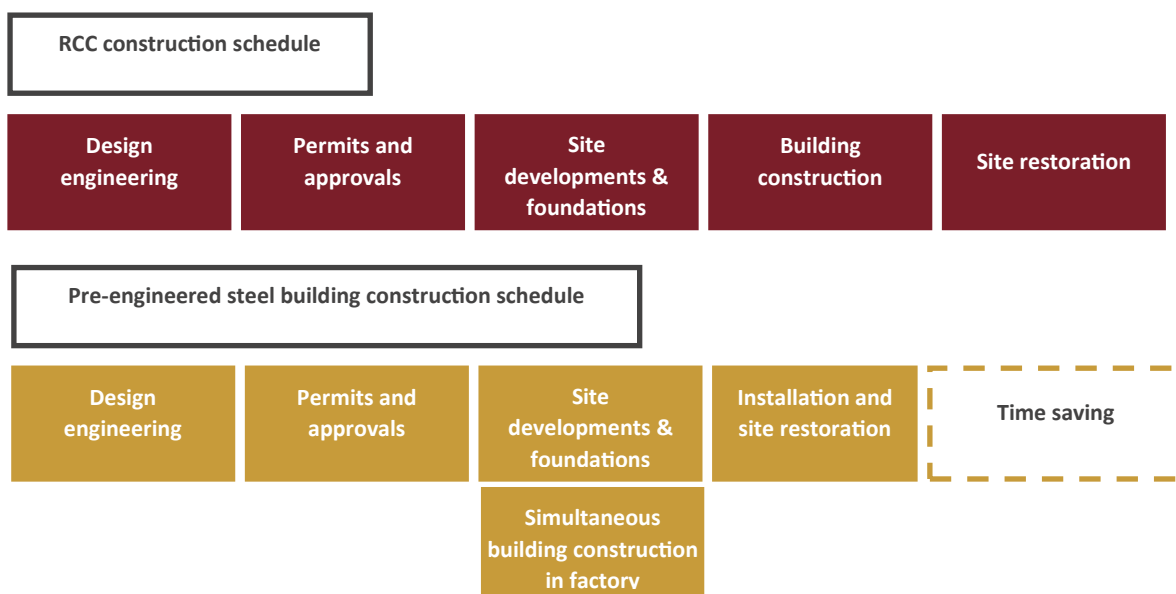
#### 2. More sustainable

As considerable parts of the structures are built offsite in the case of pre-engineered construction, it causes less disturbance to the construction site's surroundings. Furthermore, factories and manufacturing plants allow standardising processes and streamlining procedures, which helps reduce wastage and reduces the carbon footprint, directly impacting the environment.

#### 3. Faster construction timelines and cost optimisation

Pre-engineered construction accelerates project timelines without compromising on deliverable quality. As pre-engineered construction involves components being first manufactured in factories/manufacturing plants, it allows simultaneous preparation of the foundation at the construction site. This not only helps accelerate project timelines, but also allows cost optimisation by decreasing overhead site costs, including labour costs. Furthermore, as pre-engineered structures are manufactured within factories/manufacturing plants, they allow standardising processes, which ensures good quality of structures. Additionally, as these structures are manufactured in factories/ manufacturing plants, they also prevent project delays stemming from external factors such as adverse weather.

### Construction schedule: RCC v/s pre-engineered steel buildings



Source: CRISIL MI&A

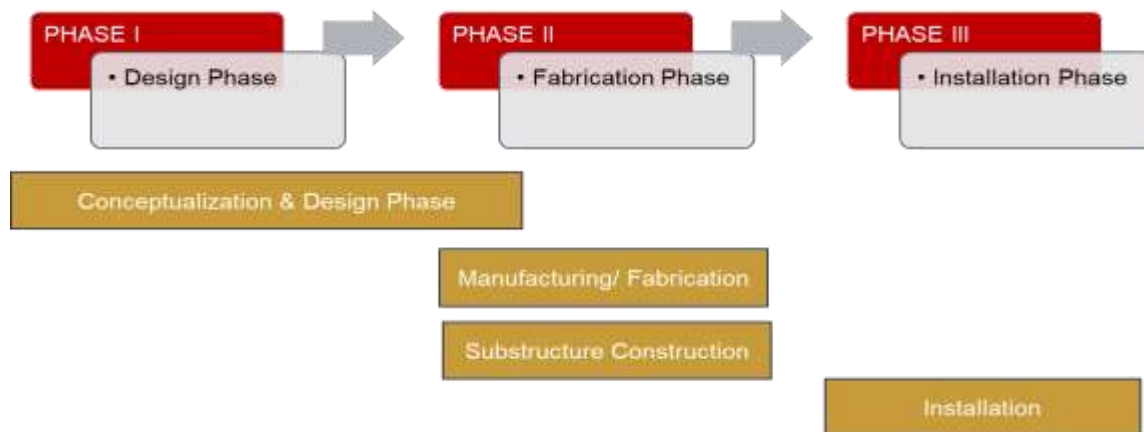


## Construction plan for pre-engineered steel buildings construction

Similar to the construction plan for RCC structures, the pre-engineered steel buildings construction plan is also structured into three primary phases, though the activities scheduled in each of the three phases—design, fabrication, and installation—differ. The initial Design phase encompasses critical tasks such as site preparation, finalising the design specifications, and obtaining the requisite approvals.

The design phase is followed by the fabrication phase, in which there is focus on the manufacturing of pre-engineered steel structures as well as on construction of substructures which not only enhances cost-efficiency but also accelerates project timelines significantly. Hence, this simultaneous approach contributes to substantial savings in both time and resources. Finally, the concluding phase of pre-engineered steel buildings construction involves the transport of individual pre-engineered steel building components to the designated construction site, where the final pre-engineered steel structure is installed with precision.

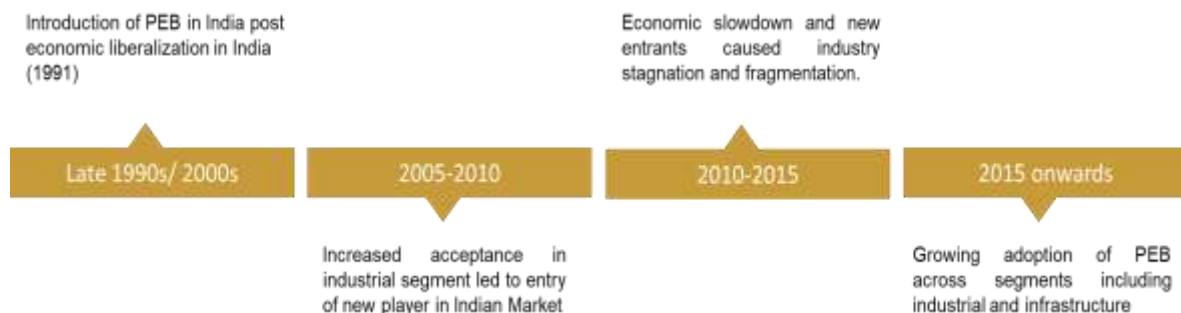
## Design plan of pre-engineered steel construction



Source: CRISIL MI&A

## Evolution of pre-engineered steel structure market in India

Pre-engineered steel buildings were introduced in India during the late 1990s/2000s with the onset of India’s economic growth post liberalisation in 1991. However, the acceptance among consumer verticals began in early 2000 with good growth during 2005-2010. Pre-engineered steel buildings started gaining prominence following a strong fixed capital formation in India and increased adoption by the customers. This period of high growth saw new players enter the fray. With the slowdown of India’s economic growth, the Indian pre-engineered steel building industry stagnated between 2010 and 2015. Post that, the industry saw good adoption but suffered some slowdown as capex declined during the pandemic, leading to a drop in revenue in Financial Year 2021.



Source: CRISIL MI&A

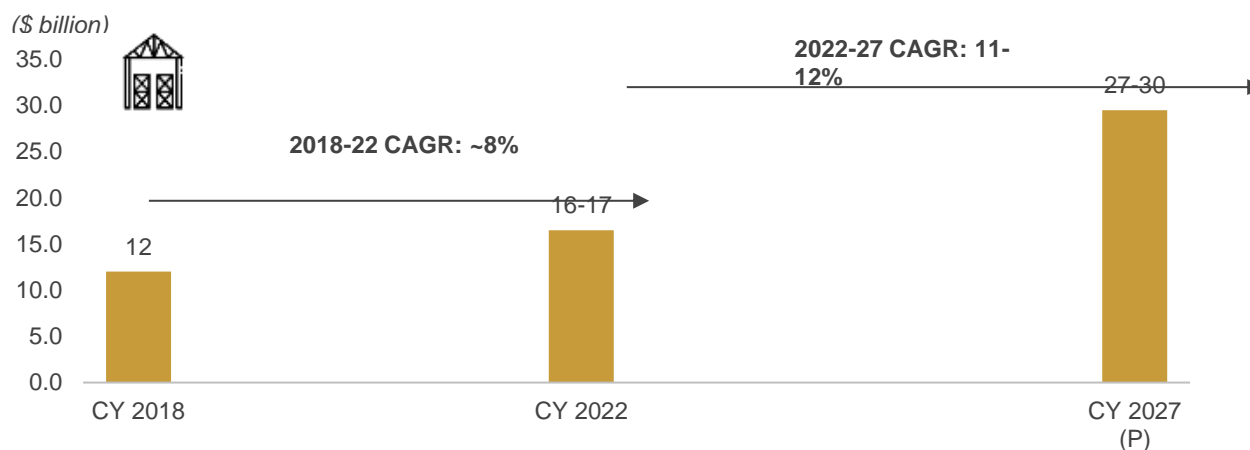
## Global pre-engineered steel buildings market estimated at USD 16-17 billion as of calendar year 2022

The global pre-engineered steel buildings market is estimated at \$16-17 billion as of calendar year 2022 and is expected to clock 11-12% CAGR over the medium term till calendar year 2027. The industrial and commercial sector, the mainstay of the global pre-engineered steel buildings market, is expected to drive demand for pre-engineered steel buildings. Furthermore, increasing investments in public infrastructure, growing urbanisation,

and increasing awareness of benefits of pre-engineered construction vis-à-vis the traditional onsite model are also expected to boost the global pre-engineered steel buildings market.

The pre-engineered steel buildings market is expected to see good growth on account of increasing awareness regarding modern off-site construction techniques as well as rising demand for green buildings globally which has resulted in shift in focus from traditional steel buildings to pre-engineered steel buildings. Pre-engineered steel buildings consume less energy and generate less on-site wastage during and post construction.

### Global pre-engineered steel buildings market



Source: CRISIL MI&A

### Asia-Pacific region: Fastest growing market for pre-engineered steel buildings

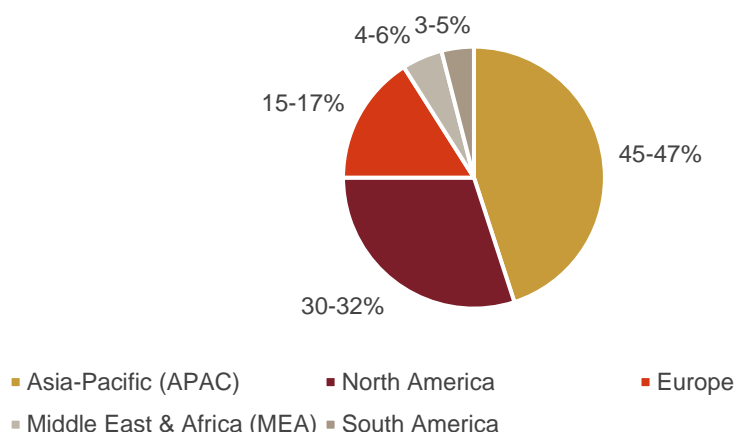
As of 2022, the Asia-Pacific region had the largest share of pre-engineered steel building at 45-47%, followed by North America (30-32%) and Europe (15-17%). Within the Asia-Pacific region, countries such as China and India held a significant market share owing to growing demand for infrastructure as well as surge in commercial and industrial construction on account of favourable government policies. As of 2022, the pre-engineered steel building market in India was valued at ~USD 2.1 billion, thereby forming 26-29% of the APAC market.

Additionally, key factors contributing to the Asia-Pacific region's dominance include rapid industrialisation, urbanisation, and the high adoption rate of advanced construction practices. Additionally, tourism and e-commerce sectors are expected to boost demand for commercial and industrial structures such as warehouses, restaurants, hotels, etc, which will facilitate the growth of pre-engineered steel buildings.

Major factors contributing to growth of the pre-engineered steel building market in North America include the booming e-commerce and construction sectors, which are positively contributing to the industrial and commercial construction. Additionally, in Europe, growing demand for pre-engineered steel building is stemming from the flourishing automotive and aerospace and defence sectors, which require proper industrial infrastructure such as warehouses, manufacturing plants, etc.

Furthermore, growing demand from the industrial and commercial sector coupled with the rising adoption of construction technologies is expected to facilitate the growth of the pre-engineered steel building market in the Middle East & Africa (MEA), and South Africa.

## Share of key geographies in global pre-engineered steel building market in calendar year 2022



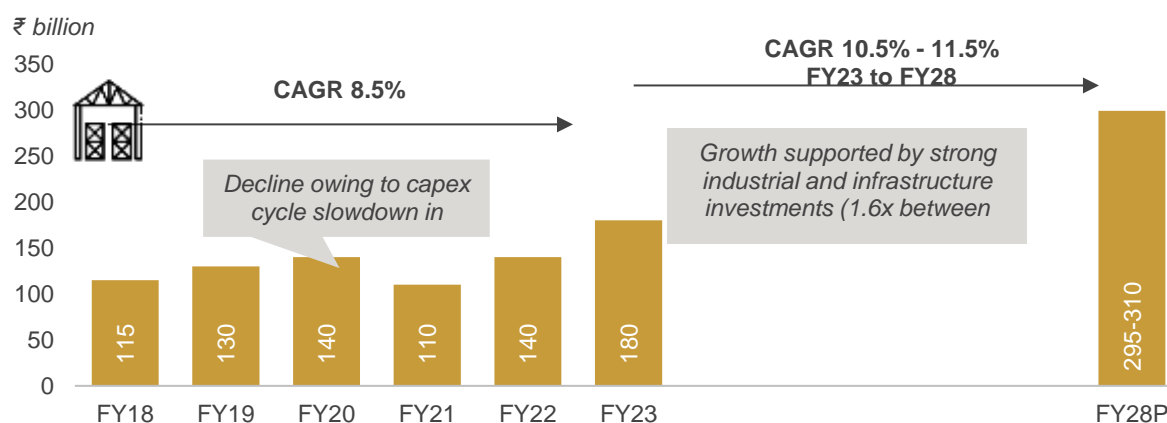
Source: CRISIL MI&A

## Market size of pre-engineered steel buildings in India and potential

The industry expanded at a CAGR of ~8.5% over Financial Years 2019-2023, growing from ₹ 130 billion in Financial Year 2019 to ₹ 180 billion in Financial Year 2023. In Financial Year 2024, it is expected to grow to ₹ 195-200 billion. The medium-term outlook is optimistic, with the industry growing at a strong 10.5-11.5% CAGR between Financial Years 2023-2028 to ₹ 295-310 billion, supported by investments in the industrial and infrastructure sectors such as warehouses and logistics as well as expressways (way-side amenities and toll plazas).

Structural steel is seeing good potential and application in metro station structures, airport structures, telecommunication towers, broadcasting towers, floodlight towers, power transmission towers, among others, which is supporting growth in the pre-engineered steel buildings industry in India. The Indian government's impetus on the infrastructure investments will also drive demand for steel construction-related structures.

## Pre-engineered steel building industry in India



P: Projected

Source: CRISIL MI&A

## Large, organised players grow at faster clip than overall pre-engineered steel building industry

Within the overall industry, the top six players have grown at a faster growth rate as compared to the rest of the players. This higher growth of the top players can be attributed to higher reliability and capability, high quality raw materials used, good track record for execution and capability to provide innovative and effective solutions to customers.

Industry players	Revenue FY19 (₹ billion)	Revenue FY23 (₹ billion)	CAGR FY19-FY23 (%)
Top six players	42	65	11.4%

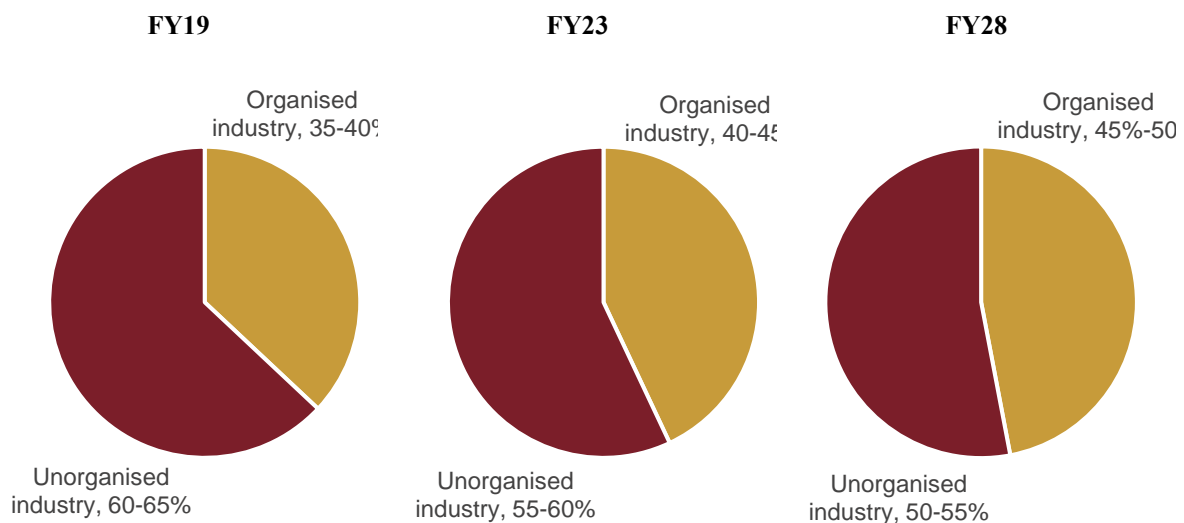
Industry players	Revenue FY19 (₹ billion)	Revenue FY23 (₹ billion)	CAGR FY19-FY23 (%)
Rest of the industry	88	115	7.0%
<b>Total industry</b>	<b>130</b>	<b>180</b>	<b>8.5%</b>

Note: Top six players in terms of Financial Year 2023 revenue are as follows: Kirby Building Systems & Structures India Pvt Ltd, Pennar Industries Ltd, Interarch Building Products Ltd, Zamil Steel Buildings India Pvt Ltd, Phenix Building Solutions/M&B Engineering, Everest Industry in no particular order

Source: CRISIL MI&A

### Pre-engineered steel building market remains competitive with large unorganised vertical; organised sector remains superior to unorganised sector

As of Financial Year 2023, the organised industry held a 40-45% revenue market share in the overall industry. Key players such as Interarch Building Products Limited and Kirby Building Systems accounted for 40-50% of the market share in the organised industry. The organised industry is consolidated with six key players, accounting for 80-85% of the organised industry, which, in turn, held 35-40% of the overall industry in Financial Year 2023. The six key players include Interarch, Kirby, Pennar, Phenix / M&B Engineering, Everest Industries and Zamil, in no particular order. The remainder is the fragmented unorganised industry. The unorganised industry accounts for 55-60% of the overall market, as high capital investment is not required for entering the market. However, the organised sector has an edge over the unorganised sector in terms of a reliable track record, maximised supply chain capabilities, quality engineering services and products due to which there has been a growing shift towards the organised sector. This shift is also expected to augment the revenue of players in the organised market.



Source: CRISIL MI&A

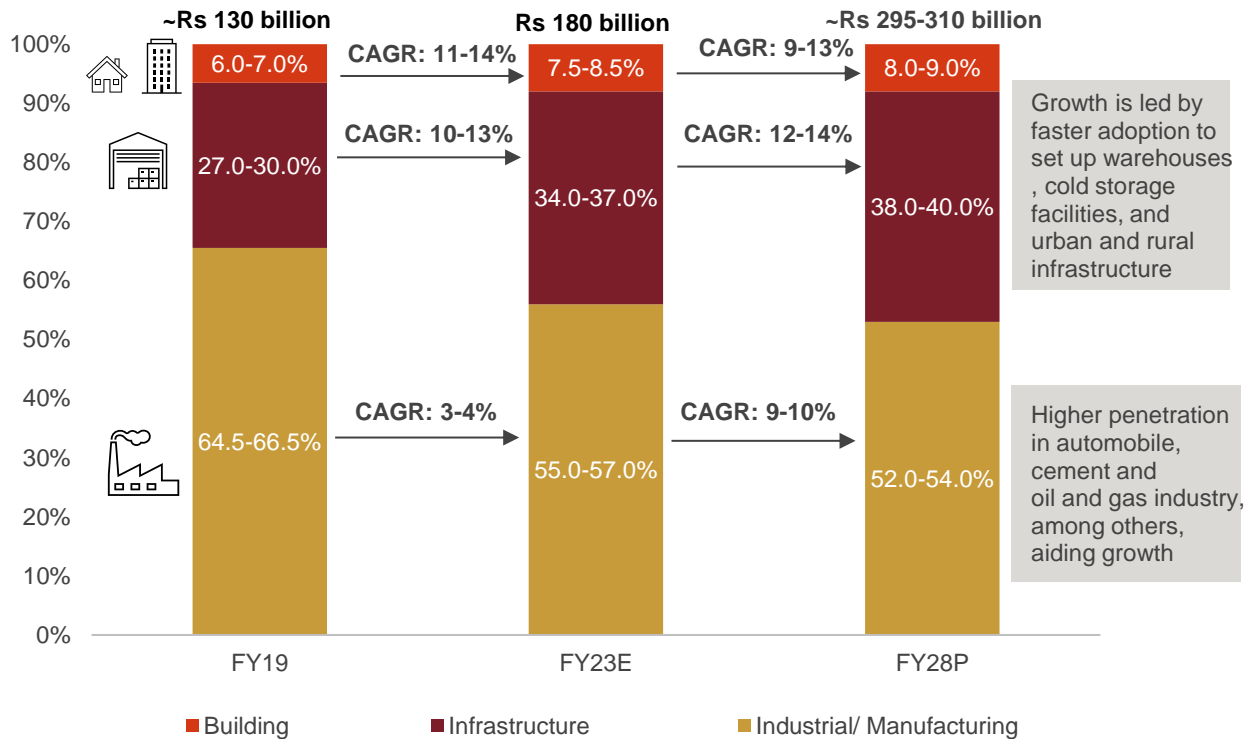
### Share of infrastructure in the pre-engineered steel building market to increase

The pre-engineered steel building market in India can be divided into three broad end-use sectors: industrial, infrastructure, and building (residential, commercial and non-commercial). The industrial sector, which held the largest market share of 55-57% in Financial Year 2023, is expected to account for 52-54% of the market by Financial Year 2028. The industrial sector's share in the pre-engineered steel building market is led by higher penetration in the automobile, cement, and oil and gas markets, among others. It is expected to grow at a CAGR 9-10% between Financial Years 2023-2028 led by higher adoption of pre-engineered steel building structures based on cost advantage.

The infrastructure sector's share in the pre-engineered steel building market, which was 34-37% in Financial Year 2023, is expected to increase to 38-40% by Financial Years 2028. Pre-engineered steel buildings in the sector include warehouses, cold storage facilities, data centres, power plants, aircraft hangers and railway yards. The sector is expected to grow at a CAGR of 12-14% between Financial Years 2023-2028, led by increased adoption of these buildings in warehouses, cold storage facilities and data centres.

The building sector share in the pre-engineered steel building market, which was low at 7.5-8.5% in Financial Year 2023, is estimated to remain range bound at 8-9% in Financial Year 2028. The sector is expected to grow at a CAGR 9-13% over Financial Years 2023-2028, led by growing adoption of pre-engineered steel buildings.

### Market segmentation by end-use sectors, Financial Year 2023-2028



Infrastructure sector includes warehouse  
 Building includes residential, commercial and non-commercial sectors  
 P: Projected; E: Estimated  
 Source: CRISIL MI&A

### Overview of construction costs of pre-engineered steel structures

As per primary research, the cost of a pre-engineered steel building is estimated to be at times 15-35% lower than conventional structures for sheds, warehouses, and depots or at times 20-25% more expensive than a traditionally constructed building depending on the building's design and usage requirements. However, the higher upfront cost of pre-engineered steel buildings is offset by faster construction time, flexibility to expand these buildings, lower maintenance costs, better durability and higher salvage value, among others, which ultimately result in cost savings over the entire lifespan of the building. Further, pre-engineered steel buildings not only accelerate the overall construction process, but also save labour costs and enable quicker occupancy/commencement of operations, leading to potential revenue generation at an earlier stage.

Additionally, due to the flexibility to shift these structures to other locations, pre-engineered steel structures help to reduce potential capex costs, enabling organisations to adapt to changing operational needs without the financial burden of constructing new buildings.

### Pre-engineered steel buildings more cost-effective for smaller structures

According to research published in the International Research Journal of Engineering and Technology (Comparative Study of Pre-Engineered Building And Conventional Steel Structures), cost-saving advantages of PEB increases as the span of the structure increases till an inflection point, after which cost savings diminish.

For instance, in the case of 10m clear span structures (span denotes the distance between the two intermediate support structures), PEB provides a commendable ~40% cost savings compared to conventional steel structures (CSB). PEB provides similar cost savings in case of clear span of 20m and 30m structures, where use of PEB helps in cost savings of approximately ~50% and ~42%, respectively. However, this trend experiences a

significant inflection point at 50m span, where the cost-saving benefit of PEB diminishes considerably, offering only marginal savings of approximately 2.8% compared to CSB.

The accompanying table delineates the cost per square metre for both pre-engineered and conventional steel structures.

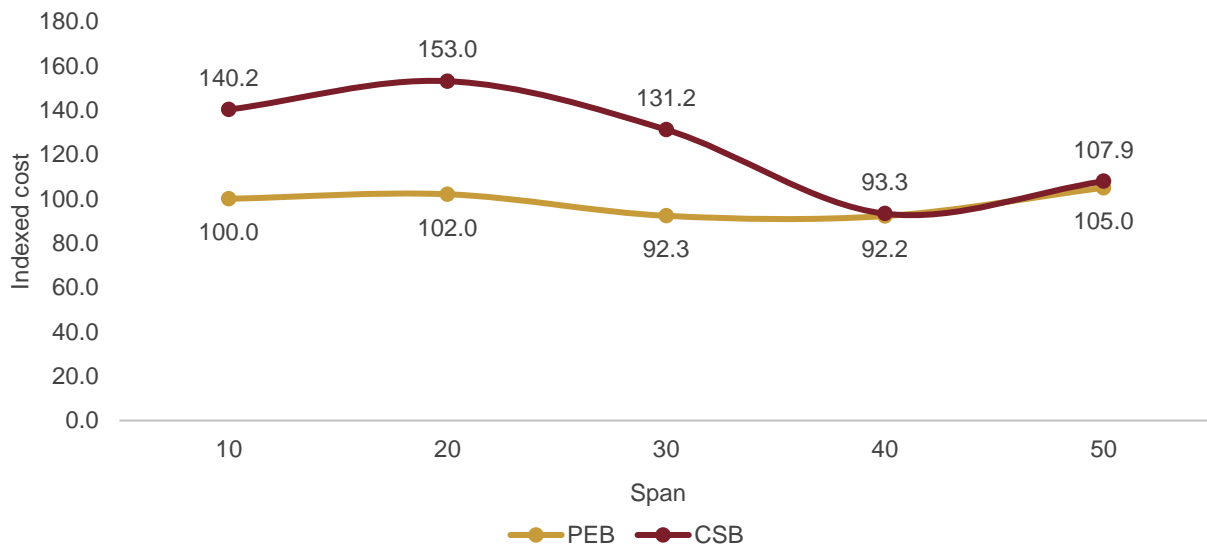
**Cost of per square metre of pre-engineered building and conventional steel structure**

Clear span (m)	PEB	CSB	Cost saving (%)
10	100.0	140.2	40.2%
20	102.0	153.0	50.0%
30	92.3	131.2	42.1%
40	92.2	93.3	1.2%
50	105.0	107.9	2.8%

Note: Cost is indexed with cost per square foot for PEB (Span 10) as base

Source: Comparative Study Of Pre-Engineered Building And Conventional Steel Structures, International Research Journal of Engineering and Technology, CRISIL MI&A

**Cost of per square metre of pre-engineered building and conventional steel structure**



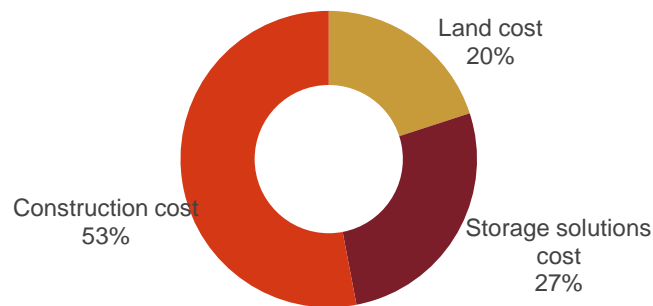
Note: Costs are indexed; with cost of 10 span PEB considered as base (100)

Source: Comparative Study Of Pre-Engineered Building And Conventional Steel Structures, International Research Journal of Engineering and Technology, CRISIL MI&A

**Warehousing project cost**

The warehousing project cost comprises land, construction, and storage solution costs. Land cost differs significantly from one location to another on account of the demand-supply scenario, infrastructure quality and connectivity via different modes of transport in a particular location. Construction cost is relatively similar across locations.

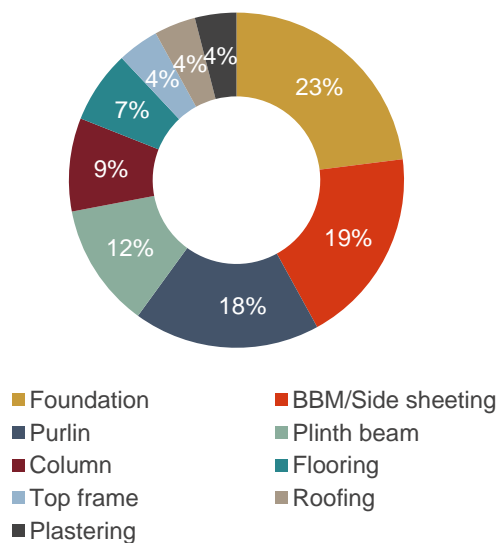
## Warehouse cost breakup



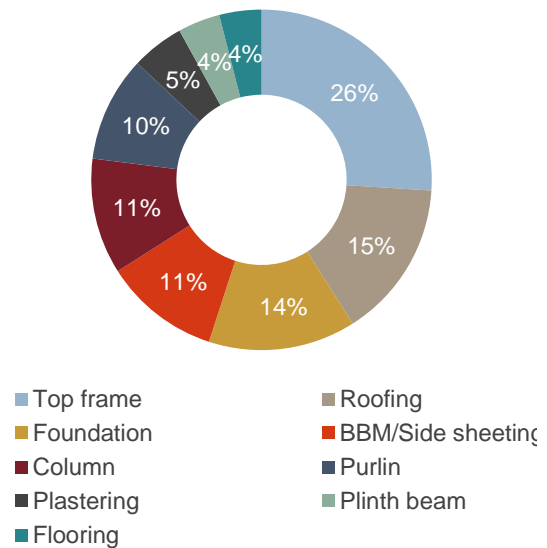
Source: Industry interaction, CRISIL MI&A

Within construction costs, the cost of setting up a warehouse depends largely on the type of warehouse, i.e., pre-engineered building (PEB) or reinforced cement concrete (RCC) structure. The primary difference is the construction of roof which includes roofing and top frame cost. Steel structures are used in PEB, which gives them higher clear height, while RCC cement as well as steel rods are used in conventional buildings. Considering the complete life cycle of a warehouse, a pre-engineered steel building is more economical than an RCC building largely on account of extensive usage of steel which requires less maintenance and has scrap value. Also, the longevity of steel roofs is high, and they are not prone to leakages, while RCC roofs require significant labour and time for execution.

## PEB cost breakup



## RCC cost breakup



Source: Industry interaction, CRISIL MI&A

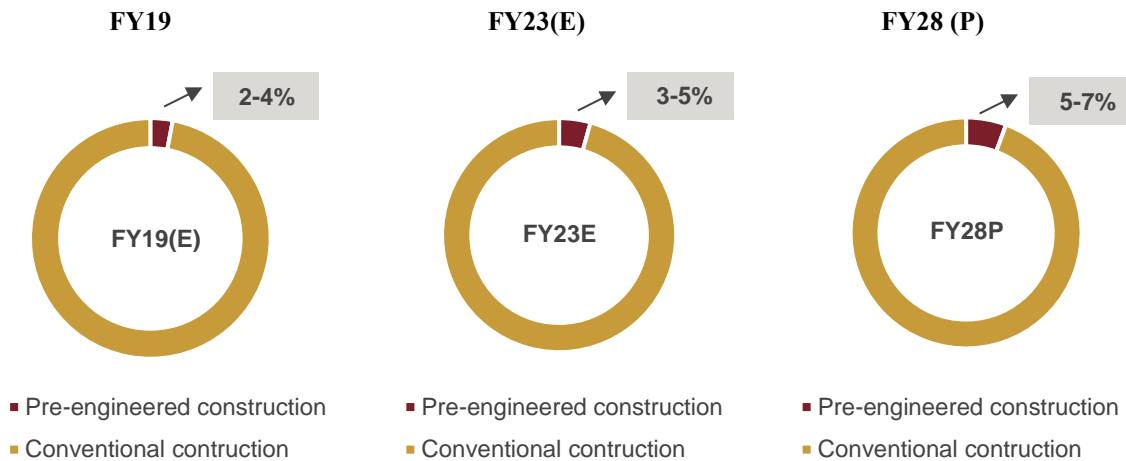
## Key growth drivers

In this section, CRISIL has covered overall growth drivers of prefabricated industry followed by sector (i.e., infrastructure, industrial and building) specific growth drivers:

### Low share of pre-engineered construction in overall construction indicates high growth potential

The pre-engineered construction industry in India, even though gaining acceptance, is still in its infancy. As of Financial Year 2023, penetration of pre-engineered construction in the overall construction sector is estimated to be around 3-5%, compared to 2-4% in Financial Year 2019. This low share of pre-engineered buildings in India combined with the increasing of awareness of benefits of pre-engineered buildings over RCC, provides a substantial growth potential of pre-engineered buildings in India. This will help in increasing the share of pre-engineered construction in overall construction to 5-7% by Financial Year 2028.

## Share of pre-engineered construction in overall construction



*P: Projected; E: Estimated*

*Source: CRISIL MI&A*

## Low steel consumption in India

As of calendar year 2022, the country's annual per capita steel consumption stands at 81.1 kg per annum, compared to the world's average of 221.8 kg. Favourable government policies like National Steel Policy aims to increase per capita steel consumption of India and create a technologically advanced and globally competitive steel industry in India to promote self-sufficiency in steel production as well as economic growth. The National Steel Policy focuses on the following three main aspects:

- increase in consumption of steel through major sectors (segments) of infrastructure, automobiles and housing
- to achieve 300MT of steelmaking capacity by 2030
- to increase per capita steel consumption from around 60 Kgs in 2017 to the level of 160 Kgs by 2030

This is expected to aid pre-engineered building industry by positively impacting the quality of steel available, which is the dominant raw material required for pre-engineered buildings. Additionally, increasing penetration of pre-engineered buildings in infrastructure projects coupled with National Steel Policy's aim to boost steel consumption in infrastructure sector is expected to positively impact pre-engineered buildings.

Furthermore, the government has also implemented Domestically Manufactured Iron & Steel Products (DMI&SP) policy for promoting Made in India steel for Government procurement. Additionally, in 2021, government approved the Production Linked Incentive (PLI) Scheme for specialty steel. The duration of the scheme will be five years, from Financial Year 2024 (2023-24) to Financial Year 2028 (2027-28). With a budgetary outlay of ₹ 63.2 billion, the scheme is expected to bring in investment of approximately ₹ 400.0 billion and capacity addition of 25 MT for specialty steel. These steps will positively impact the availability and quality of steel as a raw material, supporting the PEB industry.

## Shift from RCC to PEB due to growing awareness of pre-engineered structures

Growing awareness of PEB structures along with its benefit over traditional RCC construction have led to an increase in PEB projects. Use of PEB not only helps in expediting the project timelines but is also more sustainable due to less wastage. As a result, pre-engineered construction structures are garnering greater acceptance over traditional on-site construction practices of erecting entire structures on-site. This positioning is expected to serve as a catalyst for the growth of pre-engineered structures in the construction industry.

## Increased industrial capex and planned capacity expansion to boost PEB sector

Overall industrial capex is expected to rise to nearly ₹ 5.7 trillion on average between Financial Years 2023-2027 compared with ₹ 3.7 trillion in the past five Financial Years 2018-2022 driven by sectors like oil and gas, cement and metals. Nearly half of this incremental capex will be driven by PLI and new-age sectors, which contributes to 15-17% of the total industrial capex.



Additionally, several sectors including automobiles and auto components and telecom and networking products are expected to drive higher investments in manufacturing, leading to expansion of the pre-engineered construction sector as companies invest in modern and efficient construction methods to meet the growing demand. Furthermore, within auto sector, schemes like FAME (Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles) I, FAME II, PM-eBus Sewa as well reduction of GST on electric vehicles from 12% to 5% is expected to increase the demand of EV vehicles in India. Additionally, increased focus on EV infrastructure, around 32000 EV charging stations are expected to be installed in India by Financial Year 2032, will also positively influence the sales of EV. As a result, share of EVs in the overall automobiles sales in India is likely to reach ~30% by 2030.

Sectors like metals, cement, oil and gas may continue to account for higher capex as larger companies gained market share during the recovery from pandemic and benefited from a sharp improvement in profitability because of the commodity upcycle, which improved their credit profiles.

Increased capex in these industries is anticipated to indirectly boost the demand for pre-engineered steel structures, especially in large and complex industrial construction projects. Pre-engineered steel construction may be preferred for large and complex industrial projects, depending on the size, structure, and construction span of the building due to its hi-speed, engineering efficiency, sustainability, and quality advantages.

### **Increasing popularity of green and sustainable buildings**

Increasing popularity of green and sustainable buildings among large corporations as well as logistics players are also driving growth of pre-engineered steel buildings as streamlined processes minimise material waste significantly and make these buildings more sustainable than traditional buildings. Additionally, steel is a major component in pre-engineered steel building construction which is highly recyclable.

Moreover, use of pre-engineered steel building structures supports deconstruction and reconstruction, enabling the building components to be reused or recycled at the end of their life cycle. This approach significantly reduces the amount of construction-related waste sent to landfills, leading to a more sustainable construction industry. Overall, the growing shift of logistics players towards green logistics is expected to support the pre-engineered steel building sector.

### **Infrastructure development and investments will support demand for PEB**

India's focus on infrastructure is increasing owing to government policies such as metro rail projects and the National Infrastructure Pipeline, which are expected to be major growth drivers for the pre-engineered construction industry in India. Between Financial Years 2018-2022, investments in infrastructure in India increased at a CAGR of 7% to ₹ 11 trillion. Within this, central government accounted for 49% of the pie and states for 29%, with the private sector accounting for the balance.

CRISIL expects focus on infrastructure development to continue going forward. Effective central government capex (capex + grants in aid for creation of capital assets) is budgeted to rise to 4.5% of GDP in Financial Year 2025. This will cushion the economy through its relatively large multiplier effect, and at the same time is expected to crowd in private investment, especially in infrastructure linked sectors such as steel and cement. Additionally, infrastructure capex is expected to log a CAGR of 11% between Financial Years 2023-2027, rising 67% compared with the Financial Years 2018-2022, led again by government spend. This increased government spending on infrastructure along with growing awareness of pre-engineered buildings over traditional construction is expected to boost the demand of pre-engineered buildings in India.

### **Increased focus on renewable energy capacity addition**

In renewable energy space, CRISIL expects strong capacity additions of 290-300 GW till Financial Year 2030. Within the total capacity additions, solar and wind will see the highest capacity additions of 180-190 GW and 55-60 GW respectively. Additionally, CRISIL expects share of non-fossil in generational mix to increase to 45% by Financial Years 2030, with solar accounting for 50% of incremental non fossil generation. These capacity additions will require substantial capex in development of needed infrastructure. CRISIL expects capex of ~₹ 30.3 trillion in renewable energy space between Financial Years 2024-2030.

### **Warehouse and cold storage expansion to be major contributors to PEB demand**

Due to increasing e-commerce penetration and changing customer preferences, companies are also investing in warehousing and cold storage facilities. Additionally, due to rapid urbanisation and economic growth in developing countries, various companies seek faster and more cost-effective ways to construct their warehouses. Pre-engineered steel buildings are preferred for their cost-effectiveness and speedy construction compared with

RCC buildings as they require less manpower and construction time, leading to cost savings. Increased adoption of pre-engineered steel building in warehouse construction will boost overall pre-engineered market growth. Overall, CRISIL projects construction investments in the warehousing (agricultural and industrial) and cold storage (single- and multi-commodity) sectors to rise to ₹ 400-420 billion over Financial Years 2024-2028P from ₹ 230 billion in Financial Years 2019-2023(E) on expectations of increased demand. Additionally, as of Financial Year 2023, penetration of PEB in warehousing is estimated at ~37-40%, which is expected to increase to ~57-60% by Financial Year 2028. This increased penetration of PEB in warehousing, along with increased demand of warehouses, will provide boost to the overall pre-engineered building industry.

### Increasing demand of data centres in India

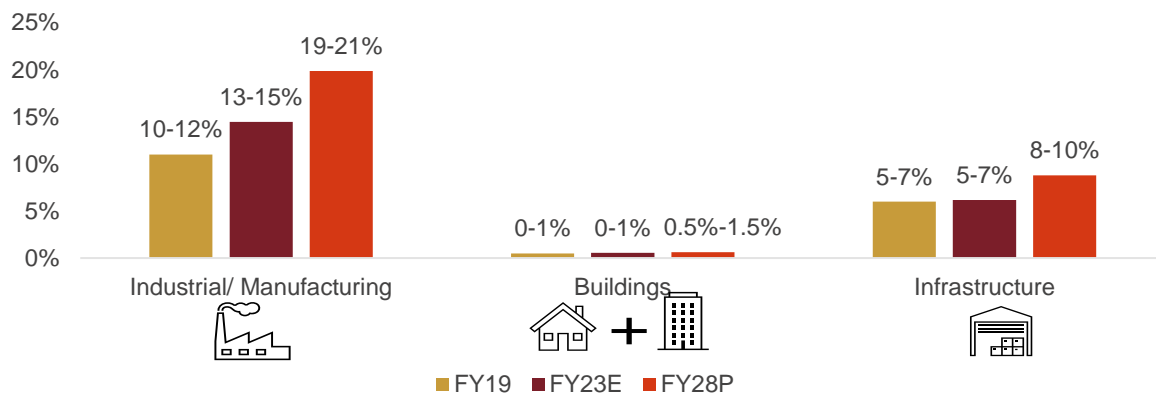
As per the draft Data Centre Policy 2020, data centres to be declared as an Essential Service under The Essential Services Maintenance Act, 1968 (as amended). Furthermore, Data Centre Economic Zones will also be set up for the long-term growth of data centres in India. CRISIL expects installed data centre IT capacity to increase from 780 MW in Financial Year 2023 to ~1,700 MW by Financial Year 2026, thereby registering a CAGR of ~30%. Additionally, revenue is expected to grow ~2x to reach ~₹ 200 billion by Financial Year 2026 from ~₹ 84.5 billion in Financial Year 2023.

These policies combined with the RBI mandate advising all payment system providers to store entire data related to payment systems operated by them in a system only in India is expected to provide impetus to data centre in India, which in turn is expected to boost the demand of pre-engineered steel buildings.

### Low penetration of PEB in building sector

In Financial Year 2023, share of PEB in building sector is estimated at 0-1%, which is sizeably lower than the penetration of PEB in industrial and infrastructure sector, where penetration stood at 13-15% and 5-7% respectively. However, growing awareness of benefits of PEB over traditional construction methods combined with low penetration of PEB in building sector provides room of further growth in this sector. Additionally, shortage of suitable healthcare infrastructure during Covid-19 has also increased the awareness of PEB in healthcare space which is also expected to positively impact demand of PEB in building sector.

### Share of pre-engineered construction in various sectors



Infrastructure includes warehouse. Building includes residential, commercial and non-commercial verticals

P: Projected; E: Estimated

Source: CRISIL MI&A

### Rise in government-led innovative construction projects

Policy and regulatory factors play a crucial role in shaping the demand, growth and adoption of prefabrication and pre-engineering in the construction sector. For example, government schemes such as PMAY have been instrumental in driving the demand and growth of the pre-fabrication and pre-engineering industry, especially in the housing sector. Light house projects under the ambit of Pradhan Mantri Awas Yojana- Urban (PMAY- U) use distinct technologies to offer affordable and quality housing in an accelerated timeframe.

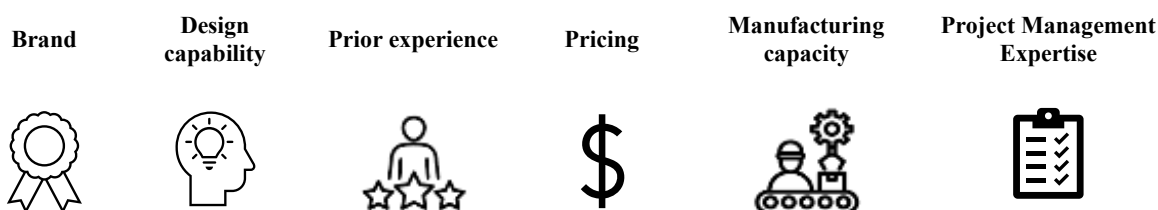
The increased focus of both central and state governments on providing low-cost housing in India is expected to boost the demand of cold form structures in the future. Additionally, government initiatives such as the light house project are expected to encourage wider adoption of such technologies across India, thereby driving the demand of prefabricated and pre-engineered construction structures.

## Summary of growth drivers

Sector	Growth drivers
<b>Overall</b>	<ul style="list-style-type: none"> <li>Low per capita steel consumption in India along with government schemes like National Steel Policy, which aims to boost domestic steel production is expected to help the PEB industry which is highly dependent on few steel suppliers.</li> <li>Approval of specialty steel under Production Linked Incentive (PLI) Scheme with a budgetary outlay of ₹ 63.2 billion and capacity addition of 25 MT will positively impact the availability as well as quality of steel as a raw material</li> </ul>
<b>Industrial/ Manufacturing</b>	<ul style="list-style-type: none"> <li>Overall industrial capex is expected to rise to nearly ₹ 5.7 trillion on average between Financial Year 2023-2027 compared with PLI and new-age sectors contributing to 15-17% of the total industrial capex</li> <li>Construction investment in the industrial sector is projected at ₹ 4-5 trillion between Financial Years 2024-2028, rising 1.2 times over spends seen in Financial Years 2019-2023. The rise in investment is projected due to inclusion of the PLI scheme in the capex investments of the industrial sector.</li> <li>Construction investments in oil and gas sector are expected to increase to ₹ 2.5-2.6 trillion over Financial Years 2024-2028. These investments will be driven by refinery expansions at HPCL's Barmer, Vizag, IOCL Barauni, Numaligarh, capacity expansion plans announced by RIL and increasing investments towards retail outlets.</li> <li>Increasing popularity of green and sustainable buildings, along with the benefits of faster construction time and reduced material wastage is expected to increase adoption of PEB.</li> <li>Growing penetration of EV vehicles in India led by favourable government initiatives like FAME, reduction of GST will require robust EV infrastructure.</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Infrastructure capex is expected to log a CAGR of 11% between Financial Years 2023-2027, rising 67% compared with the Financial Years 2018-2022. This is expected to boost the demand of pre-engineered buildings in India.</li> <li>Growing demand from warehouses and cold storage due to increase in the penetration of e-commerce in India. Additionally, post implementation of GST as well as shift to hub and spoke models, large PLI players have started investing in PEB warehouses.</li> <li>Increase in the demand of data centres in India along with RBI mandate to store payment data locally in India, will boost the demand of pre-engineered buildings in India owing to increasing penetration of PEBs in data centres.</li> <li>Growing focus on renewable energy capacity additions will require substantial Capex in this field. CRISIL, expects capex spends of ~₹ 30.3 trillion in renewable energy space between Financial Years 2024-2030.</li> </ul>
<b>Building</b>	<ul style="list-style-type: none"> <li>Low share of pre-engineered construction in building (residential + commercial + non-commercial) construction (~0-1% as of Financial Year 2023 (E)) along with increasing awareness of PEB in India will positively impact the demand of PEB.</li> <li>Investments in building sector is expected to rise to ₹ 16-16.6 trillion between Financial Years 2024-2028 from an investment of ₹ 12-12.5 trillion between Financial Years 2019-2023, growing ~1.3 times.</li> <li>Construction spends of ₹ 340-360 billion over the Financial Years 2024- 2028 are expected in healthcare space. Additionally, shortage of suitable healthcare infrastructure during Covid-19 has increased the awareness of PEB in healthcare space with MoHFW consulting experts from notable institutions regarding suitable options available for pre-engineered structures (panels) in case of healthcare infrastructure.</li> <li>Rise in government-led innovative construction projects like Light house project under the ambit of PMAY- U will provide more awareness of non-conventional construction technologies like PEB in India.</li> </ul>

Source: CRISIL MI&A

## Key selection criteria for pre-engineered steel building suppliers



Source: CRISIL MI&A

## **Brand**

Having a reputed brand name is a key success factor for pre-engineered steel building suppliers as companies prefer brands for ensuring reliability and quality of raw materials. Furthermore, established brands are also known to adhere to industry standards and codes, ensuring that product quality remains consistent.

Additionally, choosing a reputed brand instils confidence in the project's key stakeholders and reduces the risks associated with dealing with lesser-known suppliers in the unorganised sector. Furthermore, established players invest in research and development and modern technology, resulting in better product quality due to more efficient processes. This, in turn, guarantees that clients receive a high level of quality in their pre-engineered steel projects. Therefore, opting for a well-known brand name is not just a preference but a practical necessity to ensure the success and quality of pre-engineered steel projects.

## **Design capability**

Companies prefer pre-engineered steel building suppliers who have reputed design/architecture teams and established design capabilities as these factors directly influence the functionality and the aesthetics of the building. Pre-engineered steel building suppliers with expertise in architectural and structural design can optimise the building's layout, ensuring efficient space utilisation and seamless integration of various components.

Additionally, the importance of an experienced design team becomes more pronounced in pre-engineered steel building projects compared with traditional construction methods such as RCC as these projects demand greater coordination among various stakeholders and precise planning and execution from the start to ensure seamless integration of pre-engineered components. Hence, the emphasis on design capability remains a crucial factor in the decision-making process for companies engaged in pre-engineered steel projects.

## **Prior experience**

Even though adoption of pre-engineered steel buildings is increasing due to inherent benefits such as cost savings and a lower environmental impact, the market is still in a nascent stage in India. Hence, companies prefer pre-engineered steel building suppliers with a proven track record to ensure their projects are completed on time. Furthermore, having prior experience also helps in gaining confidence of key project stakeholders as more experience translates into better knowledge of building codes, industry regulations and terrain requirements. Additionally, experienced suppliers often have well-established networks with other stakeholders such as erectors to ensure smooth coordination during the project lifecycle.

## **Pricing**

The fragmented structure of the pre-engineered steel building industry grants customers significant bargaining power. Hence, competitive pricing is imperative for success. However, pre-engineered steel building suppliers must ensure a balance between affordability and quality, along with a transparent cost structure.

## **Manufacturing capacity**








A robust manufacturing capability ensures timely production and delivery of building components, as the construction industry is frequently dogged by missed project deadlines and cost overruns.

Furthermore, it also enables pre-engineered steel building suppliers to streamline their processes, optimise their operations and handle multiple projects simultaneously. Additionally, the ability to handle larger volumes of pre-engineered steel buildings provides them more bargaining power with suppliers of raw materials, thereby optimising costs.

## **Project Management Expertise**

Project management expertise is a pivotal factor in the evaluation of pre-engineered steel building suppliers as construction industry is usually riddled by long projects. Hence, project management expertise becomes extremely important to ensure timely completion and avoid costs overrun as it helps in the adherence to timelines, budget constraints, and high-quality standards.

## **Critical factors in the pre-engineered steel building industry**

Success factor	Description
 <b>Quality material</b>	<ul style="list-style-type: none"> <li>The use of quality raw materials ensures structural integrity, compliance with relevant codes and standards, proper safety of pre-engineered steel buildings and a higher life span of buildings.</li> <li>Furthermore, it positively influences reputation and helps gain the confidence of potential clients.</li> </ul>
 <b>Research and development</b>	<ul style="list-style-type: none"> <li>Investing in research and development enables pre-engineered steel building suppliers to provide better quality products to their clients and gain competitive advantage. Furthermore, suppliers could ensure pre-engineered steel structures are customised according to the terrain, enabling them to expand their product portfolio and gain potential clientele.</li> </ul>
 <b>Design expertise</b>	<ul style="list-style-type: none"> <li>Possessing design expertise is a must as the nascent stage of the industry further underscores the significance of specialised design expertise, which plays a pivotal role in ensuring both functionality and aesthetics of pre-engineered steel buildings.</li> </ul>
 <b>Standardisation</b>	<ul style="list-style-type: none"> <li>Establishing standardised processes and specifications is a critical factor for the industry as it ensures consistency and quality across pre-engineered steel building structures. Having standardised products also decreases the chances of structural failures and collapse of pre-engineered steel building structures during erection.</li> <li>Overall, standardisation streamlines the manufacturing process, reduces the chances of mishaps during the erection process, thereby enabling pre-engineered steel building suppliers to deliver reliable, cost-effective and high-quality solutions consistently.</li> </ul>
 <b>Technology</b>	<ul style="list-style-type: none"> <li>Pre-engineered steel building suppliers can leverage technology through use of proper design software and new construction technologies such as 3 D printing to optimise their design process as well as accelerate their manufacturing process. Utilising the latest technological innovations related to construction not only helps pre-engineered steel building players in saving cost and time, but also helps them gain competitive advantage.</li> </ul>
 <b>Experience of handling complex projects</b>	<ul style="list-style-type: none"> <li>Prior experience of handling complex projects is paramount for success in the pre-engineered steel building industry as it provides invaluable insights about streamlining operations and optimizing resource allocation, thereby facilitating smoother project execution. Additionally, having prior experience of handling complex projects for high ticket clients also provides credibility to the pre-engineered steel building players.</li> </ul>
 <b>Project management and global safety practices</b>	<ul style="list-style-type: none"> <li>Efficient project management, along with compliance to safety measures, is a prerequisite for success of the pre-engineered steel building industry. While effective project management ensures efficient planning, budget control, and quality assurance, adherence to safety measures includes strict compliance to codes, training programmes for workers, provision of safety equipment, regular audit of work practices at sites as well as promoting awareness on security norms among all key stakeholders.</li> <li>Hence, the synergy between efficient project management and stringent safety compliance is a critical factor for the pre-engineered steel building industry.</li> </ul>

Source: CRISIL MI&A

## Key challenges

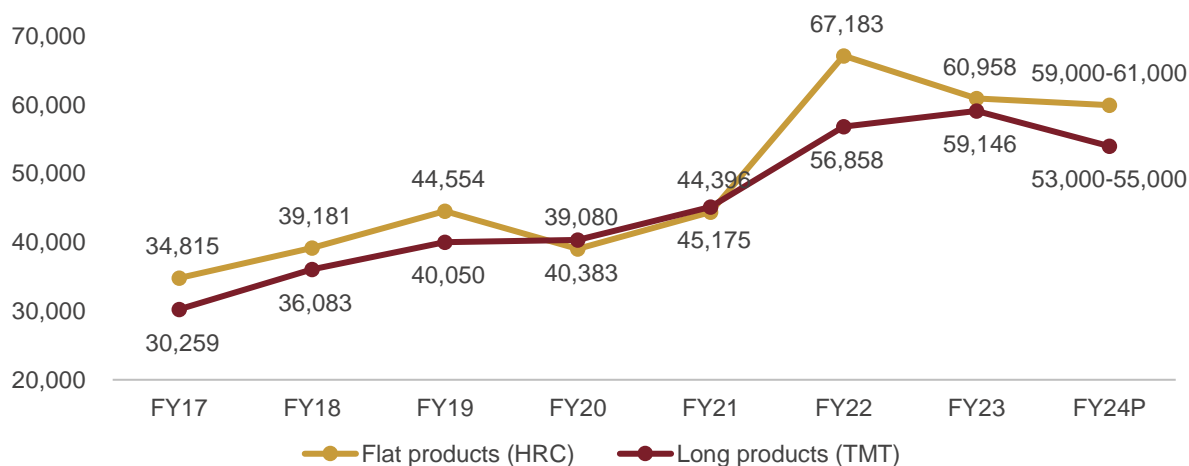
### Vulnerability to fluctuations in raw material prices

The prices of raw materials, mainly steel, could affect project costs, profitability and project timelines. According to industry sources, the pre-engineered steel building industry relies heavily on a limited number of high-quality steel suppliers including Tata Steel, Nippon Steel, ArcelorMittal Nippon Steel India, Steel Authority of India Limited, Jindal Steel & Power Ltd. and Jindal Steel for raw materials such as hot-rolled (HR) coils, high-grade S345 MP, etc. The limited base gives these suppliers significant negotiating power and the dependence on a small pool of suppliers makes the industry susceptible to supply chain issues.

Due to high dependence on steel, the ability of players to tackle challenges related to input costs and working capital become crucial for the industry's success. Additionally, steel prices are also susceptible to global geopolitical events such as the Russia-Ukraine war, which further emphasises the need for strategic resource planning.

### Domestic steel price outlook

(Rs per tonne)



Note: P: Projected; domestic prices are pan-India average selling prices (excluding duties); for long products, prices are indicative of primary steel manufacturers

Source: CRISIL MI&A

Domestic prices averaged ₹ 59,146 per tonne for long steel and ₹ 60,958 per tonne for flat steel in Financial Year 2023. Moving ahead, with cooling of raw material prices, the average prices are expected to be ₹ 53,000-55,000 per tonne for long steel and ₹ 59,000-61,000 per tonne for flat steel by Financial Year 2024.

### Transportation challenges

As pre-engineered structures are manufactured offsite, transportation of these structures to the construction site involves logistics expenses, which are a function of the distance and the complexity of the transportation process and can significantly impact the overall project cost. Furthermore, these components are susceptible to damage during transportation and handling and may require rework or replacement, which, in turn, could lead to additional costs and project delays.

### Additional safeguards to withstand natural disasters

Construction projects, including pre-engineered structures, must adhere to proper building standards to ensure they can withstand earthquakes and other seismic events. However, the intensity and frequency of seismic events such as earthquakes depends on the geological setting and may vary based on the location. Hence, pre-engineered structures should be designed after due consideration and study of the seismic classification and history of the construction site. However, this can complicate their design and manufacturing process and may involve incorporating additional engineering measures and special materials to enhance the structural durability of such prefabricated structures.

Furthermore, even in the event of a fire, certain components of pre-engineered buildings, such as flange braces, sag rods, and cross bracing rods, are susceptible to damage. Flange braces and sag rods are particularly prone to snapping, while cross bracing rods may lose their tensile strength, thereby compromising the overall stability of the building. The use of fire-retardant intumescent paint, while highly effective, is often limited due to its prohibitive cost. Consequently, its application is reserved for specialised cases, highlighting the need for alternative methods and materials to safeguard pre-engineered structures against fire-related risks.

### Medium capital outlay and fragmented industry

The pre-engineering industry does not require significant upfront capital investments in terms of manufacturing facilities and suitable technology, leading to fragmentation with multiple manufacturers, suppliers and contractors operating independently. Hence, intense competition is impacting margins of players.

Moreover, the players in the unorganised industry may compromise on quality standards to ensure price competitiveness, which may weaken the structural security of the building. For instance, a metal building collapsed in 2014 near Nagpur due to structural instability and the intervention of multiple stakeholders: there was a different design engineer, supplier of plates, fabricator of primary frame, supplier of cold formed sections and sheeting. Multiple erectors tried to erect the pre-engineered steel structure, but it eventually collapsed. Additionally, according to a study published in International Research Journal of Engineering and Technology (IRJET), most of the pre-engineered steel structures collapse due to neglect of cross bracing and most of the structures, categorised as impending and deemed failures, are often executed by unorganised fabricators.

### **Design limitations**

Standardisation of pre-engineered components often results in modular sizes and shapes, limiting the freedom to create highly unique or unconventional designs that require non-standard dimensions. Structural constraints must be carefully considered in manufacturing pre-engineered structures to ensure the stability and safety of the structure. This imposes limitations on architects/designers in terms of design that can be structurally feasible. Furthermore, the seamless integration of pre-engineered structures with traditional on-site construction can introduce additional challenges, which can exacerbate in difficult terrains.

### **Limited knowledge and lack of skilled manpower**

The pre-engineered construction industry in India is in its infancy, because of which there is a shortage of skilled personnel with adequate technical knowledge of these structures. Designers play a crucial role in creating designs for the successful implementation and integration of pre-engineered steel buildings; however, not all designers may possess adequate knowledge and experience in modular construction techniques. Despite the growing awareness about pre-engineered structures, traditional construction methods often dominate architectural education and practice. This results in a knowledge gap in understanding the specific requirements of pre-engineering.

### **Policy and Regulatory framework**

There is no existing regulatory or policy framework particularly for pre-engineered steel buildings in India. However, there are various codes, which are discussed below, for the use of steel in construction. The pre-engineered construction industry in India adheres to guidelines and quality standards set by authorities such as the International Organization for Standardization (ISO), Bureau of Indian Standards (BIS), Building Materials and Technology Promotion Council (BMTPC), and Ministry of Housing and Urban Affairs (MoHUA).

The National Building Code (NBC) is designed by BIS, which is responsible for setting guidelines for construction activities, including the use of prefabricated/ pre-engineered components. Civil Engineering Division (CED) Committee number 2 to CED Committee number 59 of BIS are related to construction. Furthermore, CEDs like CED 32, CED 51 and CED 46 are related to prefabricated/ pre-engineered construction. Other standards include IS-800 (Indian Standard- General Construction in Steel - Code of practice), IS-875-PART- I to V (Loads and Combinations) and IS-1893 Criteria for Earthquake Resistant Design of Structure (R-5). Model Building Bye-Laws, 2016, published by Town and Country Planning Organisation, MoHUA, plays a vital role in formulating policies and regulations for the construction industry, offering guidance and support for adopting new technologies. For instance, Sections 6.1.1 and 6.4 of the provisions for structural safety provide specific details for pre-engineered systems. Moreover, depending on the nature of the project, specialised agencies may be involved in regulating specific aspects of pre-engineered construction for infrastructure projects. For instance, during the pandemic, the Ministry of Health and Family Welfare consulted experts from institutions such as IITs of Delhi, Roorkee and Madras, as well as MIT Pune, regarding suitable options available for pre-engineered structures (panels) in case of healthcare infrastructure.

ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2017, ISO 14001:2004 and OHSAS 18001:2007 (South-East Asia) are few of the quality standards and guidelines adhered to by the PEB industry in India. These standards cover the design, fabrication and supply of pre-engineered steel buildings and structural steel works. Other international standards include the Metal Building Manufacturers Association (MBMA), American Institute of Steel Construction (AISC) and American Welding Society (AWS).

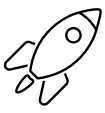


**Few applicable codes and standards as per Indian standards for PEBS/ steel construction/ prefabricated structures**

Code	Description
IS:875-I	Code of practice for design dead loads for buildings and structures
IS:875-II	Code of practice for design imposed loads for buildings and structures
IS:875-III	Code of practice for design loads (other than earthquake) for buildings and structures
IS:1893	Criteria for earthquake resistant design of structures
IS:4326	Code of practice for earthquake resistant design and construction of buildings
IS: 800	Code of practice for use of structural steel in general building construction
IS: 801	Code of practice for use of cold-formed light gauge steel structure members
IS:811	Specification for cold formed light gauge structural steel sections
IS: 4923-III	Hollow steel sections for structural use - Specification
IS:8629	Code of practice for protection of iron and steel structures from atmospheric corrosion
IS: 4000	High strength bolts in steel structures
IS: 14142	Code of practice for design and construction of floors and roofs with prefabricated brick panel
IS: 11447	Code of practice for construction with large panel prefabricates
IS: 15917	Building Design and Erection Using Mixed / Composite Construction - Code of Practice
IS: 15916	Building Design and Erection Using Prefabricated Concrete
IS :14213	Code of practice for construction of walls using precast concrete stone masonry blocks



*Note: The above list is indicative and not exhaustive representation of quality standards for PEBS in India*

*Source: CRISIL MI&A*

**Porter’s five forces analysis**

Porter’s five forces	Description
 <b>Threat of new entrants: High</b>	<ul style="list-style-type: none"> <li>The threat of new entrants in the pre-engineered construction industry is high due to its moderate capital-intensive nature, as it does not require substantial investments in terms of manufacturing facilities/factories, specialised equipment, and skilled labour.</li> <li>However, high-value clients prefer credible manufacturers of pre-engineered structures with a proven history of successful experience, which further makes it difficult for new entrants to capture the market. However, lack of stringent regulatory policies and a high-capacity utilisation ratio make the industry more attractive to new entrants.</li> </ul>
 <b>Power of customers: High</b>	<ul style="list-style-type: none"> <li>The industry's fragmented nature, coupled with lack of undifferentiated products and services, provides high bargaining power to customers. In case of large projects, the presence of a limited number of big-ticket suppliers, such as contractors and construction developers, reduces the bargaining power of buyers as the vendor choice becomes limited. Tier 1 service providers compete on quality and pricing.</li> <li>Overall, the highly fragmented nature of the pre-engineered steel structure industry, coupled with inability to provide product differentiation, provides high negotiation power to customers, thereby negatively impacting revenue of players in the pre-engineered steel building market.</li> </ul>
 <b>Power of suppliers: High</b>	<ul style="list-style-type: none"> <li>Supplier power is high as there are few large and credible suppliers of raw materials and components, allowing them to influence the industry. SAIL, Tata Steel and JSW hold 40-45% of the steel production market. Large pre-engineering companies that have established long-term relationships with these suppliers have an advantage in negotiations, leading to a more balanced power dynamic.</li> </ul>



Porter's five forces	Description
 <p><b>Competitive rivalry: High</b></p>	<ul style="list-style-type: none"> <li>The industry exhibits high competitiveness, driven by fragmentation (52-57% share held by unorganised players) and a limited number of big-ticket clients. Furthermore, due to the increasing demand for standardised pre-engineered structures, the scope of product differentiation becomes limited, which puts additional price pressure.</li> </ul>
 <p><b>Threat of substitutes: Low</b></p>	<ul style="list-style-type: none"> <li>The threat of substitutes is low. One of its major alternatives is traditional on-site built construction. However, the advantages of pre-fabrication, such as cost savings, faster construction times and more eco-friendly nature, are positively impacting its demand. Traditional construction still holds the major share in overall construction.</li> </ul>

Source: CRISIL MI&A

### Assessment of competitive landscape of pre-engineered buildings industry in India

In this section, CRISIL has analysed some key players operating in the integrated pre-engineered buildings industry in India. Integrated PEB players are considered to be providing complete end-to-end PEB solutions, including, design, engineering, fabrication of the structure, and onsite delivery and installation. Major steel players such as Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam (RINL), Tata Steel Limited Group (TSL), ArcelorMittal and Nippon Steel (AM/NS), Jindal South West Group (JSWL) & Jindal Steel & Power Limited (JSPL), are not considered in this section. Major business of these steel players come from manufacturing of steel and steel products including structural steel products. These steel players are suppliers to the integrated PEB players.

Note: The list of competitive landscape peers considered in this section is not exhaustive but an indicative list. Only players which provide integrated pre-engineered steel building offerings within a comparable revenue range are considered in this section.

Data has been obtained from publicly available sources, including annual reports available in the public domain/ filed with the RoC, investor presentations of listed players, regulatory filings, rating rationales, and/or company websites and social media pages. Financials in the competitive section have been re-classified by CRISIL, based on annual reports available in the public domain/ filed with the RoC and financial filings by the relevant players. Financial ratios used in this report may not match with the reported financial ratios by the players on account of standardisation and re-classification done by CRISIL.

### Overview of key players

Company name	Year of incorporation	Business overview <sup>1</sup>
<b>EPack Polymers Pvt Ltd</b>	1999	EPack Polymers Pvt Ltd is a group company of EPack and has over 24 years of experience. The company offers prefabricated and pre-engineered solutions across multiple sectors including airports, hospitals, and schools.
<b>Everest Industries Ltd</b>	1934	Everest Industries is a pre-engineered steel building manufacturer in India and has approximately 90 years of experience in supporting industrial projects, warehousing infrastructure, multi-storey process buildings, composite structures and pipe racks, among others.
<b>Interarch Building Products Ltd</b>	1983	Interarch Building Products, which has 40+ years of experience in pre-engineered steel construction, has integrated facilities for design, manufacture, logistics, supply, and project execution. It has worked with industry leaders in project development and construction, providing support to critical

<b>Company name</b>	<b>Year of incorporation</b>	<b>Business overview<sup>1</sup></b>
		industrial, commercial and infrastructure projects.
<b>Kirby Building Systems &amp; Structures India Pvt Ltd</b>	2005 <sup>2</sup>	Kirby Building Systems & Structures India is part of Kirby Building Systems, which established its presence in PEB technology in the Middle East in 1976. Kirby Building Systems & Structures India executes projects in multiple industries, including healthcare, industrial construction, education, and infrastructure.
<b>M &amp; B Engineering Ltd</b>	1981	M & B Engineering Ltd is a parent company of Phenix Construction Technologies and Proflex Roofing Solutions, and a part of M&B Group. The group provides customer-specific turnkey solutions for engineering and infrastructure projects. The company deals in pre-engineered buildings, structure steels, steel roofing and components thereof.
<b>Pennar Industries Ltd</b>	1975	Pennar Industries has experience of over 48 years in offering multiple products/ services including pre-engineered buildings and structural steel buildings across sectors, like commercial and high rises, industrial and distribution facilities, health and education buildings and stadium & leisure centres.
<b>Phenix Building Solutions Pvt Ltd</b>	2007	Phenix Building Solutions is a part of M&B Group, which was established in 1951 and has experience of providing prefabricated structures across multiple industries, including manufacturing, automobiles, warehousing, power, railways and commercial buildings.
<b>Smith Structures (India) Pvt Ltd</b>	2011	Smith Structures (India) has been operating for over 10 years and offers multiple products and services related to pre-engineered steel buildings and structures across sectors like automobile, food and agro, chemicals, pharmaceuticals, packaging, textiles, tyre, warehousing, steel, electrical and electronics, cold supply chain, etc.
<b>Zamil Steel Buildings India Pvt Ltd</b>	2003 <sup>3</sup>	Zamil Steel Buildings India is the subsidiary of Zamil Steel Pre-Engineered Buildings Co. Ltd, which was established in 1977 in Dammam, Saudi Arabia. Zamil Steel Pre-Engineered Buildings is a key global structural steel/pre-engineered steel building supplier, having supplied over 90,000 steel structures in 90 countries.

<sup>1</sup> Details about clients and sector presence of companies are taken from their respective websites and are not exhaustive.

<sup>2</sup> Kirby Building Systems & Structures India is part of Kirby Building Systems, which established its presence in PEB technology in the Middle East in 1976

<sup>3</sup> The establishment of Zamil Steel in India was announced in 2006, and it started its commercial operations in 2008. It is the subsidiary of Zamil Steel Pre-Engineered Buildings Co. Ltd, which was established in 1977 in Dammam, Saudi Arabia.

Note: This list is indicative only and non-exhaustive

Source: Company websites, annual reports available in the public domain/ filed with the RoC, CRISIL MI&A

## A few global PEB players

Company	Type	Presence*	Overview
<b>ATAD Steel Structure Corp.</b>	Private	Southeast Asia	Established in 2004, ATAD has implemented more than 3,500 steel buildings across 40 countries and territories with a network of 11 companies and representative offices in Myanmar, Indonesia, Thailand, the Philippines, Cambodia, Sri Lanka, Bangladesh and Uganda
<b>BlueScope Steel</b>	Public	North America, Australia, Asia, New Zealand and the Pacific Islands	Established in 2002, BlueScope Steel Ltd has global presence and provides customized and fully engineered steel building solutions. In 2004, it acquired Butler Manufacturing Company and in 2008, it acquired Varco Pruden Buildings.
<b>Cornerstone Building Brands Inc.(Shelter Solutions)</b>	Public	Principally in the U.S. with limited operations in Canada	Under its Shelter Solutions reportable vertical, the company designs, engineers, manufactures and distributes an extensive line of metal products for the low-rise commercial construction market under multiple brand names and through a nationwide network of manufacturing plants and distribution centres. Low-rise commercial construction is defined as building applications of up to five stories
<b>Kirby International</b>	Private	Middle East, Southeast Asia, Indian Subcontinent, Africa, Europe	Established in 1976, Kirby is present across 70 countries and has an annual production capacity of 400,000 MT. The company is a 100% subsidiary of Kuwait-based multinational and multi-billion-dollar business conglomerate Alghanim Industries
<b>Nucor Buildings Group</b>	Parent company Nucor Corp. ** is a public entity	North America	Nucor produces metal buildings and components throughout the US under the following brands: Nucor Building Systems, American Buildings Company, Kirby Building Systems and CBC Steel Buildings. Nucor Buildings Group currently has an annual capacity of approximately 360,000 ton. The group acquired the insulated metal panels, or IMP, business of Cornerstone Building Brands, Inc in August 2021
<b>Rigid Global Building</b>	Private	United States	Rigid Global Buildings has experience of more than 30 years in production of pre-engineered metal buildings. Currently, the company offerings include metal buildings for industries' including commercial, government, schools, self-storage, etc.
<b>Whirlwind</b>	Private	United States	Whirlwind Manufacturing Inc was founded in Houston, Texas, in 1955 by the Sturdivant family. By 1961, Whirlwind had expanded into the manufacture and sale of metal building components, including panels, secondary structural framing, and trim. As of Jan 2024, Whirlwind Steel has a combined total of almost 500,000 -square feet of manufacturing capacity turning out over 100,000,000 pounds of steel products every year.
<b>Zamil Steel</b>	Private	GCC, Middle East, Asia, Africa and Far East	Established in 1977 in Dammam, Saudi Arabia, Zamil Steel Pre-Engineered Buildings specialises in the design, manufacture, and supply of pre-engineered steel buildings. The company has commissioned more pre-engineered buildings factories in Egypt, India, the UAE, and Vietnam, expanding total PEB production capacity to 360,000 MT per annum. Since 1977, the company claims to have supplied more than 90,000 buildings to more than 95 countries worldwide, from Panama and Mexico in the West to the Philippines, China, Japan, and South Korea in the East

Note: \* list is only indicative and not exhaustive

Source: CRISIL MI&A

## Manufacturing plants and PEB related capacity

Company name	International presence	Manufacturing plants*	Installed capacity (MT/ annum)
<b>Kirby Building Systems &amp; Structures India Pvt Ltd</b>	Yes	3 <sup>1</sup>	300,000 <sup>2</sup>
<b>Interarch Building Products Ltd</b>	Yes	4	141,000 <sup>3</sup>

Company name		International presence	Manufacturing plants*	Installed capacity (MT/ annum)
Zamil Steel Buildings India Pvt Ltd		Yes	1 <sup>4</sup>	100,000 <sup>5</sup>
Pennar Industries Ltd		Yes	1 <sup>6</sup>	90,000 <sup>7</sup>
Everest Industries Ltd		Yes	2 <sup>8</sup>	72,000 <sup>9</sup>
M & B Group and related parties	Phenix Building Solutions Pvt Ltd	Yes	1	72,000 <sup>10</sup>
	M & B Engineering Ltd@@	Yes	N.A.	N.A.
Smith Structures (India) Pvt Ltd		Yes	1 <sup>11</sup>	50,000 <sup>11</sup>
EPack Polymers Private Limited		No**	3 <sup>12</sup>	N.A.

N.A.: Not available

@@ M & B Engineering Ltd has international subsidiary Phenix Construction Technologies Inc. (US); manufacturing plants and installed capacity of M & B Engineering Ltd are not available

\* Related to PEB/structural steel

\*\*In Financial Year 2022, total domestic turnover formed 100% of revenue from operations for EPack Polymers limited

<sup>1</sup>Kirby Building Systems has seven manufacturing plants across the globe as per the company's website accessed on 11<sup>th</sup> March 2024

<sup>2</sup>Kirby Building Systems network produces ~565,000 MT across all plants globally as per its website accessed on 11<sup>th</sup> March 2024

<sup>3</sup>Interarch has a manufacturing capacity of 141,000 MT per annum as of September 2023 across PEB steel structures, metal ceilings and corrugated roofing, light gauge framing system and site roll forming roofing.

<sup>4</sup>Zamil Steel operates 12 manufacturing facilities around the world as per its website accessed on 11<sup>th</sup> March 2024

<sup>5</sup>Global fabricated steel manufacturing capacity of Zamil Steel is more than 500,000 MT as per its website accessed on 11<sup>th</sup> March 2024. Figure in the table represents capacity of the Pune manufacturing plant of the company.

<sup>6</sup>Pennar Industries has 13 manufacturing plants as of Q3, Financial Year 2024 globally.

<sup>7</sup>Pennar Industries has a manufacturing facility near Hyderabad with a production capacity of 90,000 MT per annum for steel buildings as per its website accessed on 11<sup>th</sup> March 2024.

<sup>8</sup>According to rating rationale dated April 2023, Everest group has total of 8 manufacturing plants. According to Everest Industries website, accessed on 11<sup>th</sup> March 2024, the group has 7 manufacturing plants. Everest has two manufacturing facilities related to PEB in Gujarat and Uttarakhand as per its website accessed on 11<sup>th</sup> March 2024.

<sup>9</sup>According to rating rationale dated February 2024, Everest Industries Ltd steel building capacity stood at 72,000 MT per annum as on December 31<sup>st</sup>, 2023.

<sup>10</sup>Phenix has a production facility situated in Gujarat, India with the production capacity of 72,000 MT per annum as per company's website accessed on 11<sup>th</sup> March 2024. However, the company's fabrication partners are established across the U.S. The total annual capacity is 80,000 MT.

<sup>11</sup>Numbers in the table as per rating rationale dated Oct 2023.

According to company's website accessed on 11<sup>th</sup> March 2024, Smith Structures (India) has a facility at Gandhidham and Kheda, Gujarat, with an annual production capacity of 70,000 MT.

<sup>12</sup>Number in the above table represents manufacturing plants related to pre-engineered/prefabricated structures and insulated sandwich panels of EPack group. In total, EPack group has 11 plants as per its website accessed on 11<sup>th</sup> March 2024.

Note: M & B Engineering Ltd and Phenix Building Solutions Pvt Ltd have same promoters

Source: Company filings, annual reports available in the public domain/ filed with the RoC, company websites, CRISIL MI&A

## Key services and offerings

Company name		PEB and accessories <sup>1</sup>	Structural engineering design services/advisory services - PEB	Cold storage solutions/ warehousing PEB solutions
Kirby Building Systems & Structures India Pvt Ltd		✓	✓	✓
Interarch Building Products Ltd		✓	✓	✓
Zamil Steel Buildings India Pvt Ltd		✓	✓	✓
Pennar Industries Ltd		✓	✓	✓
Everest Industries Ltd		✓	✓	✓
M & B Group and related parties	M & B Engineering Ltd	✓	✓	✓
	Phenix Building Solutions Pvt Ltd	✓	✓	✓
Smith Structures (India) Pvt Ltd		✓	✓	✓

Company name	PEB and accessories <sup>1</sup>	Structural engineering design services/advisory services - PEB	Cold storage solutions/ warehousing PEB solutions
<b>EPack Polymers Private Limited</b>	✓	✓	✓

Players have been arranged according in the descending order of their installed capacity mentioned in the table  
Manufacturing plants and PEB related capacity

<sup>1</sup>PEB products include steel frames, roofing and wall solutions

Note: The above list is indicative and not exhaustive representation of the offerings of the company

Source: Company websites, CRISIL MI&A

## Overview of key financial parameters

### Vertical overview

Company	Vertical Information	Revenue contribution (FY23) @@
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#</sup></b>	1. Manufacture and construction of Pre-Engineered Buildings/ Steel Structural / Industrial Racking and components of iron and steel. It also provides designing, drafting, and engineering services for construction of Pre-Engineered Buildings/ Steel Structural/ Industrial Racking and components of iron and steel.	100%
<b>Interarch Building Products Ltd*</b>	1. Manufacturing, supply, erection and installation of complete pre-engineered steel construction buildings, metal roofing and corrugated roofing, and light gauge framing system	100%
<b>Zamil Steel Buildings India Pvt Ltd*</b>	1. Manufacturing of steel structural materials and parts thereof	100%
<b>Pennar Industries Ltd</b>	1. Diversified Engineering (railways-wagons, steel, solar module mounting solutions, industrial boilers & heaters, chemicals & fuel additives, solar panels, precision tubes, BIW, hydraulics and auto components.)	50.1%
	2. Custom designed building solutions & auxiliaries (Pre-engineered Buildings, construction equipments and Engineering Services) <sup>##</sup>	49.9%
<b>Everest Industries Ltd</b>	1. Building Products (includes manufacturing and trading of roofing products, boards and panels, other building products and accessories)	69%
	2. Steel Buildings (consist of manufacture and erection of pre-engineered and smart steel buildings and its accessories)	31%
<b>M &amp; B Group and related parties</b>	M & B Engineering Limited <sup>†</sup>	
	1. Pre-Engineered Buildings, Structure Steels, Steel Roofing and Components thereof	100%
	Phenix Building Solutions Pvt Ltd*-	
	2. Construction of Building Solutions (Prefabricated structures)	100%
<b>Smith Structures (India) Pvt Ltd*<sup>1</sup></b>	1. Design and Engineering Services	12.2%
	2. Retail Trade (related to prefabricated buildings/ construction)	87.7%
<b>EPack Polymers Pvt Ltd<sup>2</sup></b>	1. Thermacol	N.A.
	2. PUF Panels	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table  
Manufacturing plants and PEB related capacity

\* These financials are standalone as these companies do not have subsidiaries

<sup>#</sup>The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the above table

<sup>@@</sup> Revenue contribution is considered as disclosed in the respective company's annual report and have not been reclassified by CRISIL

<sup>##</sup>Pennar industries' custom designed building solutions & auxiliaries vertical includes revenue from pre-engineered buildings, construction equipments and engineering services

<sup>1</sup> For Smith Structures (India) Pvt Ltd, vertical represent types of principal product or services as disclosed in the company's annual report. Furthermore, revenue contribution is calculated on the basis of turnover of product or service category divided by revenue from operations

<sup>2</sup> According to EPACK Polymers Pvt Ltd annual report, the company has identified Thermocol and PUF Panels verticals as its primary vertical. In Financial Year 2022, Thermocol and PUF Panels formed 31.9% (Rs 1,450.4 million) and 68.1% (Rs 3,094.3 million) of revenue from operations, respectively

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the above table, Financial Year 2022 is calendar year 2021, etc)

Source: Company annual reports available in the public domain/ filed with the RoC, CRISIL MI&A

### Vertical revenue (PEB related)

Vertical revenue (₹ million)		FY21	FY22	FY23	CAGR (FY21-23)
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#1</sup></b>		11,914.2	17,248.1	23,321.2	39.9%
<b>Interarch Building Products Ltd<sup>*2</sup></b>		5,760.6	8,349.4	11,239.3	39.7%
<b>Zamil Steel Buildings India Pvt Ltd<sup>*3</sup></b>		3,496.8	5,307.3	6,227.9	33.5%
<b>Pennar Industries Ltd<sup>4</sup></b>		6,903.1	10,446.2	15,050.1	47.7%
<b>Everest Industries Ltd<sup>5</sup></b>		2,547.6	3,195.0	5,091.8	41.1%
<b>M &amp; B Group and related parties</b>	M & B Engineering Ltd <sup>@</sup>	4,145.2	6,882.2	8,804.7	45.7%
	Phenix Building Solutions Pvt Ltd <sup>*6</sup>	968.3	2,475.9	2,907.4	73.3%
<b>Smith Structures (India) Pvt Ltd<sup>*7</sup></b>		1,748.6	3,769.6	4,559.0	61.5%
<b>EPack Polymers Pvt Ltd<sup>8</sup></b>		1,156.4	3,094.3	N.A.	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the above table, Financial Year 2022 is calendar year 2021, etc.)

\* These financials are standalone as these companies do not have subsidiaries

# The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the above table

@ According to the company's Financial Year 2023 consolidated annual report, the company deals in pre-engineered buildings, structural steels, steel roofing and components thereof, and hence revenue from operations is considered for all the years.

<sup>1</sup> According to Kirby Building Systems & Structures India Pvt Ltd annual report, manufacture of pre-engineered steel buildings and steel structures forms 100% of the company's turnover. The company is engaged in the manufacture and construction of pre-engineered buildings/steel structurals/industrial racking and components of iron and steel. Also, the company provides related designing, drafting, and engineering services. Hence, total revenue from operations is considered.

<sup>2</sup> According to Interarch Building Products Ltd annual report, the Company's operating businesses are organised and managed on a single vertical considering activities of manufacturing, supply, erection and installation of pre-engineered steel buildings and related services as one single operating vertical. Hence, total revenue from operations is considered.

<sup>3</sup> According to Zamil Steel Buildings India Pvt Ltd's annual report, the company's activities predominantly involve one business vertical, i.e., manufacturing of steel structural materials and parts thereof (in Financial Year 2023, Financial Year 2022, Financial Year 2021), which is considered as a single business vertical. Hence, profit after tax from the profit and loss statement is considered

<sup>4</sup> Vertical revenue of the custom-designed building solutions & auxiliaries vertical which includes pre-engineered buildings, construction equipment and engineering services is considered for Pennar Industries

<sup>5</sup> Vertical revenue of steel buildings is considered for Everest Industries

<sup>6</sup> Revenue from prefabricated structure forms 100% of revenue from operations. Hence, total revenue from operations is considered.

<sup>7</sup> Total revenue from operations is considered for all the years.

<sup>8</sup> E-Pack Polymers Pvt Ltd is engaged in the business of manufacturing expandable beads known as thermocol and prefabricated housing material. Revenue from the manufacture of PUF panels is considered.

Source: Company annual reports available in the public domain/ filed with the RoC, CRISIL MI&A

## Vertical profit (PEB related)

Vertical profit (₹ million)		FY21	FY22	FY23	CAGR (FY21- FY23)
Kirby Building Systems & Structures India Pvt Ltd <sup>#1</sup>		1,034.4	1,074.3	1,374.3	15.3%
Interarch Building Products Ltd <sup>*2</sup>		64.4	171.3	814.6	255.7%
Zamil Steel Buildings India Pvt Ltd <sup>*3</sup>		-29.8	-204.4	-66.2	n.m.
Pennar Industries Ltd <sup>4</sup>		437.6	651.5	1,049.3	54.8%
Everest Industries Ltd <sup>5</sup>		-186.6	-116.8	401.0	n.m.
M & B Group and related parties	M & B Engineering Ltd <sup>@</sup>	59.0	193.8	341.4	140.5%
	Phenix Building Solutions Pvt Ltd <sup>*6</sup>	4.6	18.2	23.0	124.3%
Smith Structures (India) Pvt Ltd <sup>*7</sup>		34.2	77.6	138.7	101.4%
EPack Polymers Pvt Ltd <sup>8</sup>		33.9	205.0	N.A.	N.A.

Note:

n.m. not meaningful

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

\*These financials are standalone as these companies do not have subsidiaries

# The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the table above

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

@ According to the company's Financial Year 2023 consolidated annual report, the company deals in pre-engineered buildings, structural steels, steel roofing and components thereof, and hence revenue from operations is considered for all the years.

<sup>1</sup> According to Kirby Building Systems & Structures India Pvt Ltd's annual report, manufacture of pre-engineered steel buildings and steel structures forms 100% of the company's turnover. The company is engaged in the business of manufacture and construction of pre-engineered buildings/ steel structurals/ industrial racking and components of iron and steel. Also, the company provides designing, drafting, and engineering services for construction of pre-engineered buildings/ steel structurals/ industrial racking and components of iron and steel. Hence, profit after tax from the profit and loss statement in considered

<sup>2</sup> According to Interarch Building Products Ltd annual report, the Company's operating businesses are organised and managed on a single vertical considering activities of manufacturing, supply, erection and installation of pre-engineered steel buildings and related services as one single operating vertical. Hence, total revenue from operations is considered.

<sup>3</sup> According to Zamil Steel Buildings India Pvt Ltd's annual report, the company's activities predominantly involve one business vertical, i.e., manufacturing of steel structural materials and parts thereof (in Financial Year 2023, Financial Year 2022, Financial Year 2021), which is considered as a single business vertical. Hence, profit after tax from the profit and loss statement in considered

<sup>4</sup> Vertical profit before depreciation, finance, tax expense and share of non-controlling interest of custom designed building solutions and auxiliaries vertical which pre-engineered buildings, construction equipment and engineering services is considered for Pennar Industries

<sup>5</sup> Vertical profit before unallocated expenses (net of income), finance cost and tax expense of steel buildings is considered for Everest Industries

<sup>6</sup> Revenue from prefabricated structure forms 100% of revenue from operations. Hence, profit after tax from the profit and loss statement in considered

<sup>7</sup> Profit after tax from the profit and loss statement in considered

<sup>8</sup> Vertical profit/ vertical operating profit related to PUF panel vertical is considered for EPack Polymers Pvt Ltd.

Source: Company annual reports available in the public domain/ filed with the RoC, CRISIL MI&A

## Half yearly performance (H1 Financial Year 2024)

Company (₹ Million)	Net sales	Profit Before Interest; Depreciation and Tax	PAT
Interarch Building Products Ltd <sup>SS</sup>	5,915.3	441.1	345.8
Pennar Industries Ltd <sup>*^^</sup>	15,630.2	1,321.8	441.7

Company (₹ Million)	Net sales	Profit Before Interest; Depreciation and Tax	PAT
Everest Industries Ltd*^^	7,917.5	185.7	117.5

Note: Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity

<sup>SS</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

<sup>^^</sup>Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

Numbers reclassified as per CRISIL standards and may not match company reported numbers

\*on consolidated basis

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

### Half yearly performance: PEB vertical related (H1 Financial Year 2024)

Company (₹ Million)	Vertical Revenue	Vertical Profit
Interarch Building Products Ltd <sup>1</sup>	5,915.3	345.8
Pennar Industries Ltd* <sup>2</sup>	7,929.6	670.3
Everest Industries Ltd* <sup>3</sup>	1,756.1	-32.1

Notes: Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity

\*On consolidated basis

Vertical revenue and profit are as reported by the companies and are not CRISIL reclassified

<sup>1</sup>According to Interarch Building Products Ltd annual report, the company's operating businesses are organised and managed on a single vertical considering activities of manufacturing, supply, erection and installation of pre-engineered buildings and related services. Hence, revenue from operations and profit after tax from is considered

<sup>2</sup>Vertical revenue and profit of Custom designed building solutions & auxiliaries

<sup>3</sup>Vertical revenue and profit of steel buildings vertical

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

### Operating income

Operating income (₹ million)		FY21	FY22	FY23	CAGR (FY21-FY23)
Kirby Building Systems & Structures India Pvt Ltd <sup>#SS</sup>		11,914.2	17,248.1	23,321.2	39.9%
Interarch Building Products Ltd* <sup>SS</sup>		5,760.8	8,349.6	11,239.4	39.7%
Zamil Steel Buildings India Pvt Ltd* <sup>SS</sup>		3,496.8	5307.3	6,232.4	33.5%
Pennar Industries Ltd <sup>^^</sup>		15,337.8	22,723.1	28,946.2	37.4%
Everest Industries Ltd <sup>^^</sup>		12,179.2	13,647.1	16,557.5	16.6%
M & B Group and related parties <sup>SS</sup>	M & B Engineering Ltd	4,148.1	6,883.7	8,804.7	45.7%
	Phenix Building Solutions Pvt Ltd*	968.3	2,475.9	2,907.4	73.3%
Smith Structures (India) Pvt Ltd* <sup>SS</sup>		1,748.6	3,769.6	4,559.0	61.5%
EPack Polymers Pvt Ltd <sup>^^</sup>		2,408.3	4,544.8	N.A.	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity

<sup>SS</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

<sup>^^</sup>Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

\*These financials are standalone as these companies do not have subsidiaries

# The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the table above

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)



Numbers reclassified as per CRISIL standards and may not match company reported numbers:  
Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A  
**Operating profit before depreciation, interest and taxes (OPBDIT)**

OPBDIT (₹ million)		FY21	FY22	FY23	CAGR (FY21-FY23)
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#SS</sup></b>		1,598.4	1,733.4	2,124.0	15.3%
<b>Interarch Building Products Ltd<sup>*SS</sup></b>		133.7	344.0	1,051.5	180.5%
<b>Zamil Steel Buildings India Pvt Ltd<sup>*SS</sup></b>		47.4	-96.6	84.8	33.8%
<b>Pennar Industries Ltd<sup>^^</sup></b>		1,013.7	1,780.1	2,211.9	47.7%
<b>Everest Industries Ltd<sup>^^</sup></b>		1,161.5	746.7	756.4	-19.3%
<b>M &amp; B Group and related parties<sup>SS</sup></b>	M & B Engineering Ltd	270.3	450.2	672.9	57.8%
	Phenix Building Solutions Pvt Ltd <sup>*</sup>	7.0	26.2	30.1	106.8%
<b>Smith Structures (India) Pvt Ltd<sup>*SS</sup></b>		79.6	197.8	275.7	86.1%
<b>E-Pack Polymers Pvt Ltd<sup>^^</sup></b>		234.1	383.4	N.A.	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

<sup>SS</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

<sup>^^</sup>Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

<sup>\*</sup>These financials are standalone as these companies do not have subsidiaries

<sup>#</sup>The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the table above

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

Numbers reclassified as per CRISIL standards and may not match company reported numbers

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

## PAT

PAT (₹ million)		FY21	FY22	FY23	CAGR (FY21-FY23)
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#SS</sup></b>		1,034.4	1,074.3	1,374.3	15.3%
<b>Interarch Building Products Ltd<sup>*SS</sup></b>		64.4	171.3	814.6	255.7%
<b>Zamil Steel Buildings India Pvt Ltd<sup>*SS</sup></b>		-29.8	-204.4	-66.2	n.m.
<b>Pennar Industries Ltd<sup>^^</sup></b>		15.1	419.6	754.3	606.8%
<b>Everest Industries Ltd<sup>^^</sup></b>		563.9	440.9	423.6	-13.3%
<b>M &amp; B Group and related parties<sup>SS</sup></b>	M & B Engineering Ltd	59.0	193.8	341.4	140.5%
	Phenix Building Solutions Pvt Ltd <sup>*</sup>	4.6	18.2	23.0	124.3%
<b>Smith Structures (India) Pvt Ltd<sup>*SS</sup></b>		34.2	77.6	138.7	101.4%
<b>E-Pack Polymers Pvt Ltd<sup>^^</sup></b>		80.7	202.2	N.A.	N.A.

Notes:

n.m.: not meaningful

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

<sup>SS</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

<sup>^^</sup>Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

<sup>\*</sup>These financials are standalone as these companies do not have subsidiaries

<sup>#</sup>The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the table above

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

Numbers reclassified as per CRISIL standards and may not match company reported numbers

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

Interarch is one of the leading turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacture, on-site project management capabilities for the installation and erection of PEBs.

Interarch has been awarded for Best Innovation PEB Project Award of the Year (2022) from Bam Awards for Rudraksha Project and Outstanding Company in Pre-Engineered Buildings award by EPC World Awards (2023).

Interarch has track record of more than 30 years with brands TRACDEK® and TRAC®.

Interarch was ranked third in terms of operating revenue from the pre-engineered steel building business in FinancialY23 among the integrated PEB players in India considered above. It had the second largest aggregate installed PEB capacity of 141,000 MT per annum among the PEB players considered above and a market share of 6.1% in terms of operating income in Financial Year 2023.

Interarch's market share (on basis of operating income) in India's pre-engineered steel building industry increased from 5.4% in Financial Year 2022 to 6.1% Financial Year 2023

## Profit margins

Efficiency margins	FY21		FY22		FY23		
	OPBDIT %	PAT%	OPBDIT %	PAT%	OPBDIT %	PAT%	
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#SS</sup></b>	13.4	8.7	10.0	6.2	9.1	5.9	
<b>Interarch Building Products Ltd<sup>*SS</sup></b>	2.3	1.1	4.1	2.1	9.4	7.2	
<b>Zamil Steel Buildings India Pvt Ltd<sup>*SS</sup></b>	1.4	-0.9	-1.8	-3.9	1.4	-1.1	
<b>Pennar Industries Ltd<sup>^^</sup></b>	6.6	0.1	7.8	1.8	7.6	2.6	
<b>Everest Industries Ltd<sup>^^</sup></b>	9.5	4.6	5.5	3.2	4.6	2.6	
<b>M &amp; B Group and related parties<sup>SS</sup></b>	M & B Engineering Ltd	6.5	1.4	6.5	2.8	7.6	3.9
	Phenix Building Solutions Pvt Ltd*	0.7	0.5	1.1	0.7	1.0	0.8
<b>Smith Structures (India) Pvt Ltd<sup>*SS</sup></b>		4.6	2.0	5.2	2.1	6.0	3.0
<b>E-Pack Polymers Pvt Ltd<sup>^^</sup></b>		9.7	3.4	8.4	4.4	N.A.	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

<sup>SS</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

<sup>^^</sup>Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

\*These financials are standalone as these companies do not have subsidiaries

#The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the table above

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

OPBDIT % = OPBDIT / operating income

PAT % = PAT / operating income

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

In Financial Year 2023, Interarch Building Products Ltd had the highest OPBDIT and PAT margins of 9.4% and 7.2%, respectively, among the above-considered players. It was followed by Kirby Building Systems & Structures India Pvt Ltd with OPBDIT and PAT margins of 9.1% and 5.9%, respectively.

## ROCE

ROCE	FY21	FY22	FY23	
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#SS</sup></b>	51.3	85.6	90.5	
<b>Interarch Building Products Ltd<sup>*SS</sup></b>	4.9	9.4	31.1	
<b>Zamil Steel Buildings India Pvt Ltd<sup>*SS</sup></b>	-0.2	-10.8	1.2	
<b>Pennar Industries Ltd<sup>^^</sup></b>	6.7	10.3	13.4	
<b>Everest Industries Ltd<sup>^^</sup></b>	17.4	12.7	12.0	
<b>M &amp; B Group and related parties<sup>SS</sup></b>	M & B Engineering Ltd	10.8	18.5	23.0
	Phenix Building Solutions Pvt Ltd*	15.2	44.2	41.8
<b>Smith Structures (India) Pvt Ltd<sup>*SS</sup></b>		15.6	26.7	35.3
<b>E-Pack Polymers Pvt Ltd<sup>^^</sup></b>		13.2	22.7	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

<sup>SS</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

^Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

\*These financials are standalone as these companies do not have subsidiaries

# The subsidiaries of the company reported zero revenue in calendar year 2021 and calendar year 2020. Hence, standalone financials have been considered in the table above

Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

Note: Ratios calculated as per CRISIL MI&A standards, may not match with company reported numbers:

RoCE = Profit before interest and tax (PBIT) / [total debt + tangible net worth]

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

In Financial Year 2023, Kirby Building Systems & Structures India Ltd had the highest ROCE of 90.5% among the considered players. Interarch Building Products Ltd had the fourth highest ROCE of 31.1%.

## Asset turnover ratio

Asset turnover ratio	FY21	FY22	FY23
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#\$\$</sup></b>	10.6	13.6	17.2
<b>Interarch Building Products Ltd<sup>*\$\$</sup></b>	4.0	5.2	6.6
<b>Zamil Steel Buildings India Pvt Ltd<sup>*\$\$</sup></b>	2.1	3.2	3.7
<b>Pennar Industries Ltd<sup>^^</sup></b>	1.7	2.4	2.7
<b>Everest Industries Ltd<sup>^^</sup></b>	2.7	2.8	3.1
<b>M &amp; B Group and related parties<sup>\$\$</sup></b>			
M & B Engineering Ltd	2.8	4.3	5.1
Phenix Building Solutions Pvt Ltd*	309.6	791.8	929.8
<b>Smith Structures (India) Pvt Ltd<sup>*\$\$</sup></b>	19.1	14.6	9.6
<b>E-Pack Polymers Pvt Ltd<sup>^^</sup></b>	1.9	2.8	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

<sup>\$\$</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

^Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

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Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

Note: Ratios calculated as per CRISIL MI&A standards, may not match with company reported numbers

Asset turnover ratio = Operating income / gross block

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

## ROE

ROE	FY21	FY22	FY23
<b>Kirby Building Systems &amp; Structures India Pvt Ltd<sup>#\$\$</sup></b>	32.0	48.6	53.6
<b>Interarch Building Products Ltd<sup>*\$\$</sup></b>	2.4	5.5	22.7
<b>Zamil Steel Buildings India Pvt Ltd<sup>*\$\$</sup></b>	-2.3	-17.7	-6.5
<b>Pennar Industries Ltd<sup>^^</sup></b>	0.2	6.0	10.1
<b>Everest Industries Ltd<sup>^^</sup></b>	11.8	8.4	7.6
<b>M &amp; B Group and related parties<sup>\$\$</sup></b>			
M & B Engineering Ltd	5.0	15.0	21.8
Phenix Building Solutions Pvt Ltd*	8.9	29.0	27.5
<b>Smith Structures (India) Pvt Ltd<sup>*\$\$</sup></b>	30.7	46.9	50.5
<b>E-Pack Polymers Pvt Ltd<sup>^^</sup></b>	10.2	22.1	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

<sup>\$\$</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

^Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

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Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

Note: Ratios calculated as per CRISIL MI&A standards, may not match with company reported numbers:

RoE = PAT / tangible net worth

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

### Cash conversion cycle

Cash conversion cycle		FY21	FY22	FY23
Kirby Building Systems & Structures India Pvt Ltd <sup>#SS</sup>		99.1	100.9	80.9
Interarch Building Products Ltd <sup>*SS</sup>		72.3	71.3	73.8
Zamil Steel Buildings India Pvt Ltd <sup>*SS</sup>		73.9	70.7	26.6
Pennar Industries Ltd <sup>^^</sup>		79.8	56.5	38.3
Everest Industries Ltd <sup>^^</sup>		17.0	31.1	77.5
M & B Group and related parties <sup>SS</sup>	M & B Engineering Ltd	53.5	30.5	54.5
	Phenix Building Solutions Pvt Ltd*	32.5	14.0	16.9
Smith Structures (India) Pvt Ltd <sup>*SS</sup>		18.7	38.6	18.6
E-Pack Polymers Pvt Ltd <sup>^^</sup>		31.3	3.5	N.A.

Players have been arranged according in the descending order of their installed capacity mentioned in the table Manufacturing plants and PEB related capacity.

<sup>SS</sup>Dedicated pre-engineered/ prefabricated/ steel building players.

<sup>^^</sup>Financial numbers of these companies include vertical other than PEB related and are reported at company level, which may not be completely and directly comparable with the financial numbers of other PEB focused players.

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Note: Financials for Kirby Building Systems & Structures India are on a calendar year basis (e.g., in the table above, Financial Year 2022 is calendar year 2021, etc.)

Note: Ratios calculated as per CRISIL MI&A standards, may not match with company reported numbers

Cash conversion cycle= Receivable days + inventory days – payable days; Receivable days: Total receivables/ (Gross sales+ traded goods sales)\*365; Inventory days: Total Inventories/ Cost of sales \*365; Payable days: Creditors for goods/ (Material Costs+Traded Goods Purchased+|Accretion| : Decretion to Stocks)\*365

Source: Company annual reports available in public domain/ filed with the RoC, CRISIL MI&A

### Credit rating

	Issuer	Credit rating	Date
Everest Industries Ltd	CRISIL Ratings	A+	Apr 2023
E-Pack Polymers Pvt Ltd	ICRA	A-	Feb 2023
Interarch Building Products Ltd	CRISIL Ratings	A-	Jan 2024
Kirby Building Systems & Structures India Pvt Ltd	ICRA	AA-	Jul 2023
Pennar Industries Ltd	CARE Ratings	A-	Dec 2022
M & B Group and related parties	M and B Engineering Ltd	CRISIL Ratings	Oct 2023
	Phenix Building Solutions Pvt Ltd		N.A.
Smith Structures (India) Pvt Ltd	CRISIL Ratings	B+	Oct 2023
Zamil Steel Buildings India Pvt Ltd	India Ratings and Research	Withdrawn	Jul 2020

Source: Quantix, CRISIL MI&A

### Valuation ratios

Company	FY21	FY22	FY23
<b>Reported Post Tax Price Earnings Ratio</b>			
Everest Industries Ltd	7.9	25.3	28.0
Pennar Industries Ltd	153.0	11.7	12.6
<b>Market Price to Adjusted Book Value</b>			
Everest Industries Ltd	0.9	2.1	2.1
Pennar Industries Ltd	0.3	0.7	1.2

Note:

Ratios calculated as per CRISIL MI&A standards, may not match with company reported numbers

Closing price as of 31<sup>st</sup> march is considered for Financial Year 2021 to Financial Year 2023

Source: Company annual reports available in public domain/ filed with the RoC, BSE, CRISIL MI&A

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read 'Forward-Looking Statements' on page 20 for a discussion of the risks and uncertainties related to those statements, and also 'Risk Factors', 'Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 30, 300 and 384, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information for the Financial Years 2021, 2022 and 2023 and six months ended September 30, 2023, included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. For further information, see 'Financial Information' on page 300. Our financial year ends on March 31 of each year, and references to a particular year are to the 12 months ended March 31 of that year.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of pre-engineered steel buildings industry in India" released in January 2024 ("CRISIL Report") prepared by CRISIL appointed by our Company pursuant to an engagement letter dated July 10, 2023. The CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see 'Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risk' on page 64. Also see, 'Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data' on page 18. The CRISIL Report is available on the website of our Company at <https://www.interarchbuildings.com/crisil-report.asp> from the date of this Draft Red Herring Prospectus till the Bid/Offer Closing Date. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

We are one of the leading turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacturing, on-site project management capabilities for the installation and erection of pre-engineered steel buildings ("**PEB**"). (Source: CRISIL Report) We were ranked third in terms of operating revenue from PEB business in the Financial Year 2023 among integrated PEB players in India. (Source: CRISIL Report) Our Company further had the second largest aggregate installed capacity of 141,000 metric tonnes per annum ("**MTPA**") as of March 31, 2023 and a market share of 6.1% in terms of operating income in Financial Year 2023 among integrated PEB players in India. (Source: CRISIL Report) Our PEB offerings are designed, engineered and fabricated by us in accordance with customer requirements, and find use in construction for industrial, infrastructure and building (residential, commercial and non-commercial) end-use applications. We have delivered PEBs for projects ranging from multi-level warehouses for customers engaged in e-commerce to paint production lines for customers engaged in manufacturing of paints and, fast-moving consumer goods ("**FMCG**") sector for setting up manufacturing units for manufacturing their products. We have also supplied large-span PEBs for indoor stadiums and customers engaged in the cement industry. During the period from Financial Year 2015 to Financial Year 2023 and the six months ended September 30, 2023, we completed execution of 623 PEB Contracts, thereby demonstrating our extensive track record in the PEB industry.

The Indian PEB industry is expected to grow at a CAGR of 10.5-11.5% CAGR over Financial Year 2023-Financial Year 2028 (Source: CRISIL Report), and our extensive track record, domain experience, established brand presence and market position, paired with our in-house design and engineering, manufacturing, supply, and on-site project management capabilities for the installation and erection of PEBs supplied by us, position us to benefit from such growth.

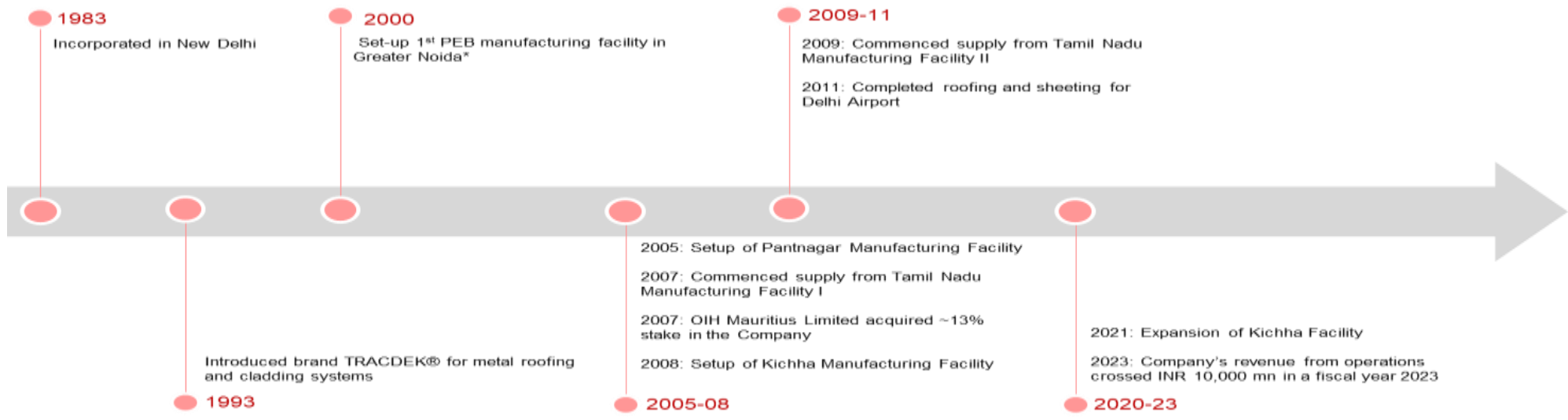
We offer our PEBs by way of: (a) pre-engineered steel building contracts ("**PEB Contracts**"), wherein we provide complete PEBs on a turn-key basis to our customers, and as a part of which, we also provide on-site project management expertise for the installation and erection of PEBs supplied by us at our customers' sites; and (b) sale of pre-engineered steel building materials ("**PEB Sales**"), which includes (i) sale of metal ceilings and corrugated

roofing (comprising metal suspended ceiling systems (under the brand, “TRAC®”), metal roofing and cladding systems (under the brand, “TRACDEK®”) and permanent/metal decking (lost shuttering) over steel framing (under the brand, “TRACDEK® Bold-Rib”)); (ii) supply of PEB steel structures (comprising, amongst other things, primary and secondary framing systems; as well as complete PEBs, such as non-industrial PEB buildings for non-industrial use, such as farmhouses and residential buildings (under the brand, “Interarch Life”)) for erection and installation by third party builders/erectors, and (iii) light gauge framing systems (“LGFS”).

Set forth below is a breakdown of our revenue from PEB Contracts (recorded as revenue from Pre-engineered building contracts) and PEB Sales (recorded as revenue from sale of products (building materials) during the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations
Revenue from Pre-engineered building contracts	4,290.38	74.48	7,213.41	86.39	9,861.37	87.74	4,736.14	80.07
Sale of products								
Building materials	1,329.03	23.07	937.57	11.23	1,204.34	10.72	1,096.66	18.54
<b>Total</b>	<b>5,619.41</b>	<b>97.55</b>	<b>8,150.98</b>	<b>97.62</b>	<b>11,065.71</b>	<b>98.46</b>	<b>5,832.80</b>	<b>98.61</b>

We were incorporated in 1983 and have presence of over 30 years in the PEB industry under our brands, “TRAC®” and “TRACDEK®”. As on the date of this Draft Red Herring Prospectus, we have evolved into a turn-key PEB solutions provider, with integrated facilities for design and engineering, manufacture, and on-site project management capabilities for the installation and erection of PEBs supplied by us which enable us to deliver end-to-end solutions to our customers. Set our below is a graphical representation of our key events and milestones:



\*Subsequently closed

Our Company has worked with industry leaders in project development and construction, providing support to critical industrial, commercial and infrastructure projects. (Source: CRISIL Report)

The PEB market in India can be divided into three broad end-use sectors: (i) industrial/ manufacturing, (ii) infrastructure, and (iii) building (residential, commercial and non-commercial). Industrial/manufacturing construction includes manufacturing plants, factories, power plants, and other highly specialized facilities. Infrastructure construction includes warehouses, bridges, dams, roads, airports, canals, etc., and building construction includes constructing buildings for residential uses such as houses, residential towers, etc., as well as non-commercial buildings like hospitals, educational institutions, as well as buildings for commercial use such as offices, retail malls, etc. (Source: CRISIL Report) Our customers under the industrial/manufacturing construction category include Grasim Industries Limited, Berger Paints India Limited, Blue Star Climatech Limited, Timken India Limited and Addverb Technologies Limited and infrastructure construction category includes InstaKart Services Private Limited. Details of revenue generated from pre-engineered building contracts with customers and sale of building materials for Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 respectively for industrial/ manufacturing construction, infrastructure and building construction sectors is set forth below:

End-use sector	For the Financial year ended March 31, 2021		For the Financial year ended March 31, 2022		For the Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from PEB contracts and sale of building materials	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from PEB contracts and sale of building materials	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from PEB contracts and sale of building materials	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from PEB contracts and sale of building materials
Infrastructure construction	2,162.76	38.49	2,347.86	28.80	2,120.79	19.17	1,479.99	25.37
Industrial/manufacturing construction	3,243.41	57.72	5,584.32	68.51	8,853.36	80.01	4,262.91	73.09
Building construction	20.47	0.36	92.46	1.13	14.33	0.13	39.59	0.68
Others	192.77	3.43	126.34	1.55	77.23	0.70	50.31	0.86
<b>Total</b>	<b>5,619.41</b>	<b>100.00</b>	<b>8,150.98</b>	<b>100.00</b>	<b>11,065.71</b>	<b>100.00</b>	<b>5,832.80</b>	<b>100.00</b>

We have established long-standing relationships with a number of our customers, including various Customer Groups, which we attribute in part to our emphasis on quality consciousness, cost efficiency, and timely execution. Set forth below is a breakdown of our revenue from Repeat Orders in three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023:

Particulars	For the Financial year ended March 31, 2021		For the Financial year ended March 31, 2022		For the Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations
Revenue from Repeat Orders	4,132.99	71.75	4,894.15	58.62	9,038.70	80.42	5,241.08	88.60

We primarily manufacture our products in-house at our four manufacturing facilities ("Manufacturing Facilities"), comprising two Manufacturing Facilities in Sriperumbudur, Tamil Nadu, India ("Tamil Nadu Manufacturing Facility I" and "Tamil Nadu Manufacturing Facility II"), and one each in Pantnagar,



Uttarakhand, India (“**Pantnagar Manufacturing Facility**”), and Kichha, Uttarakhand, India (“**Kichha Manufacturing Facility**”), As of March 31, 2023 and September 30, 2023, our Manufacturing Facilities had an aggregate installed capacity of 141,000 MTPA. See “**-Manufacturing Facilities**” on page 248. As of the date of this Draft Red Herring Prospectus, our Manufacturing Facilities are supplemented by three dedicated design and engineering centres situated in Noida, Uttar Pradesh, India; Chennai, Tamil Nadu, India; and Hyderabad, Telangana India, which enable us to firstly, offer customized PEBs in accordance with our customers’ requirements and, secondly, to continually undertake incremental enhancements and improvements of our processes and design, thereby simultaneously contributing towards enhancement of our design compliance and engineering standards which create efficient PEB designs. We are supported by our dedicated in-house on-site project management team. We have established eight sales and marketing offices in eight cities to cater to our customers across India. We are also in the process of setting-up a manufacturing unit as part of the phase 1 of the Planned Andhra Pradesh Manufacturing Facility and also propose to undertake the Project and also upgrade our Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility by utilizing a portion of the Net Proceeds, in order to bolster our manufacturing capacity and capabilities. See “**Objects of the Offer – Details of the Objects of the Fresh Issue**” on page 107. Additionally, we propose to set-up our Planned Gujarat Manufacturing Facility. See “**- Planned Gujarat Manufacturing Facility**” on page 253.

In 2022, our Company was awarded the ‘*Pre-Engineered Building Project of the Year*’ award by Construction Week India, the ‘*Best Innovation PEB Project Award of the Year*’ by BAM awards, and the ‘*Pre-Engineered Building Company of the Year*’ award by EPC World Awards. See “**History and Certain Corporate Matters – Key awards, accreditations and recognitions**” on page 270.

Our Company is led by our Promoters, Arvind Nanda who is also our Managing Director, Gautam Suri who is a Whole-time Director of our Company and Viraj Nanda and Ishaan Suri who are Non-Executive Directors of our Company. Our Promoters are supported by a qualified and experienced management team under the guidance of our Board of Directors, which consists of individuals from various professional backgrounds with substantial experience in the PEB industry. See “**Our Promoters and Promoter Group**” and “**Our Management**” on pages 294 and 274, respectively. We credit the building of our brand presence, our market position and the growth of our operations to the industry experience, vision and guidance of our Promoters and management team.

Details of our order book as on March 31, 2021, March 31, 2022, March 31, 2023 and six months ended September 30, 2023 respectively, are set forth below:

Particulars	<i>(in ₹ million)</i>			
	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023	As on September 30, 2023
Total order book*	3,949.34	10,448.79	10,303.03	10,362.72

\*Our order book as of a particular date is calculated based on the aggregate contract value of our ongoing projects as of such date reduced by the value of work invoiced by us until such date.

We credit our growth in revenue and profitability in part to our operational efficiency, which we seek to achieve by streamlining our operational activities and maintaining economies of scale. We have been able to grow our revenue from operations of ₹ 5,760.64 million in the Financial Year ended March 31, 2021 to ₹ 11,239.26 million in the Financial Year ended March 31, 2023, representing a CAGR of 39.68%. The following table sets forth certain key financial metrics for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 that are relevant to our business:

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Revenue from operations <sup>(1)</sup> (in ₹ million)	5,760.64	8,349.43	11,239.26	5,915.28
Total Income (in ₹ million)	5,835.43	8,408.57	11,363.92	5,984.56
EBITDA <sup>(2)</sup> (in ₹ million)	110.44	328.89	1,063.80	441.10
EBITDA margin <sup>(3)</sup> (%)	1.92	3.94	9.47	7.46

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Total equity (in ₹ million)	2,996.59	3,183.19	3,992.79	3,911.62
Net Debt to EBITDA <sup>(4)</sup> (Ratio)	0.11	(0.98)	(0.38)	(0.76)*
Net Debt to Equity <sup>(5)</sup> (Ratio)	0.00	(0.10)	(0.10)	(0.09)
Return on Capital Employed <sup>(6)</sup> (%)	3.21	8.30	26.75	11.76*
Restated profit for the year/period (in ₹ million)	64.37	171.33	814.63	345.74
Profit margin <sup>(7)</sup> (%)	1.12	2.05	7.25	5.84
Total non-current assets (in ₹ million)	2,062.77	1,902.09	2,113.07	2,235.06
Total current assets (in ₹ million)	2,627.49	3,535.45	4,637.18	4,760.91
Total assets (in ₹ million)	4,690.26	5,437.54	6,750.25	6,995.97
Net cash generated from operating activities <sup>(8)</sup> (in ₹ million)	388.32	261.80	312.86	560.21
Return on equity <sup>(9)</sup> (%)	2.15	5.38	20.40	8.84*

\*Not annualized

(1) Revenue from operations is revenue from pre-engineered building contracts, sale of building materials, scrap sales and other operating services for the year/ period.

(2) EBITDA is calculated as restated profit plus total tax expense, finance costs, depreciation and amortization expense less other income for the year/period.

(3) EBITDA margin represents the EBITDA divided by the revenue from operations.

(4) Net Debt to EBITDA ratio is computed as Net Debt divided by EBITDA.

(5) Net Debt to Equity ratio is computed as Net debt divided by the total equity.

(6) Return on capital employed (%) is calculated as EBIT divided by capital employed.

(7) Profit margin is calculated as restated profit for the year/ period divided by revenue from operations.

(8) Net cash generated from operating activities by the Company during the year/period.

(9) Return on equity is calculated as restated profit for the year/period divided by total equity.

See “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Financial Information**” on pages 384 and 300, respectively.

## OUR STRENGTHS

### **Market position and established brand presence in the growing pre-engineered steel building industry in India**

We were ranked third in terms of operating revenue from PEB business in the Financial Year 2023 among integrated PEB players in India. (Source: CRISIL Report) Our Company further had the second largest aggregate installed capacity of 141,000 MTPA as of March 31, 2023 and a market share of 6.1% in terms of operating income in Financial Year 2023 among integrated PEB players in India. (Source: CRISIL Report) As on the date of this Draft Red Herring Prospectus, we have eight sales and marketing offices in eight cities to cater to our customers across India. In addition to this, we have stationed sales and marketing employees in Chandigarh in Punjab and Haryana, Lucknow in Uttar Pradesh, Coimbatore in Tamil Nadu, Bhubaneswar in Odisha, and Raipur in Chhattisgarh. During the period from Financial Year 2015 to Financial Year 2023 and the six months ended September 30, 2023, we completed execution of 623 PEB Contracts, thereby demonstrating our extensive track record in the PEB industry. In 2022, our Company was awarded the ‘Pre-Engineered Building Project of the Year’ award by Construction Week India, the ‘Best Innovation PEB Project Award of the Year’ by BAM awards, and the ‘Pre-Engineered Building Company of the Year’ award by EPC World Awards. See “**History and Certain Corporate Matters – Key awards, accreditations and recognitions**” on page 270.

We were incorporated in 1983 and have presence of over 30 years in the PEB industry under our brands, “**TRAC®**” and “**TRACDEK®**”, which we have leveraged to evolve into an end-to-end PEB solution provider and establish

a track record based on extensive customer insights developed over the course of our operations, thereby enabling us to acquire new customers and cover various customer industries end-use applications for our PEBs.

The PEB market in India can be divided into three broad end-use sectors: (i) industrial/ manufacturing construction, (ii) infrastructure, and (iii) building (residential, commercial and non-commercial). The industrial sector, which held the largest market share of 55-57% in the Financial Year 2023, is expected to account for 52-54% of the market by Financial Year 2028. The industrial sector's share in the PEB market is led by higher penetration in the automobile, cement, and oil and gas markets, among others. It is expected to grow at a CAGR of 9-10% between Financial Years 2023-2028 led by higher adoption of pre-engineered steel building structures based on cost advantage. (Source: CRISIL Report)

The infrastructure sector's share in the PEB market, which was 34-37% in Financial Year 2023, is expected to increase to 38-40% by Financial Year 2028. PEBs in the sector include warehouses, cold storage facilities, data centers, power plants, aircraft hangers and railway yards. The sector is expected to grow at a CAGR of 12-14% between Financial Years 2023-2028, led by increased adoption of these buildings in warehouses, cold storage facilities and data centers. (Source: CRISIL Report)

The building sector share in the PEB market, which was low at 7.5-8.5% in Financial Year 2023, is estimated to remain range bound at 8-9% in Financial Year 2028. The sector is expected to grow at a CAGR of 9-13% over Financial Years 2023-2028, led by growing adoption of PEBs. (Source: CRISIL Report)

Within the overall Indian PEB industry, the top six players have grown at a faster growth rate in recent years (which can be attributed to higher reliability and capability, high quality raw materials used, good track record for execution and capability to provide innovative and effective solutions to customers) as compared to the rest of the players, as detailed below:

Industry players	Revenue in Financial Year 2019 (₹ billion)	Revenue in Financial Year 2023 (₹ billion)	CAGR over Financial Year 2019-Financial Year 2023 (%)
Top six players	42	65	11.4
Rest of the industry	88	115	7.0
Total industry	130	180	8.5

(Source: CRISIL Report)

In the PEB Industry in India, the organised sector has an edge over the unorganised sector in terms of a reliable track record, maximised supply chain capabilities, quality engineering services and products due to which there has been a growing shift towards the organised sector. As of Financial Year 2023, the organized PEB industry held a 40-45% revenue market share in the overall PEB industry. Within the PEB industry in India, the organised sector is consolidated with six key players (including our Company), accounting for 80-85% of the organized PEB industry, which in turn held 35-40% of the overall industry in Financial Year 2023. (Source: CRISIL Report)

Our extensive track record, domain experience, established brand presence and market position, paired with our integrated facilities for design and engineering, manufacture, on-site project management capabilities for installation and erection of PEBs supplied by us, position us to benefit from growth of the PEB industry in India.

***Significantly integrated manufacturing operations, backed by in-house design and engineering, on-site project management, and sales and marketing capabilities***

Our manufacturing operations are vertically integrated to a significant extent, enabling our presence across the product lifecycle of PEBs, from estimation, designing, engineering, and fabrication of PEBs in completely knock-down condition at our Manufacturing Facilities, to supply and on-site project management of the installation and erection of PEBs at the site of the customer. We primarily manufacture our PEBs at four Manufacturing Facilities – two in Uttarakhand, India and two in Sriperumbudur, Tamil Nadu, India, providing us with manufacturing presence in Northern India and Southern India, respectively. As on March 31, 2023, (and also as of September 30, 2023), the aggregate installed capacity of our four Manufacturing Facilities was 141,000 MTPA. Our Manufacturing Facilities have diversified capabilities enabling us to cater to a range of customers and end use applications, as detailed below:

<b>Manufacturing Facility</b>	<b>Location</b>	<b>Installed capacity as of March 31, 2023 (MTPA)*</b>	<b>Nature of manufacturing</b>
Pantnagar Manufacturing Facility	Pantnagar, Uttarakhand, India	31,000	PEB steel structures, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles and bracings)
Kichha Manufacturing Facility	Kichha, Uttarakhand, India	59,500	(i) PEB steel structures comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles, bracings and galvanized cold formed C&Z sections made from galvanized coils), (ii) metal ceilings and corrugated roofing, comprising metal suspended ceiling systems, metal roofing and cladding systems and permanent/metal decking (lost shuttering) over steel framing, and (iii) LGFS
Tamil Nadu Manufacturing Facility I	Sriperumbudur, Tamil Nadu, India	10,000	Metal ceilings and corrugated roofing, comprising metal suspended ceilings systems and metal roofing and cladding systems
Tamil Nadu Manufacturing Facility II	Sriperumbudur, Tamil Nadu, India	40,500	PEB steel structures, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles and bracings)

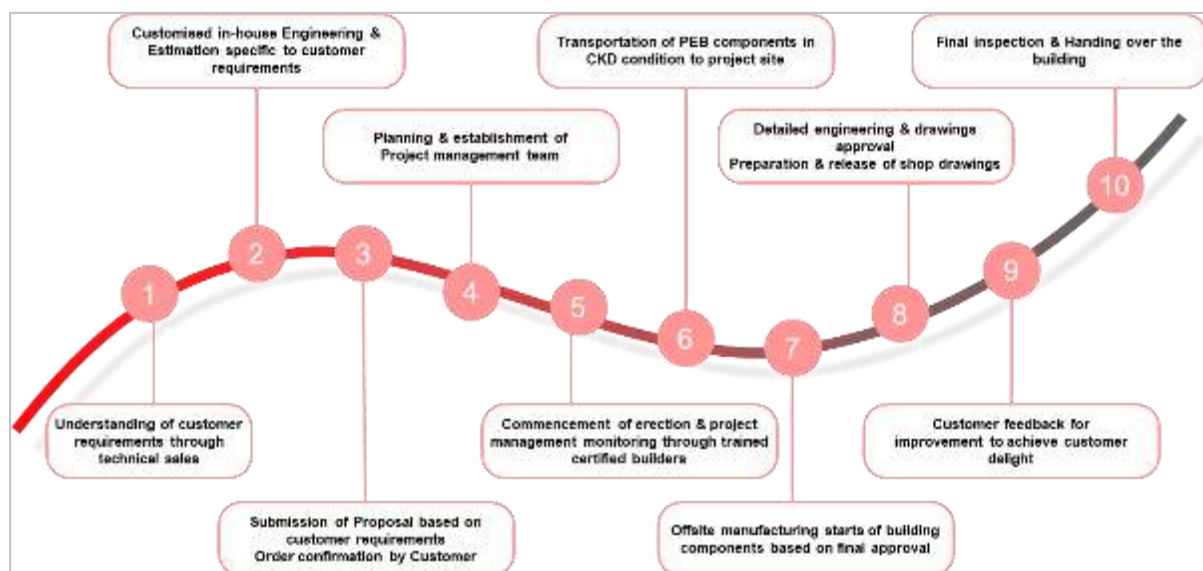
\*Also as of September 30, 2023.

See “-**Manufacturing Facilities**” on page 248. Our Manufacturing Facilities are equipped with tooling, testing and quality control equipment, and conform to and apply international standards of quality management systems. Our Manufacturing Facilities are each accredited as ISO 9001:2015 certified in Quality Management System (for the scope of design, marketing, project management and manufacture of PEBs, infrastructure steel solutions, metal roofing, wall cladding and suspended metal ceilings). With continued investments in our Manufacturing Facilities and design capabilities, we sought to develop a cost-efficient manufacturing process for our products in accordance with the requirements and specifications of our customers. Since our manufacturing capabilities span the spectrum of PEBs from metal ceilings and corrugated roofing to PEB steel structures (each of which are inter-dependent), we are able to emphasize design compatibility, which enhances the overall structural integrity and stability of the entire PEB, contributing to our ability to execute our PEB Contracts.

Our Manufacturing Facilities are supported by dedicated design and engineering centres in Noida, Uttar Pradesh, India; (b) Chennai, Tamil Nadu, India; and (c) Hyderabad, Telangana, India, which enable us to firstly, offer customized PEBs in accordance with our customers’ requirements and secondly, to continually undertake incremental enhancements and improvements of our processes and design, thereby simultaneously contributing towards enhancement of our design compliance and engineering standards. Our Company has an in-house design and engineering team which includes 111 qualified structural design engineers and detailers, as of September 30, 2023, with an average work experience of 8.05 years in the Company. We have also invested in computer aided design technology to enable our design and engineering team to achieve design and detailing parameters based on our customers’ requirements, including Staad Pro, MBS, FrameCad, Tekla, Auto Cad, and ZWCAD. As part of our PEB Contracts, we also offer on-site project management of the installation and erection of our PEBs at our customers’ sites. As of September 30, 2023, our dedicated project management team comprised 58 project managers, augmented by a network of 50 empanelled and approved builders/erectors who we have identified and scrutinized based on their previous work experience. We have established dedicated safety and quality control teams to oversee each stage of the erection process. Our dedicated project planning and control team oversees overall execution of our orders, and coordinates with the various relevant departments within our Company. The project planning and control team is also responsible for co-ordination with the customer on all aspects of the project once an order has been placed from estimation, to designing, engineering, manufacturing, quality testing, erection and installation, up to handover of the PEB to the customer. Each of our various teams work in conjunction with our design and engineering team to enable us to deliver the customised, design compliant PEBs in a timely manner.

As of September 30, 2023, our centralized corporate marketing team comprised six personnel to oversee overall marketing activities of the Company, including brand management, advertising and promotions, market research

and analysis, digital marketing, marketing communications, public relations, market research, customer relationship management, and business development. The corporate marketing team is supported by 60 sales and marketing executives as of September 30, 2023, operating out of eight sales and marketing offices in eight cities to cater to our customers across India. In addition to this, we have stationed sales and marketing employees in Chandigarh in Punjab and Haryana, Lucknow in Uttar Pradesh, Coimbatore in Tamil Nadu, Bhubaneswar in Odisha, and Raipur in Chhattisgarh. Our sales and marketing team include qualified engineers that are able to discuss our offerings with technical understanding, and their local presence ensures effective execution of regional marketing and lead generation. Set out below is a pictorial representation of our vertical integrated manufacturing operations:



Our manufacturing operations are further augmented by our robust supply chain consisting of our relationships with third-party suppliers that are present in India, who supply raw materials and key inputs such as steel as per our requirements and specifications, and a network of transporters for the transport of our raw materials to our Manufacturing Facilities, and the transport of our products to the sites of to our customers by road. We have also implemented enterprise resource planning (“ERP”) infrastructure across a significant portion of our operations and internal departments, which contributes to the integration of our supply chain relationships, design and engineering and other internal processes, network of sales and marketing offices and our project management team to contribute towards enhancement of our cost and time efficiency.

Overall, we rely on our vertically integrated manufacturing operations to provide us with a degree of strategic control across key processes from design and engineering to manufacture, to installation and erection of our PEBs at our customers’ sites, which in turn assists us in our endeavours to execute orders in a time and cost-efficient manner and reduce external dependencies.

***Demonstrated track record of execution backed by on-site project management capabilities***

Project management expertise is a pivotal factor in the evaluation of PEB suppliers as the construction industry is usually characterized by time-consuming projects. (Source: CRISIL Report) We rely on our in-house project supervision, on-site project management capabilities for the erection and installation of PEBs supplied by us at our customers’ sites to gain a competitive advantage in terms of quality, cost and delivery parameters. Project management expertise becomes extremely important to ensure timely completion and avoid costs overrun and helps with adherence to timelines, budget constraints, and maintaining high-quality standards (Source: CRISIL Report). Since the commencement of our PEB Contracts business, we have developed our project management capabilities, which enable us to offer PEBs on a turn-key basis to our customers, and accordingly contributes significantly to our ability to acquire new customers.

Furthermore, as on the date of this Draft Red Herring Prospectus, some of the significant/complex projects being executed by us pursuant to PEB Contracts include:

- big box fulfilment centre at Manesar, Haryana for InstaKart Services Private Limited (Ekart)/a warehousing and logistics service provider;
- automotive component manufacturing unit for Timken India Limited;
- air conditioning manufacturing unit at Sri City, Andhra Pradesh for Blue Star Climatech Limited; and
- PEBs at Panipat, Haryana, Ludhiana, Punjab, Chamarajnar, Karnataka, Cheyyar, Tamil Nadu and Kharagpur, West Bengal for Grasim Industries Limited (Birla Paints Division), a manufacturer of paints.

During the period from Financial Year 2015 to Financial Year 2023 and the six months ended September 30, 2023, we completed execution of 623 PEB Contracts, thereby demonstrating our extensive track record in the PEB industry. Additionally, each of our Manufacturing Facilities have dedicated quality control teams performing various quality assurance activities from inspecting the raw materials to dispatch of our products to the customers, and we also have established dedicated safety and quality control teams to oversee each stage of the erection process.

Our on-site project management capabilities, together with our process-driven operations (comprising set protocols for each of our internal departments specifying the processes to be undertaken, nature of decision making and prevention of delay); our lean corporate structure (which contributes towards our responsiveness and streamlining our decision-making process), and coordination efforts between our internal departments, suppliers and customers have contributed towards our demonstrated track record of executing PEB Contracts, with our Company. We have been able to grow our revenue from operations of ₹ 5,760.64 million in the Financial Year ended March 31, 2021 to ₹ 11,239.26 million in the Financial Year ended March 31, 2023, representing a CAGR of 39.68% and further, have been able to grow our order book from ₹ 3,949.34 million as of March 31, 2021 to ₹ 10,303.03 million as of March 31, 2023.

***Diverse customer base and long-standing relationships with key customers***

The PEB market in India can be divided into three broad end-use sectors: (i) industrial/ manufacturing construction, (ii) infrastructure, and (iii) building (residential, commercial and non-commercial). Industrial/manufacturing construction includes manufacturing plants, factories, power plants, and other highly specialized facilities. Infrastructure construction includes warehouses, bridges, dams, roads, airports, canals, etc., and building construction includes constructing buildings for residential uses such as houses, residential towers, etc., as well as non-commercial buildings like hospitals, educational institutions, as well as buildings for commercial use such as offices, retail malls, etc. (*Source: CRISIL Report*) Our customers under the industrial/manufacturing construction category include Grasim Industries Limited, Berger Paints India Limited, Blue Star Climatech Limited, Timken India Limited and Addverb Technologies Limited and infrastructure construction category includes InstaKart Services Private Limited. Details of revenue generated from the Pre-engineered building contracts and sale of building materials for Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 respectively, for building construction, industrial manufacturing construction and infrastructure construction sectors are set forth below:

End-use sector	For the Financial year ended March 31, 2021		For the Financial year ended March 31, 2022		For the Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from Pre-engineered building contracts and sale of building materials	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from operations building contracts and sale of building materials	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from operations building contracts and sale of building materials	Amount of revenue generated from PEB Contracts and sale of building materials (in ₹ million)	% of total revenue from operations building contracts and sale of building materials
Infrastructure construction	2,162.76	38.49	2,347.86	28.80	2,120.79	19.17	1,479.99	25.37
Industrial/manufacturing construction	3,243.41	57.72	5,584.32	68.51	8,853.36	80.01	4,262.91	73.09
Building construction	20.47	0.36	92.46	1.13	14.33	0.13	39.59	0.68
Others	192.77	3.43	126.34	1.55	77.23	0.70	50.31	0.86
<b>Total</b>	<b>5,619.41</b>	<b>100.00</b>	<b>8,150.98</b>	<b>100.00</b>	<b>11,065.71</b>	<b>100.00</b>	<b>5,832.80</b>	<b>100.00</b>

We have established long-standing relationships with a number of our customers, including various Customer Groups, which we attribute in part to our emphasis on quality consciousness, cost efficiency, and timely execution. Set forth below is a breakdown of our revenue from Repeat Orders in the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023:

Particulars	For the Financial year ended March 31, 2021		For the Financial year ended March 31, 2022		For the Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations
Revenue from Repeat Orders	4,132.99	71.75	4,894.15	58.62	9,038.70	80.42	5,241.08	88.60

Three of our top five Customer Groups (identified on the basis of revenue contribution in Financial Year ended March 31, 2023) have been associated with our Company for over five years. Set forth below is our revenue from top five Customer Groups in the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023:

Particulars	For the Financial year ended March 31, 2021		For the Financial year ended March 31, 2022		For the Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)
Revenue from top five Customer Groups	1,536.09	27.34	2,136.15	26.21	4,324.84	39.08	1,814.88	31.12

We attribute our long-standing relationships with our customers in part to our emphasis on quality consciousness, cost efficiency, and timely execution. Considering the critical nature of the use cases of our PEBs, our customer standards, requirements and required service levels are stringent, and accordingly, we consider the quality, durability and reliability of our PEBs as essential to maintaining customer relationships.

#### ***Demonstrated financial performance and a robust order book***

We have experienced growth in certain financial indicators during the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and in the six months ended September 30, 2023, which we attribute in part to our continuing focus on operational efficiency, customer outreach and other sales and market initiatives, improvement in capacity utilization, growth of our order book and increase presence across India, and resultant economies of scale. Such demonstrated growth in our financial performance in recent years, positions us for future growth and further diversification of our customer base and offerings. Our balance sheet and positive operating cash flows coupled with low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial condition is also determinant of our access to performance guarantees, which are critical to our business in the ordinary course. The following table sets forth certain key financial metrics as of and for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 as of the six months ended September 30, 2023 and that are relevant to our business:

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Revenue from operations <sup>(1)</sup> (in ₹ million)	5,760.64	8,349.43	11,239.26	5,915.28
Total Income (in ₹ million)	5,835.43	8,408.57	11,363.92	5,984.56
EBITDA <sup>(2)</sup> (in ₹ million)	110.44	328.89	1,063.80	441.10
EBITDA margin <sup>(3)</sup> (%)	1.92	3.94	9.47	7.46
Total equity (in ₹ million)	2,996.59	3,183.19	3,992.79	3,911.62
Net Debt to EBITDA <sup>(4)</sup> (Ratio)	0.11	(0.98)	(0.38)	(0.76)*
Net Debt to Equity <sup>(5)</sup> (Ratio)	0.00	(0.10)	(0.10)	(0.09)
Return on Capital Employed <sup>(6)</sup> (%)	3.21	8.30	26.75	11.76*
Restated profit for the year/period (in ₹ million)	64.37	171.33	814.63	345.74
Profit margin <sup>(7)</sup> (%)	1.12	2.05	7.25	5.84



Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Total non-current assets (in ₹ million)	2,062.77	1,902.09	2,113.07	2,235.06
Total current assets (in ₹ million)	2,627.49	3,535.45	4,637.18	4,760.91
Total assets (in ₹ million)	4,690.26	5,437.54	6,750.25	6,995.97
Net cash generated from operating activities <sup>(8)</sup> (in ₹ million)	388.32	261.80	312.86	560.21
Return on equity <sup>(9)</sup> (%)	2.15	5.38	20.40	8.84*

\*Not annualized

<sup>(1)</sup> Revenue from operations is revenue from pre-engineered building contracts, sale of building materials, scrap sales and other operating services for the year/ period.

<sup>(2)</sup> EBITDA is calculated as restated profit plus total tax expense, finance costs, depreciation and amortization expense less other income for the year/period.

<sup>(3)</sup> EBITDA margin represents the EBITDA divided by the revenue from operations.

<sup>(4)</sup> Net Debt to EBITDA ratio is computed as Net Debt divided by EBITDA.

<sup>(5)</sup> Net Debt to Equity ratio is computed as Net debt divided by the total equity.

<sup>(6)</sup> Return on capital employed (%) is calculated as EBIT divided by capital employed.

<sup>(7)</sup> Profit margin is calculated at restated profit for the year/ period divided by revenue from operations.

<sup>(8)</sup> Net cash generated from operating activities by the Company during the year/period.

<sup>(9)</sup> Return on equity is calculated as restated profit for the year/period divided by total equity.

Our track record has in turn contributed to our growing order book, as a result of an enhancement of our reputation and brand image, our ability to acquire new customers, and our ability to successfully win new projects due to improvement in our ability to pre-qualification requirements of customers. Details of our order book as on March 31, 2021, March 31, 2022 and March 31, 2023 and six months ended September 30, 2023 respectively, are set forth below:

Particulars	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023	As on September 30, 2023
Total order book*	3,949.34	10,448.79	10,303.03	10,362.72

\*Our order book as of a particular date is calculated based on the aggregate contract value of our ongoing projects as of such date reduced by the value of work invoiced by us until such date.

### Experienced and qualified Promoters and management team

Our business and operations are led by an experienced management team and Board of Directors, who come from diverse backgrounds with experience in various fields such as sales and marketing, order management, design and engineering, purchase, operations, human resources and finance. We benefit from the industry experience, vision and guidance of our Promoters, Arvind Nanda who is our Managing director, Gautam Suri who is a Whole-time Director of our Company and Viraj Nanda and Ishaan Suri who are Non-Executive Directors of our Company, and have been critical in building our brand and growing our operations. Additionally, they are supported by a robust management team under the guidance of our Board of Directors, which consists of individuals from various professional backgrounds. Our management framework allows us to maintain the flexibility to address the markets and the geographies we operate in. Our management team is led by Manish Kumar Garg, who is the Chief Executive Officer of our Company. He holds a diploma in civil engineering from Board of Technical Education, Delhi, India and has also completed the senior executive leadership program from Havard Business School. He has also been elected as a senior technician by the Institute of Engineers (India), Kolkata, West Bengal, India and was awarded with the '10 best CEO's in India' award, 2023 by TradeFlock.

We also have experienced professionals with substantial sectoral experience leading key aspects of our business including, among others:

- Pushpendra Kumar Bansal (Chief Financial Officer), who is responsible for spearheading the finance and accounts function, including plant accounts for our Company.
- Navaz Cheriya Malikakkal (Chief Operating Officer), who is responsible for managing the day-to-day operations of engineering, sales and marketing departments of our Company;

- Mahesh Verma (President – Operations), who is responsible for co-ordinating and overseeing project execution and administration in our Company; and
- Anil Kumar Chandani (President – Corporate Finance and Strategies), who is responsible for banking relations, fund raising, and managing the financial strategy of our Company.

For further details on our management team and their qualifications, see “*Our Management – Brief profiles of our Directors*” and “*Our Management – Key Managerial Personnel and Senior Management*” on pages 276 and 290, respectively.

Over the years, we have also benefitted from the support and experience of our private equity investor, OIH Mauritius Limited (*formerly known as Indivision India Partners*).

## OUR STRATEGIES

### *Capitalize on industry tailwinds, including through proposed expansion and upgradation of our Manufacturing Facilities*

The Indian PEB industry expanded at a CAGR of ~8.5% over Financial Years 2019-2023, growing from ₹ 130 billion in Financial Year 2019 to ₹ 180 billion in Financial Year 2023 and is expected to grow to ₹ 195 billion-₹ 200 billion in Financial Year 2024. The medium-term outlook is optimistic, with the industry growing at a 10.5-11.5% CAGR between Financial Year 2023-2028 to ₹ 295-310 billion, supported by investments in the industrial and infrastructure sectors such as warehouses and logistics as well as expressways (way-side amenities and toll plazas). The total construction investments in the infrastructure sector is expected to attract investments of approximately ₹ 48.3 trillion between Financial Year 2024 - 2028, up from ₹ 26.6 trillion between Financial Year 2019-2023. (*Source: CRISIL Report*)

Additionally, government policies like National Steel Policy aims to increase per capita steel consumption of India and create a technologically advanced and globally competitive steel industry in India to promote self-sufficiency in steel production as well as economic growth. The National Steel Policy focuses on the following three main aspects: (i) increase in consumption of steel through major sectors of infrastructure, automobiles and housing; (ii) to achieve 300 MT of steelmaking capacity by 2030; and (iii) to increase per capita steel consumption to the level of 160 kgs by 2030. This is expected to aid pre-engineered building industry by positively impacting the quality of steel available, which is the dominant raw material required for pre-engineered buildings. Additionally, increasing penetration of pre-engineered buildings in infrastructure projects coupled with National Steel Policy’s aim to boost steel consumption in infrastructure sector is expected to positively impact pre-engineered buildings. (*Source: CRISIL Report*)

Our extensive track record and domain experience, established brand presence and market position, paired with our integrated facilities for design and engineering, manufacture, on-site project management capabilities for installation and erection of PEBs supplied by us, position us to benefit from growth of the PEB industry in India. Accordingly, we aim to utilise a portion of the Net Proceeds towards setting-up the Project, and also upgrading our Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility, in order to bolster our manufacturing capacity and capabilities, thereby enhancing our ability to capitalize on growing demand in the Indian PEB industry. See “*Objects of the Offer – Details of the Objects of the Fresh Issue*” on page 107. Additionally, we propose to set-up our Planned Gujarat Manufacturing Facility. See “*Planned Manufacturing Facilities – Planned Gujarat Manufacturing Facility*” on page 253.

### *Expanding geographical footprint to cater to strategic markets in India and overseas*

As on the date of this Draft Red Herring Prospectus, we have Manufacturing Facilities in the two states of Uttarakhand, India and Tamil Nadu, India, three dedicated design and engineering centres situated in Noida, Uttar Pradesh, India; Chennai, Tamil Nadu, India; and Hyderabad, Telangana India, and eight sales and marketing offices in eight cities to cater to our customers across India. We have historically relied upon strategic expansion of our geographical presence, by setting up sales and marketing offices to acquire customers and business in identified target markets. We identify our target markets based on our internal assessment of existing demand for PEBs in such market, public announcements of significant construction projects in the region and government initiatives favourable to our operations.

Building upon our Company’s established manufacturing presence in Northern India and Southern India, our Company proposes to enhance its manufacturing presence in South Eastern India and Western India with its planned manufacturing facilities at Attivaram, Andhra Pradesh, India and Kheda, Gujarat, India. See “-**Planned Andhra Pradesh Manufacturing Facility**” and “-**Planned Gujarat Manufacturing Facility**” on pages 253 and 253. As on the date of this Draft Red Herring Prospectus, our Company have eight sales and marketing offices in eight cities in the states of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh and West Bengal. In addition to this, we have stationed sales and marketing employees in Chandigarh in Punjab and Haryana, Lucknow in Uttar Pradesh, Coimbatore in Tamil Nadu, Bhubaneswar in Odisha, and Raipur in Chhattisgarh. As of Financial Year 2022, against the national average contribution of construction and manufacturing gross value added (“GVA”) to the GDP of ~25%, the details of construction and manufacturing GVA of most such states as per the CRISIL Report are lower as set out below, suggesting further scope of improvement in the construction and manufacturing sectors in such states:

States	Gross State Domestic Product (constant prices)		Construction GVA (constant prices)		Manufacturing GVA (constant prices)	
	In ₹ million	CAGR (Financial Year 2018- 2022) (in %)	In ₹ million	CAGR (Financial Year 2018- 2022) (in %)	In ₹ million	CAGR (Financial Year 2018- 2022) (in %)
Andhra Pradesh	70,488.9	4.3	4,979.3	3.2	8,160.3	5.6
Arunachal Pradesh	1,980.1	6.2	154.4	(2.8)	19.2	(15.1)
Assam	26,252.3	4.5	2,254.1	5.1	4,514.5	7.8
Bihar	39,993.0	3.8	3,649.6	3.6	3,732.7	5.1
Jharkhand	24,334.8	3.7	1,987.7	4.1	5,328.0	6.3
Karnataka	122,971.3	4.8	6,187.8	1.6	18,313.2	2.0
Kerala	57,274.7	2.6	6,928.6	2.0	5,819.3	(1.1)
Madhya Pradesh	60,068.9	4.8	4,840.0	4.7	6,999.6	5.1
Punjab	43,376.9	3.7	2,712.2	5.0	6,231.2	4.8
Rajasthan	73,892.2	4.1	5,605.0	4.1	9,950.0	7.9
Telangana	67,437.1	4.9	3,246.7	3.9	9,400.6	7.3
West Bengal	78,775.8	3.2	7,831.5	7.0	12,808.1	6.0

(Source: CRISIL Report)

As on the date of this Draft Red Herring Prospectus, our Company has already established sales and marketing offices in West Bengal and Telangana. Our Company further proposes to expand its sales and marketing team by hiring additional personnel, including to service its customers in Maharashtra. Further, while as on the date of this Draft Red Herring Prospectus, our Company’s sales have pre-dominantly been within India, we are currently evaluating expanding our sales and marketing network to Central and West Asia, South East Asia and Africa.

#### **Expand customer base and increase sales to existing customers**

According to the CRISIL Report, key selection criteria for PEB suppliers in India include:

- reputed brand name, given perception that established brands ensure reliability and quality of raw materials, adherence to industry standards and codes, and consistent product quality;
- experienced design team and established design capabilities;
- having prior experience helps in gaining confidence of key stakeholders, since experience translates into better knowledge of building codes, industry regulations and terrain requirements. Additionally, experienced suppliers often have well-established networks with other stakeholders such as erectors to ensure smooth coordination during the project life-cycle;
- competitive pricing;
- robust manufacturing capability ensures timely production and delivery of building components; and
- project management expertise becomes extremely important to ensure timely completion and avoid costs overrun as it helps in the adherence to timelines, budget constraints, and high-quality standards.

We intend to rely on our existing customer relationships to generate Repeat Orders, and to emphasize quality consciousness, cost efficiency, and timely execution, and our customer outreach and other sales and marketing initiatives (guided by ‘lost order analysis’ undertaken by us) to acquire new customers and expand our customer base. To this end, we have also recently set up a dedicated business development team responsible for

identification of new industries, avenues or channels to increase the sales of our PEBs. Our sales and marketing team acts on the recommendations of the business development team to increase the market visibility of our brand and our products in those identified industries, avenues and channels. Additionally, we propose to expand our sales and marketing teams and business development teams in order to ensure continuing engagement with our existing customers and acquisition of new customers.

We intend to focus on customers engaged in electric vehicle manufacturing, renewable power and data centre based on recent regulatory initiatives in India. Within the automotive sector, schemes like FAME (Faster Adoption and Manufacturing of (Hybrid & Electric Vehicles) I, FAME II, PM-eBus Sewa as well reduction of GST on electric vehicles from 12% to 5% is expected to increase the demand of EV vehicles in India. Additionally, growing commitment by companies to renewable energy has led to a surge in the construction of solar and wind power projects. Furthermore, deferred investments from Financial Year 2021 due to the pandemic, coupled with a rise in investments in Financial Year 2023 for meeting the renewable energy target of the government, will boost the construction industry. (Source: CRISIL Report)

Going forward, as per the draft of the Data Centre Policy 2020, issued by the Ministry of Electronics and Information Technology, data centers are to be declared as an essential service under The Essential Services Maintenance Act, 1968, as amended. Data Centre Economic Zones will also be set up for the long-term growth of data centers in India. These policies combined with the RBI mandate advising all payment system providers to store entire data related to payment systems operated by them in a system only in India is expected to provide impetus to data center in India, which in turn is expected to boost the demand of PEBs. (Source: CRISIL Report) We also intend to foray into PEB categories in addition to our current offerings, which are being undertaken in conventional construction such as multi-storey commercial buildings (offices and mall), residential buildings, institutional builds (schools and universities). We further intend to leverage the growing proportion of PEB Sales to our revenue from operations to reach a wider customer base.

Details of expenditure incurred on expenses incurred towards sales initiatives and as a percentage of revenue from operations in Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 respectively, is set forth below:

Particulars	Financial year ended March 31, 2021		Financial year ended March 31, 2022		Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Expenses incurred towards sales initiatives*	8.39	0.15	10.08	0.12	15.75	0.14	9.72	0.16

\*Includes advertisement and sales promotion expenses and rent expenses for sales and marketing offices

***Continue to invest in our technology infrastructure to enhance in-house design and engineering, and manufacturing capabilities and thereby improve operational efficiencies***

We have invested in computer aided design technology to enable our design and engineering team to achieve design and detailing parameters based on our customers' requirements, including Staad Pro, MBS, FrameCad, Tekla, Auto Cad, and ZWCAD. We have also implemented ERP infrastructure across a significant portion of our operations and internal departments, which contributes to the integration of our supply chain relationships, design and engineering and other internal processes, network of sales and marketing offices and our project management team to contribute towards enhancement of our cost and time efficiency. Our focus remains on upgrading our systems, including our ERP infrastructure to ensure efficiency and business continuity and upgrade our IT infrastructure, which shall involve the purchase and implementation of an ERP solutions platform, which will enable us to map all core business processes in a single ERP system and implement comprehensive solutions for seamless integration with such ERP solution and develop a cost-efficient manufacturing process and deliver our PEB solutions in a cost and time efficient manner, in accordance with the requirements and specifications of our customers.

We have historically incurred expenditure towards computer and computer software of ₹ 2.27 million, ₹ 3.41 million, ₹ 4.39 million and ₹ 8.57 million, in Financial Years 2021, 2022 and 2023 and in the six months ended September 30, 2023, respectively, representing 0.04%, 0.04%, 0.04% and 0.16%, respectively, of our total expenses. We intend to continue to invest in our technology infrastructure to enable further innovation, improve our operational efficiencies, increase customer satisfaction and improve our sales and profitability. We also intend to enhance our design and engineering capabilities which provide us with a competitive advantage with respect to quality, product development and cost, as well as to explore sustainable cost improvement initiatives for our operations. In addition, we will focus on our operational efficiency to improve returns. We aim to identify opportunities to implement manufacturing improvements and will dedicate our design and engineering resources to enhance our manufacturing processes and improve our cost efficiencies. We intend to rely on our investment in design and engineering capabilities and expansion of our design and engineering team to enable us to capitalize on long-term growth opportunities and help us align ourselves with anticipated demand our products and market, and better position ourselves to meet the evolving requirements of our customers.

We aim to utilise a portion of the Net Proceeds towards funding investment in information and technology assets for expansion of existing technology infrastructure of our Company. The planned investment is intended to improve efficiency and meet changing customer requirements. See “*Objects of the Offer – Details of the Objects – Funding investment in information technology assets for upgradation of existing information technology infrastructure of our Company*” on page 141.

### Description of our business

We offer our PEBs by way of: (a) PEB Contracts, wherein we provide complete PEBs on a turn-key basis to our customers, and as a part of which, we also provide on-site project management expertise for the installation and erection of PEBs supplied by us at our customers’ sites; and (b) PEB Sales, which includes (i) sale of metal ceilings and corrugated roofing (comprising metal suspended ceiling systems (under the brand, “**TRAC®**”), metal roofing and cladding systems (under the brand, “**TRACDEK®**”) and permanent/metal decking (lost shuttering) over steel framing (under the brand, “**TRACDEK® Bold-Rib**”)); (ii) supply of PEB steel structures (comprising, amongst other things, primary and secondary framing systems; as well as complete PEBs, such as non-industrial PEB buildings for non-industrial use, such as farmhouses and residential buildings (under the brand, “**Interarch Life**”)) for erection and installation by third party builders/erectors, and (iii) LGFS.

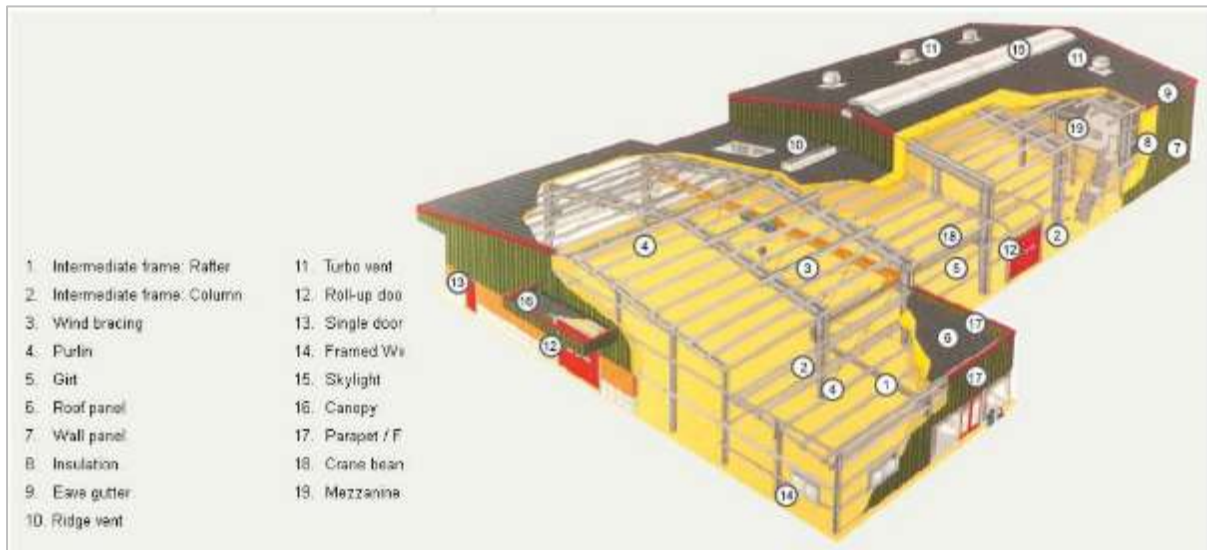
Set forth below is a breakdown of our revenue from PEB Contracts (recorded as revenue from Pre-engineered building contracts) and PEB Sales (recorded as revenue from sale of products (building materials)) during the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations	Amount (in ₹ million)	% of Revenue from operations
Revenue from Pre-engineered building contracts	4,290.38	74.48	7,213.41	86.39	9,861.37	87.74	4,736.14	80.07
Sale of products								
Building materials	1,329.03	23.07	937.57	11.23	1,204.34	10.72	1,096.66	18.54
<b>Total</b>	<b>5,619.41</b>	<b>97.55</b>	<b>8,150.98</b>	<b>97.62</b>	<b>11,065.71</b>	<b>98.46</b>	<b>5,832.80</b>	<b>98.61</b>

### Our pre-engineered steel building offerings

Our PEB offerings are customised, fabricated and executed as per the requirements of our customers. PEBs typically feature a structural steel framework of primary and secondary framing systems on which the metal roofing and cladding system is attached. All the components of our PEBs are engineered and fabricated at our Manufacturing Facilities in a manner that there would be no requirement for any cutting or welding at the site of

the customer. Set forth below is a diagrammatic representation of the various components of a typical PEB.



Set forth below are details of our PEB offerings.

### ***Pre-engineered steel building contracts***

We supply complete PEBs on a turnkey basis to our customers pursuant to PEB Contracts, wherein we are required to provide complete PEBs and involve estimation, designing, engineering, manufacture, and supply of PEBs in completely knock-down condition from our Manufacturing Facilities for on-site assembly for the installation and erection of PEBs at the site of the customer. We typically do not enter into continuing or long-term arrangements for any of our PEB Contracts, and rely on purchase orders issued by our customers from time to time, that set out the terms and conditions as well as customer specifications, timelines of delivery and other parameters, and also permit customers in certain instances to unilaterally terminate such orders, with or without cause. Certain PEB Contracts entered into by us entitle the customers inspect our Manufacturing Facilities and review our manufacturing processes and raw materials. Furthermore, our PEB Contracts typically contain provisions for warranty, defect liability and liquidated damages in the event of defect or non-conformity of our PEBs to customer specifications. See “*-On-site project management*” on page 245.

### ***Metal ceilings and corrugated roofing***

#### ***(a) Metal suspended ceiling systems***

Our TRAC® range of metal suspended ceiling systems are designed taking into account design, construction practices and weather conditions. They are available in a variety of designs including lineal ceiling, clip-in or lay-in tile and C-grid (brand raster) ceiling and are manufactured from fully recyclable materials. TRAC® metal suspended ceiling systems are manufactured out of pre-painted steel/aluminium/gypsum and are suitable for various interior and exterior spaces, including airports, offices, hospitals, schools, restaurants, shops, hotels and power plants.



*(b) Metal roofing and cladding systems*

Metal roofing and cladding systems consist of galvalume and galvanised steel substrates roll-formed into corrugated sheets of various sheeting profiles, and may feature coatings such as architectural polyester, siliconized polyester or poly vinyl dinine.

Our metal roofing and cladding systems (which we market under the brand, “**TRACDEK®**”) are used as a single skin roof or wall cladding or as sandwich panels formed by installing the cladding system in two layers with the insulation inserted in between the two layers combined with multi-layer insulation. These are manufactured in galvalume steel or aluminium with optional organic coating for enhanced durability.



*(c) Permanent/metal decking (lost shuttering) over steel framing*

We offer permanent/metal decking (lost shuttering) over steel framing (under the brand, “**TRACDEK® Bold-Rib**”), consisting of cold formed zinc-coated steel decking panels, designed for construction of composite floor slabs which also act as permanent shuttering. Permanent/metal decking (lost shuttering) over steel framing provides increased coverage per ton of steel and minimizes the requirement for reinforcement. Our permanent/metal decking (lost shuttering) over steel framing feature embossing on the top of the flange as well

as on vertical ribs, to provide adhesion and anchorage between the deck panel and the concrete slab. Further, they feature reinforced ribs and side laps to enhance folding strength.



### ***PEB steel structures***

#### ***(a) Primary framing systems***

Primary framing systems constitute the primary part of a PEB, since the entire PEB depends on the load-bearing capacity of its primary framing system. Primary framing systems comprise all structural components that transfer load of the PEB to the foundation, including primary load bearing frames (also known as main-frames), end-wall frames, wind bracings, crane brackets and mezzanine beams and joints. Primary load-bearing frames are assembled from columns and rafters made from built-up H-shaped structures and I-shaped structures fabricated by welding high-strength hot rolled steel plates, and end-wall frames consisting of either built-up welded, hot-rolled or cold-rolled metal columns. Such primary load-bearing frames and end-wall frames are complemented by flange bracing, connection bolts, anchor bolts and wind bracing. Wind bracing provides longitudinal stability to PEBs, and consists of cross-bracing within the roof and side walls in one or more bays depending on the magnitude of the load and the length of the PEBs. Crane brackets support crane beams and are fixed to column flanges.





(b) *Secondary framing systems*

Secondary framing systems consist of components that support the metal ceiling and corrugated roofing and transfer their load to the primary framing system. Secondary framing systems comprise built-up structural components and accessories such as: (i) roof purlins; (ii) wall girts, (iii) eave struts, and (iv) clips, which are typically Z-shaped and C-shaped structures, fabricated by cold rolling pre-galvanized sheets of varying thickness. In addition to supporting the metal ceiling and corrugated roofing of a PEB, secondary framing systems also provide support to longitudinal load on the PEB, such as wind load and earthquake load, and further provide lateral bracing to the compression flanges of the main-frame structural components, thereby increasing overall load-bearing capacity of the main-frame.



(c) *Non-industrial buildings*

As part of our PEB Sales, we also offer complete PEBs for erection and installation by third party builders/erectors, including primarily PEB buildings for non-industrial use (under the brand, “**Interarch Life**”), which feature customization to customer specifications, and include end-use applications in and as farmhouses

and residential buildings, internal partitions and walls, rain screen facades and roof crowns of high-rise structures, resorts, low-cost housing projects, industrial office blocks, labour housing and colonies, site offices and guest houses.



### *Light gauge framing systems*

We offer LGFS, which are composite PEB structures comprising our primary framing systems, secondary framing systems and metal ceiling and/or corrugated roofing designed to support light-weight non-industrial buildings. These LGFS are designed to enable quick and efficient assembly, and to simplify the construction process for our customers, and are engineered to be earthquake-resistant and termite-proof. LGFS offer the dual benefit of providing structural support whilst maintaining the flexibility of being dismantled and re-purposed, as well as providing adaptability for subsequent changes or modifications.



### *On-site project management*

As on September 30, 2023 our dedicated project planning and control team comprised 120 personnel, who are responsible for monitoring and overseeing the erection and installation of our PEBs at our customers' sites across India. The on-site project management team reports to the president of operations of our Company, allowing for centralized coordination of operations.

Upon receiving clearance for fabrication and subsequent shipment of our PEBs to our customers' sites, our on-site project management team coordinates all aspects of last-mile execution of erection and installation, including handling and storage of materials on-site to prevent any damage, supervising and inspecting the installation work of our empanelled builders/erectors, quality control checks at predefined milestones, meeting timelines, and troubleshooting and addressing errors on-site. Our on-site project management team collaborates with our health, safety and environment team to manage safety standards and eliminate downtime during erection and installation, and also loops in our engineering team as necessary.

The table below sets out the top 10 (by value) PEBs erected by us in Financial Years 2021, 2022 and 2023 and in the six months ended September 30, 2023.

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Particular	For the Financial year ended March 31, 2021			For the Financial year ended March 31, 2022			For the Financial year ended March 31, 2023			For six months ended September 30, 2023		
	Nature of Building	Location	Value (in ₹ million)	Nature of Building	Location	Value (in ₹ million)	Nature of Building	Location	Value (in ₹ million)	Nature of Building	Location	Value (in ₹ million)
Pre-engineered steel buildings	Industrial & Manufacturing	Uttar Pradesh	387.59	Infrastructure	Uttar Pradesh	429.32	Industrial & Manufacturing	Tamil Nadu	947.89	Industrial & Manufacturing	Karnataka	467.77
	Industrial & Manufacturing	Andhra Pradesh	317.42	Industrial & Manufacturing	Uttar Pradesh	412.81	Industrial & Manufacturing	Haryana	589.79	Industrial & Manufacturing	Karnataka	310.00
	Industrial & Manufacturing	Maharashtra	296.89	Industrial & Manufacturing	Rajasthan	379.53	Industrial & Manufacturing	Gujarat	517.90	Industrial & Manufacturing	Tamil Nadu	270.33
	Infrastructure	Karnataka	261.08	Industrial & Manufacturing	Tamil Nadu	320.39	Industrial & Manufacturing	Rajasthan	449.84	Industrial & Manufacturing	Uttar Pradesh	227.13
	Infrastructure	Haryana	244.96	Industrial & Manufacturing	Andhra Pradesh	279.69	Industrial & Manufacturing	Tamil Nadu	375.09	Industrial & Manufacturing	Tamil Nadu	224.27
	Infrastructure	Tamil Nadu	234.99	Industrial & Manufacturing	Andhra Pradesh	241.44	Infrastructure	Maharashtra	333.79	Industrial & Manufacturing	Karnataka	219.30
	Infrastructure	Haryana	191.66	Industrial & Manufacturing	Uttar Pradesh	237.18	Industrial & Manufacturing	Karnataka	331.31	Industrial & Manufacturing	Gujarat	210.61
	Industrial & Manufacturing	Gujarat	175.68	Industrial & Manufacturing	Odisha	231.95	Industrial & Manufacturing	Andhra Pradesh	299.40	Industrial & Manufacturing	Karnataka	206.30
	Industrial & Manufacturing	Uttar Pradesh	172.49	Industrial & Manufacturing	Uttar Pradesh	229.80	Industrial & Manufacturing	Tamil Nadu	281.31	Industrial & Manufacturing	Tamil Nadu	201.82
	Infrastructure	Uttar Pradesh	158.92	Industrial & Manufacturing	Punjab	190.56	Industrial & Manufacturing	Gujarat	267.61	Industrial & Manufacturing	Tamil Nadu	190.50

### ***Design and engineering***

Our Company has an in-house design and engineering team that includes 111 qualified structural design engineers and detailers as of September 30, 2023, with an average work experience of 8.05 years in the Company. Our design and engineering process involves a thorough analysis and conceptualization of the required PEB structure, involving design calculation, drawing approval, shop fabrication sketches, and erection drawing phases. Our Manufacturing Facilities are accredited and ISO 9001:2015 certified in Quality Management System (for the scope of design, marketing, project management and manufacture of PEBs, infrastructure steel solutions, metal roofing, wall cladding and suspended metal ceilings). Our Manufacturing Facilities are supported by dedicated design and engineering centres in Noida, Uttar Pradesh, India; (b) Chennai, Tamil Nadu, India; and (c) Hyderabad, Telangana, India, which enable us to firstly, offer customized PEBs in accordance with our customers' requirements and secondly, continually undertake incremental enhancements and improvements of our processes and design, thereby simultaneously contributing towards enhancement of our design compliance and engineering standards. Our design and engineering centres report directly to the chief operating officer of our Company.

Our design and engineering team is responsible for conceptualizing and designing structural PEB components that comply with our customers' requirements as well as regulatory requirements and industry standards for safety, durability, and efficiency. We utilize modelling and simulation tools towards optimizing structural integrity, considering factors such as load distribution, seismic resistance, and environmental impact, while balancing aesthetic and functional aspects. For details of our design and engineering software capabilities, see “- ***Technology Infrastructure***” on page 260.

### ***Job work***

The Company undertakes a small portion of its PEB production by way of outsourced manufacturing on a job work basis to third party manufacturers. The total production undertaken by way of job work in terms of MT during the six months ended September 30, 2023 and in Financial Years 2023, 2022 and 2021 has been less than 4.92%, 11.44%, 2.43%, and 2.28%, of our total production during such years/periods, respectively.

### **Manufacturing Facilities**

We primarily manufacture our products in-house at our four Manufacturing Facilities, comprising two Manufacturing Facilities in Sriperumbudur, Tamil Nadu, India and one each in Pantnagar, Uttarakhand, India and Kichha, Uttarakhand, India. Set forth below are details of our Manufacturing Facilities.

#### ***Pantnagar Manufacturing Facility***

The Pantnagar Manufacturing Facility is located in Pantnagar, Uttarakhand, India and was set up in 2005. As on the date of this Draft Red Herring Prospectus, we undertake production of PEB steel structures, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles and bracings).



*Kichha Manufacturing Facility*

The Kichha Manufacturing Facility is located in Kichha, Uttarakhand, India and was set up in 2008. We undertake production of (i) PEB steel structures comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles, bracings and galvanized cold formed C&Z sections made from galvanized coils), (ii) metal ceilings and corrugated roofing, comprising metal suspended ceiling systems, metal roofing and cladding systems and permanent/metal decking (lost shuttering) over steel framing, and (iii) LGFS .



*Tamil Nadu Manufacturing Facility I*

Tamil Nadu Manufacturing Facility I is located in Sriperumbudur, Tamil Nadu, India and was set up in 2007. We undertake production of metal ceilings and corrugated roofing, comprising metal suspended ceilings systems and metal roofing and cladding systems at the Tamil Nadu Manufacturing Facility I.



*Tamil Nadu Manufacturing Facility II*

Tamil Nadu Manufacturing Facility II is located in Sriperumbudur, Tamil Nadu, India and was set up in 2009. We undertake production of PEB steel structures, comprising complete PEBs, primary framing systems (consisting of built-up sections such as H-shaped structures and I-shaped structures), and secondary framing systems (consisting of built-up sections and accessories such as angles and bracings).



The following table sets forth certain information relating to our capacity utilization of our Manufacturing Facilities, calculated on the basis of total installed production capacity and actual production as of/for the years/period indicated below:

Name of Manufacturing Facility	Product	As at and for the financial year ended March 31, 2021			As at and for the financial year ended March 31, 2022			As at and for the financial year ended March 31, 2023			As at and for the six months ended September 30, 2023		
		Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)
Pantnagar Manufacturing Facility	BU*(1)	23,000	10,891	47.35	23,000	10,584	46.02	23,000	8,258	35.90	23,000	7,934	68.99
	BU Accessories*** <sup>(1)</sup>	6,000	2,886	48.10	6,000	3,169	52.82	6,000	2,771	46.18	6,000	1,519	50.63
	<b>Sub-total</b>	<b>29,000</b>	<b>13,777</b>	<b>47.51</b>	<b>29,000</b>	<b>13,753</b>	<b>47.42</b>	<b>29,000</b>	<b>11,029</b>	<b>38.03</b>	<b>29,000</b>	<b>9,453</b>	<b>65.19</b>
Kichha Manufacturing Facility	BU*(1)	21,000	7,904	37.64	21,000	13,149	62.61	21,000	12,955	61.69	21,000	7,694	73.28
	CF** <sup>(1)</sup>	12,000	4,637	38.64	12,000	5,136	42.80	12,000	5,650	47.08	12,000	3,287	54.78
	BU Accessories*** <sup>(1)</sup>	2,500	327	13.08	2,500	391	15.64	2,500	1,338	53.52	2,500	946	75.68
	Roof/wall cladding, decking and accessories <sup>(2)</sup>	9,000	2,939	32.66	9,000	1,709	18.98	15,000	4,011	26.74	15,000	1,684	22.45
	False ceiling <sup>(2)</sup>	3,000	260	8.67	3,000	140	4.67	3,000	50	1.67	3,000	14	0.96
	Light gauge framing system	3,000	62	2.07	3,000	65	2.17	3,000	37	1.23	3,000	153	10.20
	<b>Sub-total</b>	<b>50,500</b>	<b>16,129</b>	<b>31.94</b>	<b>50,500</b>	<b>20,590</b>	<b>40.77</b>	<b>56,500</b>	<b>24,041</b>	<b>42.55</b>	<b>56,500</b>	<b>13,778</b>	<b>48.77</b>
Tamil Nadu Manufacturing Facility I	Roof/wall cladding, decking and accessories <sup>(2)</sup>	6,000	1,513	25.22	6,000	1,972	32.87	6,000	2,848	47.47	6,000	1,482	49.38
	False ceiling <sup>(2)</sup>	3,000	239	7.97	3,000	103	3.43	3,000	117	3.90	3,000	76	5.07
	<b>Sub-total</b>	<b>9,000</b>	<b>1,752</b>	<b>19.47</b>	<b>9,000</b>	<b>2,075</b>	<b>23.06</b>	<b>9,000</b>	<b>2,965</b>	<b>32.94</b>	<b>9,000</b>	<b>1,558</b>	<b>34.61</b>
Tamil Nadu Manufacturing Facility II	BU*(1)	21,000	12,729	60.61	21,000	15,834	75.40	21,000	20,558	97.90	21,000	9,714	92.51
	CF** <sup>(1)</sup>	12,000	3,328	27.73	12,000	3,458	28.82	12,000	3,854	32.12	12,000	2,990	49.83
	BU Accessories*** <sup>(1)</sup>	2,500	1,347	53.88	2,500	1,500	59.98	2,500	1,623	64.92	2,500	884	70.72
	<b>Sub-total</b>	<b>35,500</b>	<b>17,404</b>	<b>49.03</b>	<b>35,500</b>	<b>20,792</b>	<b>58.57</b>	<b>35,500</b>	<b>26,035</b>	<b>73.34</b>	<b>35,500</b>	<b>13,588</b>	<b>76.55</b>
Pantnagar Manufacturing Facility	Site roll forming roofing	2,000	3,155	39.44	2,000	3,002	37.53	2,000	5,340	48.55	2,000	2,585	47.00
Kichha Manufacturing Facility		3,000			3,000			3,000			3,000		
Tamil Nadu Manufacturing Facility I		1,000			1,000			1,000			1,000		



Name of Manufacturing Facility	Product	As at and for the financial year ended March 31, 2021			As at and for the financial year ended March 31, 2022			As at and for the financial year ended March 31, 2023			As at and for the six months ended September 30, 2023		
		Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)	Installed capacity (MTPA)	Actual Production (MT)	Capacity utilisation (in %)
Tamil Nadu Manufacturing Facility II		2,000			2,000			5,000			5,000		
<b>Sub-total</b>		<b>8,000</b>	<b>3,155</b>	<b>39.44</b>	<b>8,000</b>	<b>3,002</b>	<b>37.53</b>	<b>11,000</b>	<b>5,340</b>	<b>48.55</b>	<b>11,000</b>	<b>2,585</b>	<b>23.50</b>
<b>Grand total</b>		<b>132,000</b>	<b>52,217</b>	<b>39.56</b>	<b>132,000</b>	<b>60,211</b>	<b>45.61</b>	<b>141,000</b>	<b>69,410</b>	<b>49.23</b>	<b>141,000</b>	<b>40,962</b>	<b>58.10</b>

\*BU – Built-up sections such as H-shaped structures and I-shaped structures

\*\*CF – Galvanized cold formed C&Z sections made from galvanized coils

\*\*\*BU Accessories – Angle bracings, etc.

(1) Steel structures

(2) Metal ceiling and corrugated roofing

Notes:

1. Installed capacity has been calculated by multiplying the number of machines/production line, the number of working hours per day, the number of working days in a week and the number of weeks per year/period.
2. For all Manufacturing Facilities, working hours per shift considered at eight hours (including 30 minutes lunch break per shift), and three shifts per working day.
3. Six working days considered per week.
4. 52 weeks considered per year/26 weeks considered for six months.
5. The number of machines/production lines is calculated by aggregating the actual number of machines/production lines available at the beginning of the relevant Financial Year/period, and the actual number of machines/production lines added during the Financial Year/period adjusted pro-rata based on the number of weeks such additional machines/production lines were utilized during the said Financial Year.
6. Site roll forming roofing machines are considered separately since such machines are housed at the various Manufacturing Facilities, however are actually utilized for production at customer sites. For site roll forming roofing, capacity utilization has been calculated assuming two shifts per working day only, with all other assumptions being identical to as considered for Manufacturing Facilities as set out hereinabove under 1-5.
7. The four Manufacturing Facilities had an aggregate installed capacity of 141,000 MTPA as of September 30, 2023. This included one decking machine line, which was added at the Kichha Manufacturing Facility and three site roll forming machines which were added at the Tamil Nadu Manufacturing Facility II in the Financial Year 2023, the combined installed capacity of such additional machines being 9,000 MTPA.
8. The Pantnagar Manufacturing Facility's production capabilities include two beam welding production lines as well as shot blasting and finishing capabilities. In addition to this, it also has BU Accessories production capabilities, including for angle bracing, and other steel structures. There are two site roll forming machines at the Pantnagar Manufacturing Facility.
9. The Kichha Manufacturing Facility's production capabilities include two beam welding production lines, cold form C&Z roll forming machines, roofing, wall-cladding, decking, roll forming machine, as well as shot blasting and finishing capabilities. In addition to this it also has machines for making downpipe, flashing, gutter, false ceiling, as well as LGFS production capabilities. In addition to this, it also has BU Accessories production capabilities for pipe bracing, angle bracing and other steel structures. There are three site roll forming machines at the Kichha Manufacturing Facility.
10. The Tamil Nadu Manufacturing Facility I's production capabilities include roofing, wall cladding, roll forming machine, as well as production lines for downpipe, flashing, gutter, and false ceilings. There is one site roll forming machine at the Tamil Nadu Manufacturing Facility I.
11. The Tamil Nadu Manufacturing Facility II's production capabilities include two beam welding lines, cold form C & Z roll forming machines, as well as shot blasting and finishing capabilities. In addition to this, it also has BU Accessories production capabilities for pipe bracing, angle bracing and other steel structures. There are five site roll forming machines at the Tamil Nadu Manufacturing Facility II.

## Planned Manufacturing Facilities

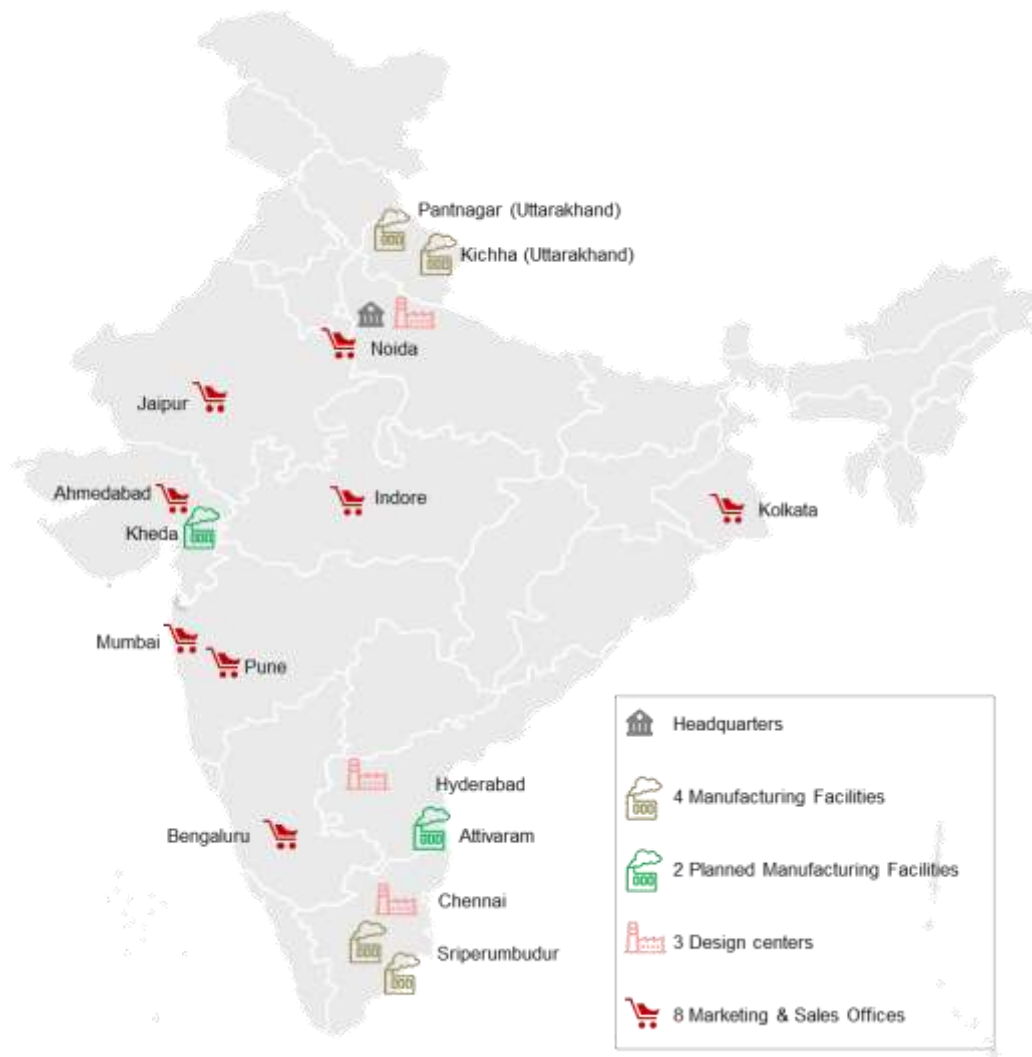
### *Planned Andhra Pradesh Manufacturing Facility*

In order to enhance our presence and existing capacity in southern India, and by leveraging our experience and know-how, we propose to set up PEB manufacturing units at the Planned Andhra Pradesh Manufacturing Facility on industrial land admeasuring 40,470 square metres situated at Plot no. 8-36, Ozili Mandal, Attivaram Village, APIIC Industrial Park, Attivaram, Tirupati, 524 421, Andhra Pradesh, India allotted to us by the Andhra Pradesh Industrial Infrastructure Corporation Limited pursuant to provisional allotment letter dated March 1, 2023, final allotment letter dated May 3, 2023 and lease deed dated May 12, 2023 entered into between APIIC and the Company for an amount of ₹ 65,278,110 (which amount has already been paid by the Company to the APIIC out of internal accruals) for a period of 33 years. Our Company proposes to set up such manufacturing units in two phases, including the Project, which is classified as Phase 2 under our capacity development plan for the Planned Andhra Manufacturing Facility. Our Company proposes to commence the Project subsequent to completion of Phase 1, and is proposed to be funded out of the Net Proceeds and internal accruals. Further, subject to conditions mentioned in the lease deed dated May 12, 2023, our Company has the option to extend the period of the lease to 99 years, without accruing any additional amount towards such extension. The APIIC has allotted such industrial land to us for the purposes of manufacturing of PEBs. See “**Objects of the Offer – Financing the capital expenditure towards setting up a new pre-engineered steel building manufacturing unit at the Planned Andhra Pradesh Manufacturing Facility (classified as Phase 2 of our capacity development plan) (“Project”)**” on page 107 for details of the current status of the Project.

### *Planned Gujarat Manufacturing Facility*

We propose to set up a manufacturing Facility in Kheda, Gujarat (“**Planned Gujarat Manufacturing Facility**”). To this effect, we have entered into two agreements for sale each dated March 29, 2023 with third parties to purchase land on a freehold basis situated at new block/survey no. 279, Mouje: Viroja, Taluka: Matar, District and Subdistrict: Kheda, Gujarat, admeasuring 51,926 sq. mtrs towards which our Company has made a payment of ₹ 10.61 million as earnest money and new block/survey no. 280, Mouje: Viroja, Taluka, Matar, District and Subdistrict: Kheda admeasuring 42,244 sq. mtrs towards which our Company has made a payment of ₹ 3.30 million as earnest money. The validity of such agreements for sale have been extended up to April 30, 2024 by way of a letters dated March 11, 2024. In terms of such agreement, an application will be made of the purposes of conversion of the agricultural lands to industrial lands and on receipt of approval for such conversion, we propose to enter into sale deeds to purchase the land. As on the date of this Draft Red Herring Prospectus, we have not commenced any activity towards construction of the Planned Gujarat Manufacturing Facility.

The following map shows the locations of our Corporate Office, four Manufacturing Facilities, Planned Andhra Pradesh Manufacturing Facility, Planned Gujarat Manufacturing Facility, three design and engineering centres and the eight sales and marketing offices.



Note: Map not to scale

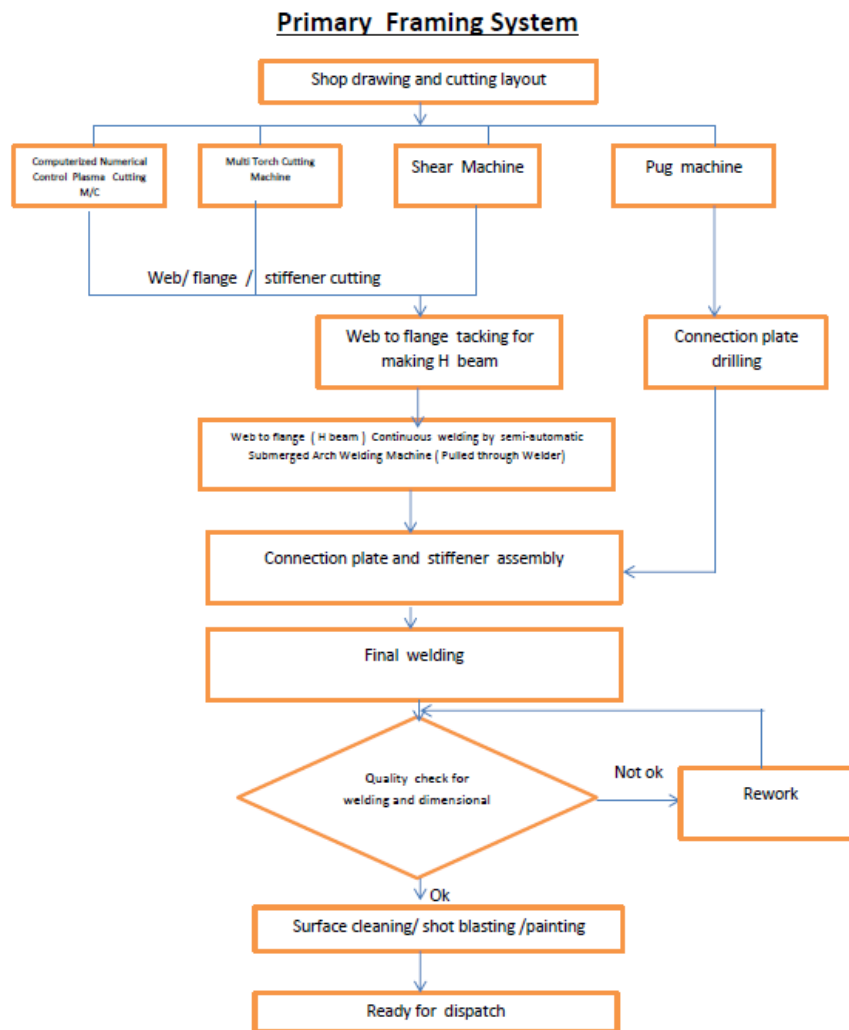
### Manufacturing Process

We undertake the manufacturing process of (i) steel structures comprising primary framing systems, and (ii) steel structures comprising secondary framing systems, as well as metal ceiling and corrugated roofing systems separately, which are then assembled together to form the PEB at the respective customers' sites.

(i) *Primary framing system*

We undertake manufacture of our primary framing systems and components through the beam production line, which consists of machinery sequenced to be performed on hot rolled steel plates). Set out below is an indicative

graphical representation of the manufacturing process for primary framing systems:



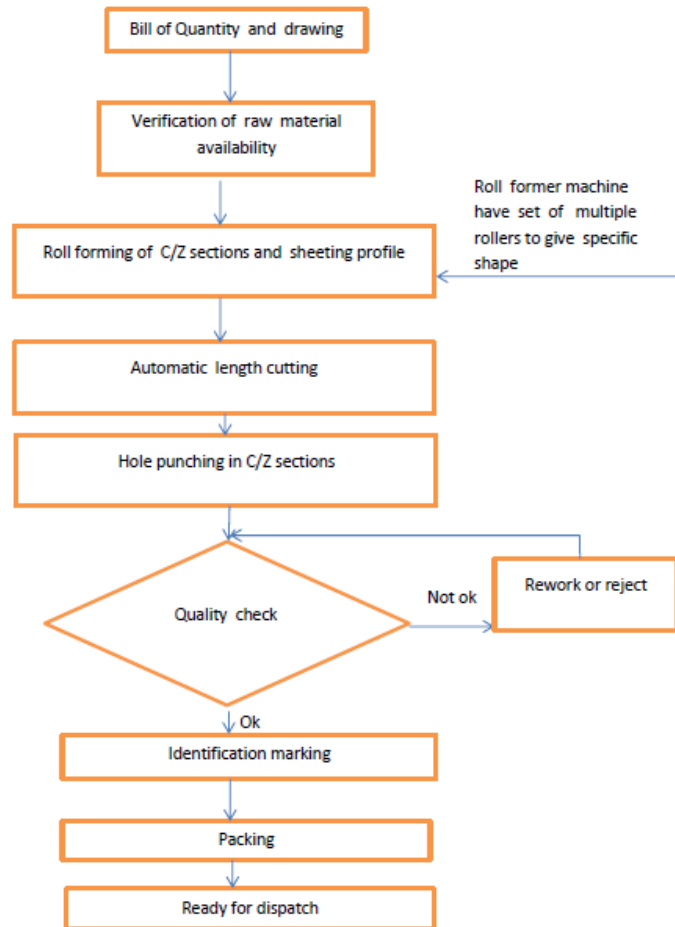
Manufacturing process for primary framing systems comprises of (a) cutting of plates; and b) welding, as well as painting and shot blasting. The cutting process involves cutting of hot rolled steel plates of various thickness into various sizes, using shearing, plasma and multi-torch machines. CNC/ punching machines are then used to punch holes to the cut steel plates as per requirements. Thereafter, as necessary, fitted I-shaped structures/sections are welded along the edge to form the primary H-shaped structures, by using flange seaming machine and pull through welder machines for uniform welding at higher speed, followed by finishing to remove excess welding. Subsequently, we undertake shot blasting to improve surface finish and remove contaminants, followed by application of primer on steel parts to prevent rusting before the paint coating process.

(ii) *Secondary framing systems, as well as metal ceiling and corrugated roofing*

Set out below is an indicative graphical representation of the manufacturing process for secondary framing systems, as well as metal ceiling and corrugated roofing:

## Secondary Framing Systems

(including metal ceilings and corrugated roofing systems)



Roll forming machines are used to roll form C&Z sections, and sheeting profiles at various angles and of various descriptions. Subsequently, slitter machines are used to slit sheeting as per requirements, hemming machines are used to form the folding lock, followed by bending the plates using press brake machines. Power press is used to fabricate notches in sheets by using various tools and dies.

### Plant and Machinery

Our Manufacturing Facilities have diversified production capabilities and include automated H-beam welding machines (pull-through welders) which are used to make customized H-shaped structures, plasma cutting machine for cutting steel plates, C&Z roll forming machinery for preparing profiles of galvanized cold formed C&Z sections made from galvanized coils, and roof and wall profile sheet roll forming machine which is used to make specific profile shape of sheeting. For more details, see “- *Significantly integrated manufacturing operations, backed by in-house design and engineering, on-site project management, and sales and marketing capabilities*” above.

### Raw Materials

For our PEB Contracts and PEB Sales, our primary raw material is steel in various descriptions and thickness i.e., hot rolled steel plates, galvanized steel coil, galvalume steel, standard hot rolled sections. We do not generally have long term commitments for the supply of raw materials and rely on purchase orders which set out the terms and conditions in relation to pricing, scheduling and delivery details. Most of the raw materials that we use are heavy industries related. Substantially all our raw materials are available in India, enabling us to ensure timely availability of raw materials of the desired quality and quantity.

The table below sets forth details on our cost of raw material and components consumed, including as a percentage of our total expenses, during the years/period stated:

Particulars	Financial year ended March 31, 2021		Financial year ended March 31, 2022		Financial year ended March 31, 2023		Six months ended September 30, 2023	
	Amount	% of	Amount	% of	Amount	% of	Amount	% of
	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses
Cost of raw material and components consumed	3,551.18	61.69	5,694.36	69.59	7,427.33	72.29	3,952.59	71.56

Under our purchase orders, we are usually entitled to pass on price escalations of specified input materials to our customers, including for steel. Other production costs such as cost of spares, manpower and inventory carrying cost are typically borne by us and are subject to ongoing negotiations. Also see, “*Risk Factors – We depend on third party suppliers for the uninterrupted supply of our raw materials and do not have continuing or exclusive arrangements with any of our suppliers. Loss of suppliers or any failure by our suppliers to make timely delivery of raw materials may have an adverse effect on our business, results of operations and financial condition*” on page 31.

## Utilities

### Power and fuel

Our manufacturing processes require an uninterrupted and constant voltage power to ensure that the products are of high quality. We source our electricity requirement directly from state electricity boards and balance power requirement is sourced from three in-house DG Sets installed at each of our Manufacturing Facilities. The fuel requirement for the DG Sets is sourced from local petrol pump/mobile fuel van on spot basis.

### Water

Our manufacturing processes also require water consumption although they are not water intensive. The requirement for water for our Pantnagar Manufacturing Facility and Kichha Manufacturing Facility (renewal application filed) is primarily met through borewells and we have obtained permission under the Environment Act for extraction of ground water from the Central Ground Water Authority. For our Tamil Nadu Manufacturing Facilities, we have entered into an agreement with State Industrial Promotion Corporation of Tamil Nadu Limited for supply of water.

The table below sets forth our utility cost which includes power and fuel costs, including as a percentage of our total expenses for the Financial Years/period stated:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount	% of	Amount	% of	Amount	% of	Amount	% of
	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses	(in ₹ million)	Total expenses
Power and fuel	44.39	0.77	58.71	0.72	64.59	0.63	39.87	0.72

## Transportation

For deliveries of our products, we rely on and utilise external logistic contractors who are selected based on their capabilities. For our operations in India, we rely on external logistic contractors for the supply of our raw materials and to ship our products to the construction site or to our customers by road. We engage third party logistics providers for our transportation needs and typically engage them on a work order basis.

Additionally, we take regular updates on the location of the vehicles and the vehicle placement schedule is coordinated with the production planning and control department of our Company in line with the production schedule and delivery terms of a contract. Upon receiving the placement schedule, the transporter is given the same schedule for the requirements of the vehicle for loading the components for delivery at the customer site. Upon dispatch of the components, an e-mail is sent to all concerned on a daily basis and the driver/ transporter are instructed to provide daily movement status of the vehicles verbally or through email. Further, daily movement vehicle tracking status is provided through an ERP integrated system as well.

## Sales and marketing

Our centralized corporate marketing team comprising six personnel as of September 30, 2023, is housed at our Corporate Office, and oversees overall marketing activities of our Company, including brand management, advertising and promotions, market research and analysis, digital marketing, marketing communications, public relations, market research, customer relationship management, and business development. The corporate marketing team is supported by 60 sales and marketing executives, including sales co-ordination and support staff as of September 30, 2023, operating out of eight sales and marketing offices in eight cities to cater to our customers across India. In addition to this, we have stationed sales and marketing employees in Chandigarh in Punjab and Haryana, Lucknow in Uttar Pradesh, Coimbatore in Tamil Nadu, Bhubaneswar in Odisha, and Raipur in Chhattisgarh. Our sales and marketing team include qualified engineers that are able to discuss our offerings with technical understanding, and their local presence ensures effective execution of regional marketing and lead generation.

## Customers

The PEB market in India can be divided into three broad end-use sectors: (i) industrial, (ii) infrastructure, and (iii) building (residential, commercial and non-commercial). Industrial/manufacturing construction includes manufacturing plants, factories, power plants, and other highly specialized facilities. Infrastructure construction includes warehouses, bridges, dams, roads, airports, canals, etc., and building construction includes constructing buildings for residential uses such as houses, residential towers, etc., as well as non-commercial buildings like hospitals, educational institutions, as well as buildings for commercial use such as offices, retail malls, etc. (*Source: CRISIL Report*) Our customers under the industrial/manufacturing construction category include Grasim Industries Limited, Berger Paints India Limited, Blue Star Climatech Limited, Timken India Limited and Addverb Technologies Limited and infrastructure construction category includes InstaKart Services Private Limited.

We primarily follow a business-to-business model which is typically based on standalone purchase orders which contain the commercial terms of supply including price, delivery location, payment terms, warranty related terms which warrants conformity of products to specifications, drawings, or descriptions approved by the customers. The standalone purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected and will be safe for use, that orders will be built to customer specifications. Under some of these standalone purchase orders or continuing arrangements, we provide specific performance bank guarantees to our customers.

## Employees

We train our employees on a regular basis seeking to increase their knowledge and operational efficiency, improve productivity and maintain compliance standards on quality and safety. In addition to compensation that includes salary and allowances, our employees receive statutory benefits (including employees provident fund, employees state insurance, pension, retirement and gratuity benefits, workman's compensation, maternity and other benefits, as applicable).

As of September 30, 2023, we had 2,000 permanent employees. The table below sets forth the breakdown of our employees:

Particulars	Number of employees as of September 30, 2023
Sales and marketing (including sales support and sales coordinator)	60
Design and engineering	111
Finance and accounts	49
Human resources	11
Plant operations	1,434

Particulars	Number of employees as of September 30, 2023
Information technology	9
Supply chain management	14
Safety	42
Quality	83
Administration	57
Project planning and control (including project execution and management)	120
Corporate marketing	6
Senior leadership	4
<b>Total</b>	<b>2,000</b>

We engage contract laborers depending on the requirements of labour-intensive projects particularly in our Manufacturing Facilities and at the time of assembling and erection of the PEBs at the site of the customer. The number of contract labourers engaged by us vary from time to time based on the nature and extent of work involved in our on-going projects. These contract laborers are engaged through independent contractors in accordance with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended. The table below sets forth details of our contract labour as of the dates indicated:

Particulars	As of			
	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2023
Number of Contract labourers	447	253	333	336

As of September 30, 2023, our project management team is augmented by a network of 50 empanelled and approved builders/erectors who we have identified and scrutinized based on their previous work experience. The table below sets forth the erection and installation services expenses for the years/period stated:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount	% of our	Amount	% of our	Amount	% of our	Amount	% of our
	(in ₹ million)	total expenses	(in ₹ million)	total expenses	(in ₹ million)	total expenses	(in ₹ million)	total expenses
Erection and installation services expenses	602.20	10.46	667.47	8.16	822.48	8.01	508.20	9.20

### Quality control

We place an emphasis on product and process quality control, which we consider integral to our success. Our quality systems and processes are intended to enable us to meet the stringent and complex requirements of our customers and meet the stipulated performance standards and timelines. Our Manufacturing Facilities are accredited and ISO 9001:2015 certified in Quality Management System (for the scope of design, marketing, project management and manufacture of PEBs, infrastructure steel solutions, metal roofing, wall cladding and suspended metal ceilings). We have established dedicated safety and quality control teams to oversee each stage of the erection process. Our dedicated project planning and control team oversees overall execution of our orders, and coordinates with the various relevant departments within our Company.

Additionally, each of our Manufacturing Facilities have dedicated quality control teams performing various quality assurance activities from inspecting the raw materials to dispatch of our products to the customers. We have the following in-house testing and inspection facilities: (i) ultrasonic testing facilities; (ii) dye penetrant testing facility; (iii) magnetic particle testing facility; (iv) hardness testing facility; (v) universal testing machine for mechanical testing of material; (vi) weld sample bend test facility; (vii) paint thickness coating gauge; (viii) temperature measurement equipment; and (viii) humidity measurement equipment.

### Corporate social responsibility

We have constituted a corporate and social responsibility (“CSR”) committee of our Board of Directors (the “CSR Committee”) and have adopted and implemented a CSR Policy on January 15, 2024. Our CSR initiatives



are aligned with the requirements under the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. We strive to meet our commitment towards the community by committing our resources and energies to social development. Our CSR initiatives include education, healthcare and medical facility, skill development and empowerment, environment protection, infrastructure development, and community development. In Financial Year ended March 31, 2023, we incurred Expenditure on corporate social responsibility of ₹ 6.57 million.

## **Insurance**

Our business and operations are subject to various risks inherent in the PEB industry such as risk of equipment failure, work accidents, fire, theft, earthquake, flood, product recall and liability, acts of terrorism, other force majeure events and other hazards that may cause personal injury, loss of life, damage to property and equipment and environmental damage. We maintain insurance policies in respect of our business, machinery, building and equipment, as well as for product liability coverage and workmen compensation. We have personal accident insurance policy for our employees, group mediclaim policies for our employees and their families and other insurance policies to manage the risk of losses from potentially harmful events, public liability insurance policies and money insurance policies.

Our insurance coverage is in accordance with industry standards, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For further information, see “**Risk Factors – Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our business, results of operations and financial conditions**” on page 49.

## **Intellectual property**

We rely on a combination of intellectual property laws, confidentiality procedures and contractual provisions to protect our intellectual property. For details of our registered trademarks, see “**Government and other Approvals – Intellectual Property Rights**” on page 435.

## **Technology infrastructure**

Our technology infrastructure plays a pivotal role in various aspects of our business, with our initiatives being focused on system-based controls over our operations.

Our key business processes, including procurement to pay, order to cash, finance and accounting, quality management and plant maintenance are mapped on an enterprise resource planning central component platform which enables capturing of data at source on real time basis and processing, thereby enabling data-based decision making across a significant portion of our operations and internal departments, which contributes to the integration of our supply chain relationships, design and engineering and other internal processes, network of sales and marketing offices and our on-site project management functions. The enterprise resource planning platform and other applications are hosted on third-party servers. We have also invested in computer aided design technology to enable our design and engineering team to achieve design compliance and meeting detailing parameters based on our customers’ requirements, including Staad Pro, MBS, FrameCad, Tekla, Auto Cad, and ZWCAD.

We also utilize a third-party customer relationship management software, which enables automation of a portion of our sales processes, including lead management, opportunity tracking, and pipeline management, thereby helping us prioritize leads, forecast sales, and collaborate on deals.

Our technology strategy is aligned with our broader business objectives, focussing on efficiency, productivity, and overall competitiveness. We intend to focus on further strengthening our information security management system to protect against leakage of sensitive data and critical information assets. We have established an information technology governance framework that prescribes processes towards ensuring that our technology investments are well managed, and risks are adequately mitigated to contribute towards enhancement of our cost and time efficiency.

## Health and employee safety

Our dedicated health and employee safety team comprises 42 personnel as on September 30, 2023, and works directly with our on-site project management team to manage safety standards and eliminate downtime during erection and installation, and oversees all health and safety initiatives at our Manufacturing Facilities as well as customers' sites. Our dedicated health and employee safety team reports directly to the chief operating officer.

We endeavour to adhere to laws and regulations relating to protection of health and employee safety. We carry out our activities while following appropriate standards of work safety and we strive to ensure that our working conditions remain a healthy and safe work environment for our employees.

We have taken initiatives to reduce the risk of accidents at our Manufacturing Facilities, including: (i) implementing stringent safety protocols; (ii) comprehensive training programmes including safety induction; (iii) medical examination of workers before commencement of a project; (iv) certification of the equipment used by the employees; and (v) conducting periodic emergency mock drills in our Manufacturing Facilities.

## Competition

The PEB industry does not require significant upfront capital investment in terms of manufacturing facilities and suitable technology, leading to fragmentation multiple manufacturers, suppliers, and contractors operating independently. This competitiveness is impacting players' margins. Moreover, the unorganised industry could compromise on quality standards to ensure price competitiveness and weaken the structural security of the building. (Source: CRISIL Report).

We face competition in India in the industry we operate in from companies which either operate in the same line of business as us or offer similar products. Our competitors include Epack Polymers Private Limited, Everest Industries Limited, Kirby Building Systems and Structures India Private Limited, M&B Engineering Limited, Pennar Industries Limited, Phenix Buildings Solutions Private Limited, Smith Structures (India) Private Limited and Zamil Steel Buildings India Private Limited.

## Properties

Our premises comprise our Registered Office, our Corporate Office and our manufacturing facilities. For details on our capacity utilisation of our Manufacturing Facilities and Planned Manufacturing Facilities, see “– *Manufacturing facilities*”, on page 248.

The following table sets out details of our material premises:

S. No.	Particulars	Location	Leased area (sq. mt)	Owner/Lessor	Leased/Owned	Date of agreement and term of lease (as applicable)	One-time payment (in ₹ million)	Rent (in ₹ million)
<i>Manufacturing facilities</i>								
1.	Pantnagar Manufacturing Facility	Plot no. 14, Sector-2, I.I.E Pantnagar, District Udham Singh Nagar, Uttarakhand	35,143	SIDCUL	Leased	November 4, 2004, for a term of 90 years	19.20	-
		Plot no. 14-A, Sector-2, I.I.E., Pantnagar, District Udham Singh Nagar, Uttarakhand			Leased	May 8, 2009, for a term of 90 years.	4.07	-
2.	Kichha Manufacturing Facility	Khasara no. 276-A, Kishanpur, Rudrapur, Kichha, District Udham Singh Nagar	71,533	Our Company	Owned	June 24, 2008	181.80	-

S. No.	Particulars	Location	Leased area (sq. mt)	Owner/Lessor	Leased/Owned	Date of agreement and term of lease (as applicable)	One-time payment (in ₹ million)	Rent (in ₹ million)
Khatauni								
3.	Tamil Nadu Manufacturing Facility I	F-19, 8th Main Road, First Cross, SIPCOT Industrial Park, Irungattukottai, Kancheepuram, 602 105, Tamil Nadu, India	4,046	SIPCOT	Leased	September 5, 2005, for a term of 99 years	1.33	-
4.	Tamil Nadu Manufacturing Facility II	Plot No. D-1/1, SIPCOT Industrial Park, Mambakkam, Sriperumbudur, Kancheepuram, 602 105, Tamil Nadu, India	24,322	SIDCUL	Leased	November 24, 2005, for a term of 99 years	7.96	-
<b>Office premises</b>								
5.	Registered Office	Farm No. 8, Khasara No. 56/23/2, Dera Mandi Road, Mandi Village, Mehrauli, New Delhi 110 047 Delhi, India	-	Aries	Leased	March 1, 2024, for a term of 11 months	-	0.03
6.	Corporate Office	B 30, Sector 57, Noida 201 301 Uttar Pradesh, India	800	NOIDA	Leased	April 18, 1988 for a term of 90 years from April 3, 1988	0.25	0.00 <sup>^</sup>
<b>Planned Manufacturing Facilities*</b>								
7.	Planned Andhra Pradesh Manufacturing Facility	Plot No. 8-36, Ozili Mandal, Attivaram Village, APIIC Industrial Park, Attivaram, Tirupati, 524 421, Andhra Pradesh, India	40,470	APIICL	Leased	May 12, 2023, for a period of 33 years <sup>^^</sup>	65.27	0.01

*\*Our Company proposes to set up the Planned Gujarat Manufacturing Facility in Kheda, Gujarat. For details see “– Planned Manufacturing Facilities – Planned Gujarat Manufacturing Facility” on page 253.*

*<sup>^</sup>Lease rent of ₹6,300 chargeable annually for the first 12 years chargeable from April 3, 1988. Subsequently the lease rent is enhanced after every 12 years from the April 18, 1988 by an amount not exceeding 50% of the annual lease rent payable at the time of such enhancement.*

*<sup>^^</sup>Subject to conditions mentioned in the lease deed dated May 12, 2023, our Company has the option to extend the period of the lease to 99 years, without accruing any additional amount towards such extension.*

## KEY INDUSTRY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant sector specific laws, regulations and policies in India which are applicable to the business and operations of our Company. The information detailed in this chapter has been obtained from legislations, including rules, regulations, guidelines and circulars promulgated and issued by regulatory bodies available in the public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of the applicable laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

For details in relation to material approvals obtained our Company, see “**Government and Other Approvals**” on page 432.

### I. Industry specific regulations

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

The Bureau of Indian Standards Act, 2016 (“**BIS Act**”) provides for the establishment of the Bureau of Indian Standards (“**BIS**”) for the development of activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS which includes, among others: (a) publishing, establishing, promoting and reviewing Indian standards; (b) adopting as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to goods, articles, processes, systems or services; (c) functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders; and (d) undertake, support and promote research necessary for formulation of Indian standards.

#### ***National Building Code of India, 2016***

The National Building Code of India, 2016 (“**National Building Code**”) is a building code which has been prepared and published by the BIS for the purposes of regulating building construction activities in India. It serves as a model code for adoption by all agencies involved in building construction works, including public works departments, other government construction departments, local bodies and private construction agencies. The National Building Code mainly includes, *inter-alia*, administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety) and building and plumbing services, landscaping and outdoor display structures; approach to sustainability; and asset and facility management. Further, the National Building Code prescribes the structural design aspects of steel buildings specifically in relation to general construction using hot rolled steel sections and steel tubes joined using riveting, bolting and welding. It also provides guidance on the various loads to be considered while designing a steel building and certain guidance on fabrication and erection requirements.

#### ***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (the “**Metrology Act**”) aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are included in the relevant state specific legislations. Any non-compliance or violation of the provisions of the Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

#### ***The Explosives act, 1884 (“Explosives Act”)***

The Explosives Act, 2008 (“**Explosives Act**”) read along with the Explosives Rules, 2008 (“**Explosives Rules**”) regulates the manufacturing, possession, sale, transportation, export and import of explosives. Under the Explosives Act, “explosive” means *inter alia* any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect. The primary objective of this Explosives Act is to ensure public safety and prevent misuse of explosives. The Explosives Act empowers authorities to issue licenses for lawful activities

involving explosives and sets standards for safe handling and storage. In furtherance to the purpose of the Explosives Act, the Central Government has notified the Explosive Rules which sets out the classification, categorization and procedure for obtaining authorizations for the for the manufacture, import, export, transport, possess sell or use of any explosives. The Explosives Act sets out various penalty provisions for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

#### ***Gas Cylinder Rules,***

The Gas Cylinder Rules, 2016 (“**Gas Cylinder Rules**”) which have been issued under the Explosives Act, regulates the filling, manufacturing, importing, possessing and transporting of any gas contained in cylinders in compressed or liquefied state. The Gas Cylinder Rules mandate that a cylinder can be filled with compressed gas and be subsequently possessed or transported by a person only after such person has been granted a license by the Chief Controller. The Gas Cylinder Rules set out the various conditions to be met in order to obtain such license. The Gas Cylinder Rules also state that in the event of non-compliance with the conditions of the license or the provisions of the Cylinder Rules, the license or approval shall be suspended or cancelled.

#### ***The Static and Mobile Pressure Vessels (Unfired) Rules 2016***

The Static and Mobile Pressure Vessels (Unfired) Rules 2016 (“**SMPV Rules**”), which have been issued under the Explosives Act, regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled.

#### ***Fire prevention laws***

The State legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the 12<sup>th</sup> Schedule to the Constitution of India, which includes fire services. The Tamil Nadu, Uttarakhand and Andhra Pradesh State Legislature has enacted fire control and safety regulations such as the Tamil Nadu Fire Services Act, 1985 read with Tamil Nadu Fire Services Rules, 1990, Uttarakhand Fire and Emergency Service, Fire Prevention and Fire Safety Act, 2016 and Andhra Pradesh Fire Service Amendment Act, 2006. These legislations include provisions in relation to maintenance of fire safety and life saving measures by occupiers of buildings, procedure for obtaining no objection certificate and penalties for non-compliances.

#### **Environmental Laws Legislations**

We are subject to various environmental regulations, as the operation of our facilities might have an impact on the environment in which they are situated. The basic purpose of the statutes listed below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards, which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The pollution control boards are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the pollution control boards, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be periodically renewed.

#### ***The Environment (Protection) Act, 1986, the Environment (Protection) Rules, 1986 and the Environmental Impact Assessment Notification, 2006***

The Environment (Protection) Act, 1986 (“**EPA**”) is an umbrella legislation designed to provide a framework for the Government to protect and improve the environment. The power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution vests with the Government. The Environment (Protection) Rules, prescribe for the standards for emission or discharge of environmental pollutants from industries, operations, or processes through prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution. Additionally, under the Environmental Impact Assessment Notification, 2006 and its subsequent amendments, industries are required to mandatorily obtain environmental clearance from the

concerned authorities depending on the potential impact on human health and resources.

### ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)***

The Hazardous Waste Rules, management, treatment, storage and disposal of hazardous waste in an environmentally sound manner. Under the Hazardous Waste Rules, “hazardous waste” *inter alia* means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. The Hazardous Wastes Rules require every occupier, engaged in the generation, handling, processing, treatment, storage, package, storage, transportation, use, collection, destruction, or transfer of hazardous wastes to obtain authorization from the concerned state pollution control board, as applicable. Further, the occupier, importer or exporter, who is held liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste, must pay any financial penalty that may be levied by the respective state pollution control board.

### ***The Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”) aims to prevent and control water pollution by factories and manufacturing units and maintain and restore the quality and wholesomeness of water in the country. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. The Water Act also provides that the consent of the relevant state pollution control board must be obtained prior to opening of any new outlet, which is likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

### ***The Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) provides for the prevention, control and abatement of air pollution. Under the Air Act, the state government may, after consultation with the state pollution control board, declare any area or areas within the state as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

### ***The Public Liability Insurance Act, 1991 read with the Public Liability Insurance Rules, 1991***

The Public Liability Insurance Act, 1991 (“**PLI Act**”) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The Government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability to provide relief under the terms of the legislation. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The Public Liability Insurance Rules, 1991 mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

## **Labour law Legislations**

### ***Factories Act, 1948***

The Factories Act, 1948 (“**Factories Act**”) defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each State Government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act requires the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers while they are at work in the factory. Further, the ‘occupier’ of a factory is also required to ensure (i) the safety and proper maintenance of

the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training, and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or rules framed thereunder, the 'occupier' and 'manager' of the factory as defined under the Factories Act may be punished with imprisonment or with a fine or with both and enhanced penalties for repeat offences and contravention of certain provisions relating to the use of the hazardous materials.

### ***Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") regulates the employment of contract labour in certain establishments. The CLRA provides that the appropriate Government may, after consultation with the Central or State Advisory Boards (constituted under the CLRA), prohibit employment of contract labour in any process, operation or other work in any establishment. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act

### ***Other labour law legislations***

In addition to the Factories Act, the CLRA and the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- (i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- (ii) Employees' State Insurance Act, 1948.
- (iii) Minimum Wages Act, 1948.
- (iv) Payment of Bonus Act, 1965.
- (v) Payment of Gratuity Act, 1972.
- (vi) Payment of Wages Act, 1936.
- (vii) Maternity Benefit Act, 1961.
- (viii) Industrial Disputes Act, 1947.
- (ix) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (x) Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- (xi) Industrial (Development and Regulation) Act, 1951, as amended.
- (xii) Employee's Compensation Act, 1923.
- (xiii) The Industrial Employment (Standing Orders) Act, 1946.
- (xiv) The Child Labour (Prohibition and Regulation) Act, 1986.
- (xv) The Equal Remuneration Act, 1976.
- (xvi) The Trade Unions Act, 1926.
- (xvii) Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.
- (xviii) The Code on Wages, 2019\*.

- (xix) The Occupational Safety, Health and Working Conditions Code, 2020\*\*.
- (xx) The Industrial Relations Code, 2020\*\*\*.
- (xxi) The Code on Social Security, 2020\*\*\*\*.
- (xxii) Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

\* *The Government of India enacted 'The Code on Wages, 2019' which regulates and amalgamates laws relating to wage and bonus payments, received the assent of the President of India on August 8, 2019. The provisions of this code are proposed to be brought into force by the Central Government on a date to be notified by the Central Government. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, among other things, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Certain provisions of this code pertaining to central advisory board have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020, and other provisions of this code will be brought into force on a date to be notified by the Government of India.*

\*\* *The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. It consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.*

\*\*\* *The Government of India enacted 'The Industrial Relations Code, 2020' which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. The provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

\*\*\*\* *The Government of India enacted 'The Code on Social Security, 2020' which received the assent of the President of India on September 28, 2020. Through its notification dated December 18, 2020, the Government of India brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(2)(s), 67(2)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the Government of India) and 8 of the Minimum Wages Act, 1986) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. The remaining provisions of this code are proposed to be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008.*

## **Laws Relating to Intellectual Property**

### ***The Trade Marks Act, 1999***

The Trade Marks Act, 1999 (“**Trade Marks Act**”) governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or combination thereof. In India, trademarks enjoy protection under both statutory and common law. The Trade Marks Act permits the registration of trade marks for goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010 (“**Trademark Amendment Act**”) simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks.



The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

## **Laws relating to foreign investment and trade**

### ***Foreign Investment Regulations***

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time (the “**Consolidated FDI Policy**”). Under the current Consolidated FDI Policy, foreign investment in manufacturing sector is under automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

### ***Foreign Trade (Development and Regulation) Act, 1992***

The Foreign Trade (Development and Regulation) Act, 1992 (“**FTA**”) seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number (“**IEC**”) granted by the Director General of Foreign Trade, Ministry of Commerce (“**DGFT**”). The IEC granted to any person may be suspended or cancelled inter alia in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy would become liable to a penalty under the FTA.

### **Other Laws**

In addition to the aforementioned laws and regulations, which are applicable to our Company, our Company is also required to comply with the provisions of the Property tax laws, Companies Act, 2013 and rules framed thereunder, and other applicable statutes promulgated by the relevant Central and State Governments including the central and state tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as “Luxalon Building Products Private Limited”, a private limited company under the Companies Act, 1956, in New Delhi, pursuant to a certificate of incorporation dated November 30, 1983 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi. The name of our Company was changed to “Interarch Building Products Private Limited” pursuant to a Board resolution dated January 24, 1985 and a special resolution dated April 13, 1985 passed by the Shareholders, consequent upon which, a fresh certificate of incorporation dated August 9, 1985 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi. This change was undertaken as the Company had started marketing of other brands of international architectural building products. Subsequently, in accordance with Section 43A(1A) of the Companies Act, 1956, our Company became a deemed public limited company with effect from July 1, 1996 and the name of our Company was changed to “Interarch Building Products Limited”. Our Board took noting of such conversion pursuant to resolution approved on August 25, 1997 consequent upon which, the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi endorsed such conversion on the certificate of incorporation dated August 9, 1985 with effect from July 1, 1996. Pursuant to the amendment in Section 43A of the Companies Act, 1956 by Companies Amendment Act, 2000, and the approval of our Board and our Shareholders on February 20, 2001 on March 22, 2001, respectively, our Company’s status was converted from a deemed public company to a private limited company and consequently the name was changed to “Interarch Building Products Private Limited” and the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi endorsed such conversion on the certificate of incorporation dated August 9, 1985 with effect from January 11, 2002. Subsequently, pursuant to resolutions passed by our Board and Shareholders dated October 12, 2023 and October 13, 2023 respectively, our Company was converted into a public limited company and consequently, the name of our company was changed to “Interarch Building Products Limited”, consequent upon which, a fresh certificate of incorporation dated December 15, 2023 issued by the RoC.

### Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Effective date	Details of change	Reasons for change
December 1, 1992	The registered office of our Company was changed from Y-28, Okhla Industrial Area, Phase-II, New Delhi 110 020, India to A-1/6 Vasant Vihar, New Delhi 110 057, India.	Operational convenience and business efficiency
August 1, 2010	The registered office of our Company was changed from A-1/6, Vasant Vihar, New Delhi 110 057 Delhi India to Farm No-8, Khasara No. 56/23/2, Dera Mandi Road, Mandi Village, Mehrauli, New Delhi 110 047, India	Operational convenience and business efficiency

### Main objects of our Company

The main objects contained in our Memorandum of Association are set forth below:

1. *“To manufacture, develop, design, process, buy, sell, import export, distribute, and otherwise deal in all kinds of building and construction materials, such as, bricks, tiles, flooring, roofing’s, prefabricated panelling, cement products, ceramic products, stone, grit, lime, limestone, iron, coal.*
2. *To manufacture, develop, design, process, buy, sell import, export, distribute and otherwise deal in sanitary ware, waterproofing chemicals, paints and dyes, fittings, handles and lighting fixtures”.*

The main objects and matters necessary for furtherance of the main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

## Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders resolution/ Effective date	Details of amendment
September 29, 2017	<p>Clause V of the Memorandum of Association was amended to reflect the sub-division and reclassification of authorised share capital of our Company from ₹100,000,000 divided into 1,000,000 equity shares of face value of ₹100 each to ₹100,000,000 divided into 10,000,000 equity shares of face value of ₹10 each.</p> <p>Clause V of our Memorandum of Association was amended to reflect an increase in the authorised share capital of our Company from ₹100,000,000 divided into 10,000,000 equity shares of face value of ₹10 each, to ₹200,000,000 divided into 20,000,000 equity shares of face value of ₹10 each.</p> <p>Clause III(B) of the Memorandum of Association was amended to reflect deletion of the heading of clause III (B) – “<i>Objects incidental or ancillary to the attainment of the main objects</i>” and clause III (C)- “<i>the other objects</i>” and replacing it with the heading “<i>Matters which are necessary for furtherance of the objects specified in Clause III(A)</i>”</p>
October 13, 2023	<p>Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from Interarch Building Products Private Limited to Interarch Building Products Limited pursuant to the conversion of our Company from a private limited company to a public limited company.</p>

## Major events and milestones in the history of our Company

The table below sets forth some of the key events and milestones in our history.

Calendar Year	Particulars
1983	Incorporated in New Delhi
1993	Introduction of metal roofing and cladding system under the brand name TRACDEK®
2001	Our Company received its first order after commencement of operations in Greater Noida
2005	Set up Pantnagar Manufacturing Facility in Uttarakhand
2007	<p>Commenced supply from Tamil Nadu Manufacturing Facility I</p> <p>OIH Mauritius Limited acquired 13.33% of the issued and paid up share capital in our Company</p>
2008	Set up Kichha Manufacturing Facility in Uttarakhand
2009	Commenced supply from Tamil Nadu Manufacturing Facility II

## Key awards, accreditations and recognitions

The table below sets forth key awards, accreditations and recognitions received by us.

Calendar Year	Particulars
2022	<p>Award for outstanding contribution in PEB Projects for Varanasi International Cooperation and Convention Centre- Rudraksha by EPC World awards</p> <p>Award for the “<i>Pre-Engineered Building Project of the year</i>” by Construction Week India Awards</p> <p>Award for the “<i>Best Innovation PEB Project Award of the Year</i>” by BAM Awards</p> <p>Award for “<i>Pre-Engineered Building Company of the Year</i>” by EPC World Awards</p>
2024	ISO 9001:2015 accreditation for quality management system received by our Company for the Tamil Nadu Manufacturing Facilities, Kichha Manufacturing Facility and Pantnagar Manufacturing Facility.

## Significant financial or strategic partnerships

Our Company does not have any financial and strategic partners as on the date of this Draft Red Herring Prospectus.

## Time and cost overrun in setting up projects

As on the date of this Draft Red Herring Prospectus, there has been no major time or cost over-run in respect of our business operations.

## Defaults or re-scheduling/restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there has been no instance of defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

### **Launch of key products or services, entry into new geographies or exit from existing markets capacity/ facility creation or location of plants**

For details of key products or services launched by our Company and entry into new geographies or exit from existing markets capacity/ facility creation or location of plants, see '*Our Business*' on page 224.

### **Details regarding material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years**

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 10 years preceding the date of Draft Red Herring Prospectus.

### **Summary of key agreements and shareholders agreements**

Except as set forth below, there are no other arrangements or agreements, deeds of assignment, acquisition agreements, shareholders agreements, inter-se agreements, any agreements between our Company, our Promoters, and Shareholders, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company. Further, there are no clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

*Shareholders' agreement dated December 4, 2007 entered among our Company, OIH Mauritius, Arvind Nanda, Gautam Suri, Taipan and IGS (the "Original SHA Parties") read with (i) deeds of adherence each dated May 27, 2009 executed between Gautam Suri, Ishaan Suri and Gautam Suri, Shobhna Suri, (the "Additional SHA Parties, and collectively with the Original SHA Parties, the "Parties") respectively ("Deeds of Adherence"); and (ii) the amendment cum waiver agreement dated March 8, 2024 entered into among the Parties ("Amendment Agreement", together with shareholders' agreement and the Deeds of Adherence, the "Shareholders' Agreement").*

Pursuant to the share subscription agreement dated December 4, 2007, OIH Mauritius subscribed to 1,00,000 equity shares of face value of ₹ 100 of our Company, representing 13.33% of our Company's total issued and paid-up share capital at the time.

Our Company has entered into the Shareholders' Agreement to set out, the *inter-se* rights and obligations of the Parties thereto *vis-à-vis* our Company. In terms of the Shareholders' Agreement, (i) Arvind Nanda, Gautam Suri, Taipan and IGS have a collective right to appoint four directors (including alternate directors in place of such nominated directors); (ii) OIH Mauritius has a right to appoint two directors (including alternate directors in place of such nominated directors); and (iii) our Board of Directors shall have the right to appoint one independent director. Additionally, the Shareholders' Agreement provides certain rights and obligations including without limitation: (i) pre-emptive rights of OIH Mauritius for new issuances of any equity securities, including by way of a preferential allotment; (ii) information rights of OIH Mauritius; (iii) right of first offer of Arvind Nanda, Gautam Suri, Taipan and IGS; (iv) right of first refusal of OIH Mauritius; (v) tag along rights of OIH Mauritius in the event of certain transfer of shares by existing shareholders to any third party; and (vi) requirement of affirmative written consent or approval of at least one director nominated by OIH Mauritius and at least one director nominated by Arvind Nanda, Gautam Suri, Taipan and IGS for certain reserved matters such as annual business plan/ budget of our Company, amendments to our constitutional documents, appointment and removal of statutory auditors, any change in the name of our Company, any payments of dividends or other distribution by our Company.

The SHA also imposes non-compete obligations on our Company, Arvind Nanda, Gautam Suri, Taipan, IGS and also on the immediate relatives of Arvind Nanda, Gautam Suri to not engage in a competing/ related business to the business of our Company and also not work with a competitor of our Company.

Subsequently, pursuant to the Deeds of Adherence, Shobhna Suri and Ishaan Suri acceded to and ratified the shareholders' agreement dated December 4, 2007.

The Shareholders' Agreement shall automatically terminate in respect of each Party with effect from the date of listing and commencement of trading of Equity Shares on the Stock Exchanges pursuant to the Offer, without any further act or deed, including any corporate actions and without prejudice to any existing or accrued rights

or liabilities of the Parties prior to such termination, provided subject to, applicable laws and the approval of the Shareholders by way of a special resolution passed at the first general meeting convened post consummation of the Offer, until such time as OIH Mauritius holds at least 5% of the issued and paid-up share capital of our Company (on a fully diluted basis), OIH Mauritius will have the right to nominate one Director on our Board.

Pursuant to the Amendment Agreement, the Parties (to the extent applicable to such relevant party in accordance with the provisions of the Shareholders' Agreement) have, to facilitate the Offer, (i) amended certain provisions of the shareholders' agreement dated December 4, 2007; (ii) waived certain rights that may be triggered as a result of our Company undertaking the Offer; and (iii) consented to certain matters relating to the Offer. The Amendment Agreement will stand automatically terminated without any further action or deed required on the part of any party, upon the earlier of any of the following: (i) termination of the Shareholders' Agreement in accordance with the terms thereof; (ii) if the listing of the Equity Shares pursuant to the Offer is not completed by December 31, 2024 or such other date as may be agreed in writing by the Parties; (iii) the date on which the Board decides not to undertake the Offer and/or to withdraw any offer document filed with any regulatory authority in respect of the Offer, including any draft offer document filed with the SEBI; (iv) if the listing of the Equity Shares pursuant to the Offer is not completed on or before 12 months from the date of receipt of final observations from SEBI on the DRHP; or (v) such other date as agreed amongst the Parties in writing. Further, the Parties have agreed that Part B of the Articles of Association shall automatically cease to have any force and effect on and from the date of filing of the updated draft red herring prospectus with the SEBI and thereafter, shall automatically terminate from the date of listing of the Equity Shares of our Company on the Stock Exchanges pursuant to the Offer.

**Agreements with Key Managerial Personnel or members of Senior Management, Directors, Promoters or any other employee**

There are no agreements entered into by a Key Managerial Personnel or member of Senior Management, Director, Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Key terms of other subsisting material agreements**

Other than the Shareholders Agreement disclosed above, our Company has not entered into any other material agreements, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

**Holding company**

As of the date of this Draft Red Herring Prospectus, our Company has no holding company.

**Subsidiary**

As on the date of this Draft Red Herring Prospectus, our Company has no subsidiary.

**Joint Venture**

As on the date of this Draft Red Herring Prospectus, our Company has no joint venture.

### Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale

Except as stated below, as on the date of this Draft Red Herring Prospectus, no guarantee has been issued by our Promoters offering their Equity Shares in the Offer for Sale in relation to our borrowings:

Sr. No.	Guarantee given in favour of	Promoter Selling Shareholders who have given Guarantee	Guarantee value (in ₹ million)	Reason for the Guarantee	Obligation on our Company in connection with the guarantee	Period of guarantee	Financial implication in case of default	Security available in relation to borrowings for which guarantee has been issued	Consideration, if any
1.	Consortium of banks (State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Yes Bank Limited, IDFC First Bank Limited, Bank of Baroda and IndusInd Bank Limited)	Arvind Nanda and Gautam Suri	3,450.00	Personal guarantee in respect of the working capital facilities availed by our Company.	Nil	Till all the loan obligation have been repaid in full	Personally liable to the extent of guarantee value	First <i>pari passu</i> charge by way of hypothecation on entire current assets and movable fixed assets of our Company, both present and future, first <i>pari passu</i> mortgage on certain immovable assets of our Company and M/s Intertec, charge by way of pledge of certain fixed deposits and guarantee provided by M/s Intertec.	Nil

## OUR MANAGEMENT

In terms of the Companies Act, 2013 and our Articles of Association, our Company is authorised to have a minimum of three Directors and a maximum of 15 Directors, provided that our Company may appoint more than 15 Directors after passing a special resolution. As on the date of this Draft Red Herring Prospectus, we have eight Directors on our Board, comprising one Managing Director, one Whole time Director, three Non-Executive Directors, and three Independent Directors of which one is a woman Independent Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

### Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><b>Sonali Bhagwati Dalal</b></p> <p><i>Designation:</i> Chairperson and Independent Director</p> <p><i>Date of birth:</i> October 15, 1961</p> <p><i>Address:</i> S-296, Greater Kailash, Part-2, South Delhi 110 048, Delhi, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> For a period of five years with effect from January 15, 2024</p> <p><i>Period of directorship:</i> Since January 15, 2024</p> <p><i>DIN:</i> 01105028</p>	62	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• Designplus Associates Services Private Limited</li> <li>• Fade to Black Design and Media Private Limited</li> <li>• Greenply Industries Limited</li> <li>• Shared Workspace Solutions Private Limited</li> <li>• Spazzio Projects and Interiors Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p style="text-align: center;">-</p>
<p><b>Arvind Nanda</b></p> <p><i>Designation:</i> Managing Director<sup>(1)</sup></p> <p><i>Date of birth:</i> October 16, 1954</p> <p><i>Address:</i> House No. 8, Dera Mandi Road, Mandi Mehrauli 110 047, Delhi, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> For a period of five years with effect from August 9, 2021</p> <p><i>Period of directorship:</i> Since November 30, 1983</p> <p><i>DIN:</i> 00149426</p>	69	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• Taipan Associates Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p style="text-align: center;">-</p>
<p><b>Gautam Suri</b></p> <p><i>Designation:</i> Whole-time Director<sup>(1)</sup></p> <p><i>Date of birth:</i> September 30, 1952</p> <p><i>Address:</i> F-36, Radhe Mohan Drive, Gadaipur Bandh Road, Gadai Pur, Mehrauli, South Delhi 110 030, Delhi, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> For a period of five years with effect from January 15, 2024 and liable to retire by rotation</p>	71	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• IGS Holdings Private Limited</li> <li>• Signu Homes Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p style="text-align: center;">-</p>

<b>Name, designation, date of birth, address, occupation, current term, period of directorship and DIN</b>	<b>Age (years)</b>	<b>Other directorships</b>
<i>Period of directorship:</i> Since November 30, 1983		
<i>DIN:</i> 00149374		
<b>Viraj Nanda</b>	28	<i>Indian Companies</i>
<i>Designation:</i> Non-Executive Director		-
<i>Date of birth:</i> February 9, 1996		<i>Foreign Companies</i>
<i>Address:</i> House No. 8, Dera mandi Road, Mandi Mehrauli 110 047 Delhi, India		-
<i>Occupation:</i> Business		
<i>Current term:</i> Liable to retire by rotation		
<i>Period of directorship:</i> Since February 14, 2017		
<i>DIN:</i> 07711708		
<b>Ishaan Suri</b>	42	<i>Indian Companies</i>
<i>Designation:</i> Non-Executive Director		<ul style="list-style-type: none"> <li>• IGS Holdings Private Limited</li> <li>• Signu Homes Private Limited</li> </ul>
<i>Date of birth:</i> August 4, 1981		<i>Foreign Companies</i>
<i>Address:</i> F-36, Radhe Mohan Drive, Gadaipur Bandh Road, Gadai Pur, Haus Khas, South Delhi 110 030, Delhi, India		-
<i>Occupation:</i> Business		
<i>Current term:</i> Since March 8, 2024 and liable to retire by rotation		
<i>Period of directorship:</i> Since September 26, 2011		
<i>DIN:</i> 02714298		
<b>Dhanpal Arvind Jhaveri</b>	55	<i>Indian Companies</i>
<i>Designation:</i> Nominee Director <sup>(2)</sup>		<ul style="list-style-type: none"> <li>• Amulya Corporation Private Limited</li> <li>• Avasara Leadership Institute</li> <li>• Everock Real Estate Private Limited</li> <li>• Everock Realty Private Limited</li> <li>• Eversource Capital Private Limited</li> <li>• IndoStar Asset Advisory Private Limited</li> <li>• IndoStar Capital Finance Limited</li> <li>• IMC Chamber of Commerce and Industry</li> <li>• Onward Technologies Limited</li> </ul>
<i>Date of birth:</i> December 20, 1968		<i>Foreign Companies</i>
<i>Address:</i> Flat No. 2, first floor, Sumangal, 13 Ridge Road, Opposite Malabar Hill, Mumbai 400 006, Maharashtra, India		<ul style="list-style-type: none"> <li>• Asian Genco Pte. Ltd.</li> </ul>
<i>Occupation:</i> Corporate executive		
<i>Current term:</i> Liable to retire by rotation		
<i>Period of directorship:</i> Since March 28, 2016		
<i>DIN:</i> 02018124		
<b>Mohit Gujral</b>	64	<i>Indian Companies</i>
<i>Designation:</i> Independent Director		<ul style="list-style-type: none"> <li>• Araya Management Private Limited</li> <li>• Delanco Buildcon Private Limited</li> <li>• Glensdale Enterprise Development Private Limited</li> <li>• Gujral Design Plus Overseas Private Limited</li> <li>• Padmini VNA Mechatronics Limited</li> </ul>
<i>Date of birth:</i> August 25, 1959		
<i>Address:</i> 20, Gauri Apartments, 3-4 Rajesh Pilot Lane 110 011, New Delhi, India		
<i>Occupation:</i> Business		



Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Current term:</i> For a period of five years with effect from January 15, 2024</p> <p><i>Period of directorship:</i> Since January 15, 2024</p> <p><i>DIN:</i> 00051538</p>		<ul style="list-style-type: none"> <li>Prima Associates Private Limited</li> <li>Wagishwari Estates Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p>-</p>
<p><b>Sanjiv Bhasin</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of birth:</i> February 7, 1955</p> <p><i>Address:</i> 2-A, Rashmi Carmichael Road, Cumballa Hill, Mumbai, 400 026 Maharashtra, India</p> <p><i>Occupation:</i> Retired</p> <p><i>Current term:</i> For a period of five years with effect from January 15, 2024</p> <p><i>Period of directorship:</i> Since January 15, 2024</p> <p><i>DIN:</i> 00001575</p>	69	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>Hindustan Hardy Limited</li> <li>Radian Finserv Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p>-</p>

<sup>(1)</sup> Our Promoters Arvind Nanda and Gautam Suri, who are also our Directors along with Taipan and IGS, have the right to nominate four directors to our Board pursuant to the Shareholders' Agreement. See "History and Certain Corporate Matters – Summary of key agreements and shareholders agreements" on page 271.

<sup>(2)</sup> Dhanpal Arvind Jhaveri has been nominated to our Board as a Director by OIH Mauritius pursuant to the Shareholders' Agreement. See "History and Certain Corporate Matters – Summary of key agreements and shareholders agreements" on page 271.

### Brief profiles of our Directors

**Sonali Bhagwati Dalal** is the Chairperson and an Independent Director of our Company. She has been associated with our Company since January 15, 2024. She holds a diploma in architecture from The Centre for Environmental Planning and Technology, Ahmedabad, Gujarat, India. She is registered with the Council of Architecture, India. She is currently associated with Designplus Architecture, Shared Workspace Solutions Private Limited, Fade to Black Design and Media Private Limited, Spazzio Projects & Interiors Private Limited and Designplus Associates Services Private Limited. She has experience in the architecture and design sector.

**Arvind Nanda** is the Managing Director of our Company. He has been associated with our Company since its incorporation. He is responsible for overall business decision-making and financial oversight of operational management in our Company. He holds a bachelor's degree in commerce (honours) from the University of Delhi, New Delhi, India. He has been admitted as an associate of the Institute of Chartered Accountants in England and Wales and is entitled to practise as a Chartered Accountant by the ICAI. He has nearly 30 years of experience in the pre-engineered steel buildings industry with our Company.

**Gautam Suri** is the Whole-time Director of our Company. He has been associated with our Company since its incorporation. He is responsible for critical technical business decisions in our Company. He holds a bachelor's degree in technology in mechanical engineering from the Indian Institute of Technology Delhi, New Delhi, India. He has nearly 30 years of experience in the pre-engineered steel buildings industry with our Company.

**Viraj Nanda** is a Non-Executive Director of our Company. He has been associated with our Company since February 14, 2017 and was previously employed by our Company as Manager-Marketing. He holds a bachelors' degree in tourism and hospitality management from William Angliss Institute, Melbourne, Australia and a diploma in CAD from CADD Centre Training Services, New Delhi, India. He has experience in the pre-engineered steel building industry with our Company.

**Ishaan Suri** is a Non-Executive Director of our Company. He has been associated with our Company since September 26, 2011. He holds a bachelor's degree in science from the London School of Economics and Political Science, University of London, London, United Kingdom. He has experience in the pre-engineered steel building industry with our Company.

**Dhanpal Arvind Jhaveri** is a Nominee Director of our Company who has been nominated on our Board of Directors by OIH Mauritius. He has been associated with our Company since March 28, 2016. He holds a bachelor's degree in commerce from Jai Hind College, University of Bombay, Mumbai, Maharashtra, India and a master's degree in business administration from Babson College, Wellesley, Massachusetts, United States. He is currently the managing director of Eversource Capital Private Limited. He was previously associated with Sterlite Industries (India) Limited, Everstone Investment Advisors Private Limited, ICICI Securities and Finance Company Limited and KPMG India Private Limited. He has experience in the financial services sector.

**Mohit Gujral** is an Independent Director of our Company. He has been associated with our Company since January 15, 2024. He holds a diploma in architecture from the Centre for Environmental Planning and Technology, Ahmedabad, Gujarat, India and has been elected as an associate of the Indian Institute of Architects. He is registered with the Council of Architecture, India. He was previously associated with DLF Limited as a whole-time director and subsequently as a chief executive officer. He has experience in the real estate and construction sector.

**Sanjiv Bhasin** is an Independent Director of our Company. He has been associated with our Company since January 15, 2024. He holds a bachelor's degree in commerce from the University of Delhi, New Delhi, India. He was previously associated with AfraAsia Bank Limited, DBS Bank Limited and the Hongkong and Shanghai Banking Corporation Limited. He has experience in the banking sector.

### Relationship between Directors

Except, Viraj Nanda, who is the son of Arvind Nanda, and Ishaan Suri, who is the son of Gautam Suri, none of our Directors are related to each other as on the date of this Draft Red Herring Prospectus.

### Arrangement or understanding with major Shareholders, customers, suppliers or others for appointment of Directors

Except for Dhanpal Arvind Jhaveri, who has been nominated to our Board by OIH Mauritius pursuant to the Shareholders' Agreement, none of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. Further, our Promoters Arvind Nanda and Gautam Suri, who are also our Directors together with Taipan and IGS, have the right to nominate four directors to our Board pursuant to the Shareholders' Agreement. For further details, see "*History and Certain Corporate Matters – Summary of key agreements and shareholders agreements*" on page 271.

### Terms of Appointment of our Directors

#### *Managing Director*

#### *Arvind Nanda*

Pursuant to the resolutions passed by our Board on August 7, 2021 and by our Shareholders on August 7, 2021, Arvind Nanda is entitled to the following remuneration and benefits:

Particulars	Amount
Basic pay	₹ 0.13 million per month
Special allowance	₹ 0.07 million per month
Ex-gratia	1.5 month of gross salary
Leave travel allowance	0.5 month of gross salary
Gratuity	As per the rules of our Company
Provident Fund	Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961
Benefits, Perquisites and Allowances	Provision of a car and driver and such driver's remuneration/expenses shall be reimbursed to him, if he is not provided with Company's driver; free use of company's mobile phone and telephone at his residence; and rent free accommodation

Additionally, our Board is authorised to alter the terms and conditions of the remuneration as fixed by our Board of Directors to a maximum annual increment of ₹ 10.00 million plus perquisites per annum and subject to same not exceeding the limit as specified under the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

During Financial Year 2023, Arvind Nanda was paid an aggregate compensation (including remuneration and benefits) of ₹ 3.21 million.

#### **Whole-time Director**

##### *Gautam Suri*

Pursuant to the resolutions passed by our Board on January 15, 2024 and by our Shareholders on January 17, 2024, Gautam Suri is entitled to the following remuneration and benefits:

<b>Particulars</b>		<b>Amount</b>
Basic pay		₹ 0.20 million per month
Special allowance		₹ 0.10 million per month
Ex-gratia		15 days of gross salary
Leave travel allowance		15 days of gross salary
Gratuity		As per the rules of our Company
Provident Fund	Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961	
Benefits, perquisites and allowances	Provision of a car and driver and such driver's remuneration/expenses shall be reimbursed to him, if he is not provided with Company's driver; free use of company's mobile phone and telephone at his residence; and rent free accommodation	

Additionally, our Board is authorised to alter the terms and conditions of the remuneration as fixed by our Board of Directors to a maximum annual increment of ₹ 10.00 million plus perquisites per annum and subject to same not exceeding the limit as specified under the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

During Financial Year 2023, Gautam Suri was paid an aggregate compensation (including remuneration and benefits) of ₹ 4.81 million.

#### **Non-Executive Directors**

Pursuant to a resolution passed by our Board on January 15, 2024, our Independent Directors are entitled to receive a sitting fee of ₹ 100,000 for attending each meeting of our Board and ₹ 25,000 for attending each meeting of the committees of our Board.

None of our Independent Directors were paid any sitting fees or commission in Financial Year 2023, since they were appointed in Financial Year 2024.

Other than our Independent Directors, none of our Non-Executive Directors are entitled to receive any remuneration or compensation (including sitting fees or commission) from our Company. Accordingly, during Financial Year 2023, except for Viraj Nanda who was paid an aggregate compensation (including remuneration and benefits) of ₹ 1.61 million (in his capacity as Manager-Marketing, none of our Non-Executive Directors were paid any remuneration or compensation by our Company).

#### **Remuneration paid or payable to our Directors from by any subsidiary or associate company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or an associate company.

#### **Service contracts entered into with Directors**

Our Company has not entered into any contract appointing or fixing the remuneration of a Director during the two years preceding the date of this Draft Red Herring Prospectus.

#### **Bonus or profit-sharing plan for our Directors**

Our Company does not have any bonus or profit-sharing plan for our Directors.

## **Shareholding of our Directors in our Company**

Other than as disclosed under “*Capital Structure – Notes to Capital Structure – Shareholding of our Directors, Key Managerial Personnel and members of Senior Management in our Company*” on page 102, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

As per our Articles of Association, our Directors are not required to hold any qualification shares.

## **Contingent and deferred compensation payable to Directors**

No contingent or deferred compensation is payable to our Directors for Financial Year 2023, which does not form part of their remuneration.

## **Interest of Directors**

All our Directors except for our Non-Executive Directors may be deemed to be interested to the extent of remuneration or sitting fees, if any, payable to them for attending meetings of our Board or a committee thereof, as well as to the extent of other remuneration and all our Directors except Non-Executive Directors may be deemed to be interested to the extent of reimbursement of expenses, if any, payable to them and as disclosed in “*Our Promoters and Promoter Group – Interests of Promoters*” and “*Other Financial Information – Related party transactions*” on pages 295 and 378, respectively.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Our Directors may also be interested to the extent of Equity Shares and to the extent of any dividend payable to them, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

No loans have been availed by our Directors from our Company.

*Interest in land and property, acquisition of land, construction of building or supply of machinery, etc.*

Except as disclosed in “*Our Promoters and Promoter Group – Interests of Promoters*” and “*Other Financial Information – Related party transactions*” on pages 295 and 378, respectively, our Directors have no interest in any property acquired of or by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired of or by our Company as on the date of this Draft Red Herring Prospectus, or in any transaction entered into by our Company for acquisition of land, construction of building or supply of machinery etc.

*Interest in promotion and formation of our Company*

Except for Arvind Nanda, Gautam Suri, Viraj Nanda and Ishaan Suri, who are our Promoters, none of our Directors have an interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus. Further, except for Arvind Nanda and Gautam Suri, none of our Directors had an interest in the formation of our Company.

*Business Interest*

Except as stated in (i) “*Other Financial Information – Related party transactions*” on page 378; (ii) disclosed under “*Our Promoter and Promoter Group – Interests of Promoters*” on page 295 and (iii) “*History and Certain Corporate Matters – Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale*” on page 273; or as otherwise disclosed in this section, our Directors do not have any other business interest in our Company.

## Other Confirmations

None of our Directors are, or during the five years prior to the date of this Draft Red Herring Prospectus, have been on the board of directors of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during their tenure.

None of our Directors have been or are a director on the board of directors of any listed company which has been or was delisted from any stock exchange(s), during their tenure.

## Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name of Director	Date of Change	Reasons
Ishaan Suri	March 8, 2024	Re-designated as a Non-Executive Director
Vishal Sharma	March 4, 2024	Resignation as a Nominee Director
Gautam Suri	January 15, 2024	Re-designated as a Whole-time director
Mohit Gujral	January 15, 2024	Appointment as an Independent Director
Sanjiv Bhasin	January 15, 2024	Appointment as an Independent Director
Sonali Bhagwati Dalal	January 15, 2024	Appointment as an Independent Director
Arvind Nanda	August 7, 2021	Re-designated as the Managing Director

## Borrowing Powers

Pursuant to our Articles of Association, subject to applicable laws and pursuant to our Board resolution dated January 15, 2024 and the special resolution passed by our Shareholders on January 17, 2024, our Board is authorised to borrow any sum or sums of money from time to time at its discretion for the purpose of the business of the Company, from one or more banks, financial institutions, mutual funds and other persons, firms, bodies corporate or by way of loans or credit facilities (fund based or non-fund based) or by issue of bonds on such terms and conditions and with or without security as our Board may think fit, which, together with the monies already borrowed by our Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) and being borrowed by the Board at any time shall not exceed in the aggregate at any time ₹ 5,000 million irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid-up share capital of our Company and its free reserves, that is reserves not set apart for any specific purpose.

## Corporate Governance

As on the date of this Draft Red Herring Prospectus, there are eight Directors on our Board, comprising one Managing Director, one Whole-time Director, three Non-Executive Directors, and three Independent Directors of which one is a woman Independent Director. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act, 2013.

## Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee;
- (d) Corporate Social Responsibility Committee; and
- (e) Risk Management Committee.

Further, for the purposes of the Offer, our Board has also constituted an IPO Committee.

### ***Audit Committee***

The Audit Committee was constituted pursuant to a resolution passed by our Board on January 15, 2024. The Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

<b>S. No.</b>	<b>Name of our Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
1.	Sanjiv Bhasin	Chairperson	Independent Director
2.	Sonali Bhagwati Dalal	Member	Chairperson and Independent Director
3.	Dhanpal Arvind Jhaveri	Member	Nominee Director ( <i>nominee of OIH Mauritius</i> )

The Company Secretary shall act as the secretary to the Audit Committee.

### ***Scope and terms of reference:***

The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following:

### **Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules notified thereunder) and SEBI Listing Regulations; and
- to have full access to information contained in records of Company; and
- such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

- oversight of financial reporting process and the disclosure of financial information relating to Interarch Building Products Limited (the “**Company**”) to ensure that the financial statements are correct, sufficient and credible;
- recommendation to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- examining and reviewing with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;

- major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions; and
  - modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
  - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
    - (i) recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;
    - (ii) make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;
    - (iii) review of transactions pursuant to omnibus approval; and
    - (iv) make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.

***Explanation:*** The term “related party transactions” shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company and appointing a registered valuer in terms of Section 247 of the Companies Act, 2013 wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow-up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- reviewing the functioning of the whistle blower mechanism;
- monitoring the end use of funds through public offers and related matters;
- overseeing the vigil mechanism established by the Company, with the Chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and
- considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- formulating, reviewing and making recommendations to the Board to amend the terms of reference of Audit Committee from time to time;
- approving the key performance indicators for disclosure in the offer document;
- reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and
- carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations and/or any other applicable laws, as and when amended from time to time, or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the chief internal auditor; and
- statement of deviations in terms of the SEBI Listing Regulations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
  - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.
- Such information as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations.



### ***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board on January 15, 2024. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

<b>S. No.</b>	<b>Name of our Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
1.	Mohit Gujral	Chairperson	Independent Director
2.	Sanjiv Bhasin	Member	Independent Director
3.	Dhanpal Arvind Jhaveri	Member	Nominee Director ( <i>nominee of OIH Mauritius</i> )

#### *Scope and terms of reference:*

The responsibility of the Nomination and Remuneration Committee shall include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”);
- for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- formulation of criteria for evaluation of independent directors and the Board;
- devising a policy on Board diversity;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director’s performance (including independent director), its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- the Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
  - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives

appropriate to the working of the Company and its goals.

- perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:
  - administering the employee stock option plans of the Company, as may be required;
  - determining the eligibility of employees to participate under the employee stock option plans of the Company;
  - granting options to eligible employees and determining the date of grant;
  - determining the number of options to be granted to an employee;
  - determining the exercise price under the employee stock option plans of the Company; and
  - construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.
- frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and
- carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

#### ***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board at its meeting dated January 15, 2024. The scope and functions of the Stakeholders' Relationship Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

S. No.	Name of our Director	Position in the committee	Designation
1.	Sonali Bhagwati Dalal	Chairperson	Chairperson and Independent Director
2.	Arvind Nanda	Member	Managing Director
3.	Gautam Suri	Member	Whole-time Director
4.	Dhanpal Arvind Jhaveri	Member	Nominee Director ( <i>nominee of OIH Mauritius</i> )
5.	Ishaan Suri	Member	Non-Executive Director

*Scope and terms of reference:*

The role of the Stakeholders' Relationship Committee shall include the following:

- considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of

new/duplicate certificates, general meetings etc.;

- formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- approve requests for transposition, deletion, consolidation, sub-division, change of name etc. of shares, debentures and other securities;
- to dematerialize or rematerialize the issued shares;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

#### ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was last reconstituted by a resolution of our Board dated January 15, 2024 and its composition and terms of reference are in compliance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

<b>S. No.</b>	<b>Name of our Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
1.	Arvind Nanda	Chairperson	Managing Director
2.	Gautam Suri	Member	Whole-time Director
3.	Mohit Gujral	Member	Independent Director
4.	Dhanpal Arvind Jhaveri	Member	Nominee Director ( <i>nominee of OIH Mauritius</i> )

#### ***Scope and terms of reference:***

The role of the Corporate Social Responsibility Committee shall include the following:

- formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended and the rules made thereunder and make any revisions therein as and when decided by the Board;
- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and amount to be incurred for such expenditure shall be as per the applicable law;
- monitor the corporate social responsibility policy of the Company and its implementation from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programme; and
- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

### ***Risk Management Committee***

The Risk Management Committee was constituted pursuant to a resolution passed by our Board at its meeting dated January 15, 2024. The scope and functions of the Risk Management Committee is in compliance with the Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

<b>S. No.</b>	<b>Name of our Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
1.	Gautam Suri	Chairperson	Whole-time Director
2.	Arvind Nanda	Member	Managing Director
3.	Sanjiv Bhasin	Member	Independent Director
4.	Dhanpal Arvind Jhaveri	Member	Nominee Director ( <i>nominee of OIH Mauritius</i> )

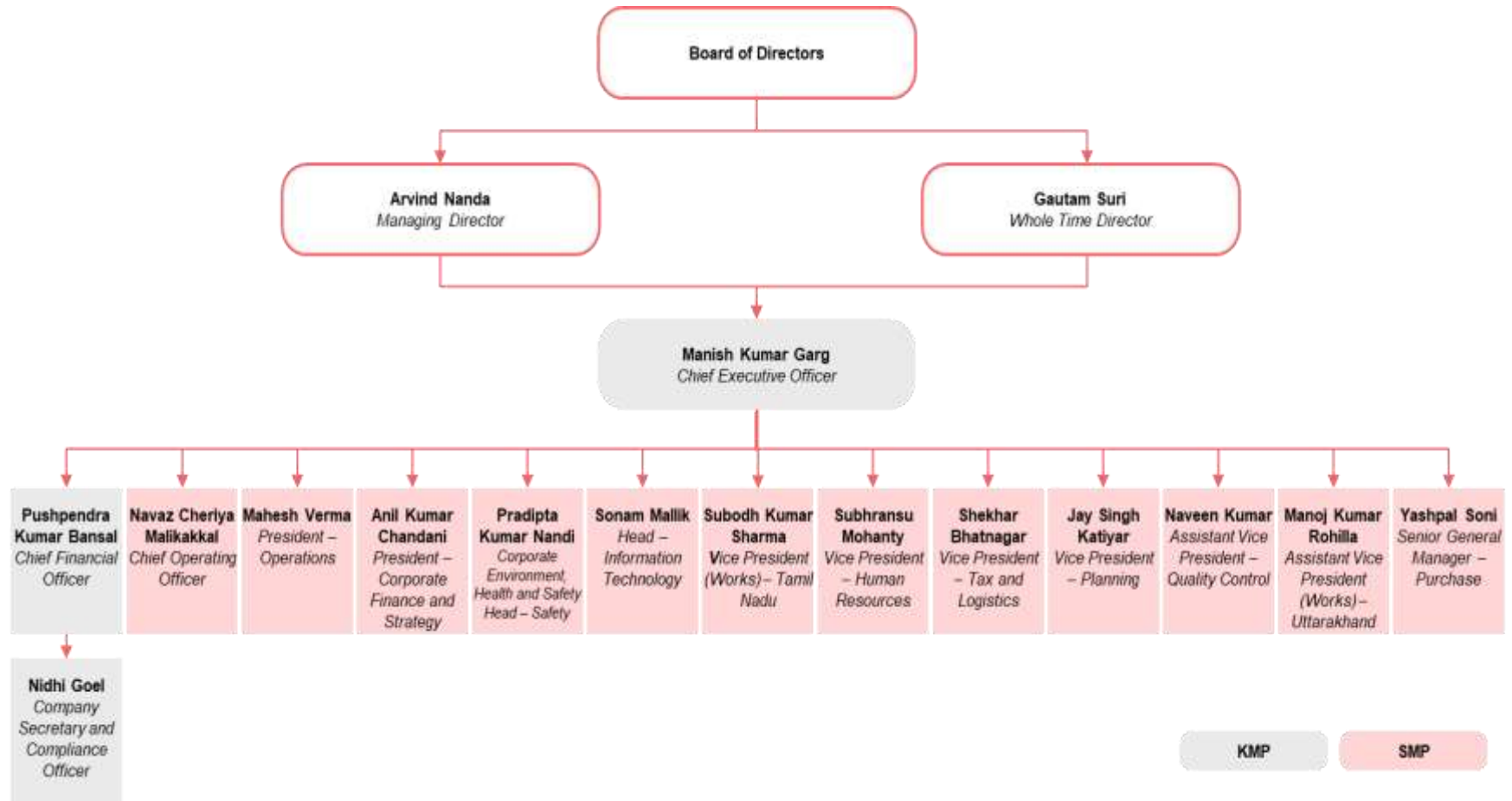
#### *Scope and terms of reference:*

The role of the Risk Management Committee shall include the following:

- review, assess and formulate the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof, which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
- approve the process for risk identification and mitigation;
- decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- monitor the Company's compliance with the risk structure.
- assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- approve major decisions affecting the risk profile or exposure and give appropriate directions;
- consider the effectiveness of decision making process in crisis and emergency situations;
- generally, assist the Board in the execution of its responsibility for the governance of risk;
- keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
- to review the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
- implement and monitor policies and/or processes for ensuring cyber security;
- to review and recommend potential risk involved in any new business plans and processes;
- to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors; and

- monitor and review regular updates on business continuity; and
- any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

## MANAGEMENT ORGANIZATION STRUCTURE



## Key Managerial Personnel and members of Senior Management

In addition to our Managing Director, Arvind Nanda and our Whole-time Director, Gautam Suri who are our Key Managerial Personnel and whose details are provided in “– *Brief Profiles of our Directors*” on page 276, the details of our other Key Managerial Personnel and members of Senior Management are set forth below:

### Brief profiles of our Key Managerial Personnel

**Manish Kumar Garg** was appointed as the Chief Executive Officer of our Company with effect from August 9, 2021. He is responsible for the overall management of our Company. He holds a diploma in civil engineering from the Board of Technical Education, Delhi, India and had been elected as a senior technician by the Institution of Engineers (India), Kolkata, West Bengal, India. He has also completed the senior executive leadership program from Harvard Business School, Boston, Massachusetts, United States and has participated in the executive education programme titled ‘Reinvention through Entrepreneurial/Intrapreneurial Leadership’ conducted by the Indian Institute of Management Bangalore, Karnataka, India. He was awarded with the ‘10 Best CEOs in India’ award, 2023 by TradeFlock. He was previously associated with our Company as general manager-marketing from August 8, 1994 until April 19, 2007, subsequent to which he joined Everest Industries Limited and Safal Building System Limited as the president and chief executive – steel building business, where he managed the entire steel building business of the company, and then re-joined our Company on August, 9, 2021. During Financial Year 2023, he received a total compensation of ₹ 16.05 million from our Company.

**Pushpendra Kumar Bansal** was appointed as the Chief Financial Officer of our Company on February 12, 2024 and has been associated with our Company since then. He is responsible for spearheading the finance and accounts functions including plant accounts of our Company. He holds a bachelor’s degree in commerce from Ajmer University, Ajmer, Rajasthan, India. He has also been admitted as a fellow of the ICAI. He has also received a ‘recognition of excellence’ from the CFO100 awards in March 2018. He was previously associated with Action Construction Equipment Limited, Omax Autos Limited, Jakson Limited and Microtek International Private Limited. Since he was appointed on February 12, 2024, he did not receive any remuneration from our Company in Financial Year 2023.

**Nidhi Goel** was appointed as the Company Secretary on April 24, 2006 and as the Compliance Officer of our Company on January 15, 2024. She has been associated with our Company since April 24, 2006. She is responsible for compliance with company law, regulatory requirements, and corporate governance functions. She holds a bachelor’s degree in commerce (honours) from the University of Delhi, New Delhi, India. She was also admitted as an associate of the Institute of Company Secretaries of India, New Delhi, India. During Financial Year 2023, she received a total compensation of ₹ 1.69 million from our Company.

### Brief profiles of our Senior Management

**Anil Kumar Chandani** was designated as the President – Corporate Finance and Strategy of our Company on February 12, 2024 and has been associated with our Company since April 19, 2021. He is responsible for handling banking relations, fund raising, and managing the financial strategy of our Company. He has passed his final year examinations for a bachelor’s degree in commerce (honours), in the first division from Shri Ram College of Commerce, University of Delhi, New Delhi, India and also holds a diploma in business finance from the Institute of Chartered Financial Analysts of India. He was admitted as a fellow of the ICAI and the Institute of Company Secretaries of India, New Delhi, India. He was also admitted as an associate of the Institute of Cost and Works Accountants of India. He was previously associated with Hindustan Construction Company Limited. During Financial Year 2023, he received a total compensation of ₹ 8.38 million from our Company.

**Mahesh Verma** was re-designated as the President – Operations of our Company on July 1, 2016 and has been associated with our Company since November 19, 1985. He is responsible for co-ordinating and overseeing project execution and administration in our Company. He holds a bachelor’s degree in science (honours) from the University of Delhi, New Delhi, India and has also completed post graduate programmes in management for senior executives from the Indian School of Business, Hyderabad, Telangana, India and the Kellogg School of Management, Evanston, Illinois, USA. He has also passed the intermediate examination held by ICAI. During Financial Year 2023, he received a total compensation of ₹ 5.44 million from our Company.

**Navaz Cheriya Malikakkal** was appointed as the Chief Operating Officer of our Company on November 28, 2022 and has been associated with our Company since then. He is responsible for managing the day-to-day operations, the engineering and sales and marketing departments of our Company. He holds a master’s degree in science (civil engineering) from King Fahd University of Petroleum and Minerals, Saudi Arabia. He was

previously associated with Kirby Building Systems, Kuwait. During Financial Year 2023, he received a total compensation of ₹ 2.48 million from our Company.

**Subodh Kumar Sharma** was re-designated as the Vice President (Works) – Tamil Nadu of our Company on July 1, 2021 and has been associated with our Company since April 9, 2001. He is responsible for supervising the day-to-day operations of the Tamil Nadu Manufacturing Facilities. He is also responsible for managing production schedules, overseeing plant safety compliance, people management, and optimizing plant processes for the Tamil Nadu Manufacturing Facilities. He has passed the eighth semester examination for his bachelors' of technology (mechanical engineering) from Karnataka State Open University, Mysuru, Karnataka, India. He was previously associated with D.S. Diesel Private Limited, Bharat Erectors, Ashoka General Industries, and Nuclear Power Corporation. During Financial Year 2023, he received a total compensation of ₹ 2.61 million from our Company.

**Manoj Kumar Rohilla** was re-designated as the Assistant Vice President (Works) – Uttarakhand of our Company on July 1, 2021 and has been associated with our Company since February 29, 2004. He is responsible for overseeing the day-to-day operations of the Pantnagar Manufacturing Facility and Kichha Manufacturing Facility. He is also responsible for managing production schedules, overseeing plant safety compliance, personnel management, and optimizing plant processes for the Pantnagar Manufacturing Facility and Kichha Manufacturing Facility. He holds a bachelor's degree in engineering (mechanical) from Chaudhary Charan Singh University, Meerut, Uttar Pradesh, India and a post graduate diploma in business administration from Symbiosis Centre for Distance Learning, Pune, Maharashtra, India. During Financial Year 2023, he received a total compensation of ₹ 2.07 million from our Company.

**Yashpal Soni** was appointed as the Senior General Manager – Purchase of our Company on July 1, 2022 and has been associated with our Company since then. He is responsible for overseeing procurement and managing relations with suppliers for timely availability of materials meeting quality standards for our Company. He holds a bachelor's degree in engineering from the Regional Engineering College (presently, the National Institute of Technology), Silchar, Assam, India and a master's degree in business administration from the Maharshi Dayanand University, Rohtak, Haryana, India. He was previously associated with GLS Polyfilms Private Limited, Lakshmi Precision Screws Limited, Jindal Strips Limited, SPL Limited, Flex Industries Limited, C&C Construction Limited, Orient Bell Limited and Bhageria Industries Limited. During Financial Year 2023, he received a total compensation of ₹ 2.00 million from our Company.

**Subhransu Mohanty** was appointed as the Vice President – Human Resources of our Company on October 6, 2022 and has been associated with our Company since then. He is responsible for recruitment, talent management, employee relations, performance management, training, and development of employees in our Company. He holds a bachelor's degree in laws and post graduate diploma in labour laws and personnel management, each from Sambalpur University, Burla, Odisha, India. He was previously associated with Everest Industries Limited. During Financial Year 2023, he received a total compensation of ₹ 1.23 million from our Company.

**Shekhar Bhatnagar** was re-designated as the Vice President – Tax and Logistics of our Company on July 1, 2016 and has been associated with our Company since March 15, 1997. He is responsible for managing the end-to-end supply chain of our Company, including transportation, warehousing, and distribution. He holds a bachelor's degree in commerce from the Meerut University, Meerut, Uttar Pradesh, India. He was previously associated with Gurind India Private Limited and SRP Industries Limited. During Financial Year 2023, he received a total compensation of ₹ 3.18 million from our Company.

**Naveen Kumar** was re-designated as the Assistant Vice President – Quality Control of our Company on July 1, 2023 and has been associated with our Company since December 10, 2001. He is responsible for overseeing the quality assurance in our Company including developing and implementing quality assessment processes, establishing quality standards, conducting audits, managing our quality assessment personnel, addressing issues affecting product quality, and working towards continuous improvement in our quality assurance practices. He holds a diploma in mechanical engineering from Dayalbagh Educational Institute, Agra, Uttar Pradesh, India and has passed the examination for mechanical engineering from the Institution of Engineers (India), Kolkata, West Bengal, India. During Financial Year 2023, he received a total compensation of ₹ 2.43 million from our Company.

**Pradipta Kumar Nandi** was appointed as the Corporate Environment, Health and Safety Head – Safety of our Company on July 3, 2023 and has been associated with our Company since then. He is responsible for overseeing and implementing safety programs of our Company. His duties include developing and enforcing safety policies, conducting risk assessments, investigation of incidents, safety training and ensuring compliance with safety regulations in our Company. He holds a master's degree in business administration from the Indian Institute of Technology, Kharagpur, West Bengal, India. He was previously associated with Kalpataru Power Transmission



Limited. Since he was appointed on July 3, 2023, he did not receive any remuneration during Financial Year, 2023.

**Sonam Mallik** was appointed as the Head – Information Technology of our Company on February 20, 2023 and has been associated with our Company since then. He is responsible for managing the IT infrastructure and applications of our Company, cybersecurity, and ensuring the efficient use of technology towards meeting business objectives of our Company. He holds bachelor's a degree in technology from the University of Calcutta, Kolkata, West Bengal, India and a post graduate diploma in business management from the Indian Institute of Social Welfare and Business Management, Kolkata, West Bengal, India. He was previously associated with Jindal Stainless Limited. During Financial Year 2023, he received a total compensation of ₹ 0.43 million from our Company.

**Jay Singh Katiyar** was re-designated as the Vice President – Planning of our Company on August 19, 2022 and has been associated with us since January 2, 2003. He is responsible for long-term planning (including strategic objectives), resource allocation, and alignment with overall business strategy of our Company. He has passed two sections of the examinations in mechanical engineering of the Institution of Engineers (India) and also holds a master's degree in technology from Kakatiya University, Warangal, Telangana, India and was elected as a member of the Institution of Engineers (India), Kolkata, West Bengal, India. He was previously associated with Vardhman Precision Profiles and Tubes Private Limited. During Financial Year 2023, he received a total compensation of ₹ 3.33 million from our Company.

#### **Contingent or deferred compensation**

No contingent or deferred compensation was paid to any of our Key Managerial Personnel and members of Senior Management for Financial Year 2023, by our Company.

#### **Status of Key Managerial Personnel and members of Senior Management**

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

#### **Relationship among Key Managerial Personnel and members of Senior Management**

Other than as disclosed under “- *Relationship between Directors*” on page 277, none of our Key Managerial Personnel and members of Senior Management are related to each other or to any other Directors.

#### **Bonus or profit sharing plan for the Key Managerial Personnel and members of Senior Management**

There is no profit sharing plan for the Key Managerial Personnel and members of Senior Management offered by our Company.

#### **Shareholding of Key Managerial Personnel and members of Senior Management in our Company**

Other than as provided under “*Capital Structure – Shareholding of our Directors, Key Managerial Personnel and members of Senior Management*” on page 102, none of our Key Managerial Personnel or members of Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

#### **Service Contracts with Directors, Key Managerial Personnel and members of Senior Management**

Our Directors, Key Managerial Personnel and members of Senior Management are governed by the respective terms of their appointment letters and have not entered into any other service contracts with our Company. No Director, Key Managerial Personnel or members of Senior Management of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

#### **Interest of Key Managerial Personnel and members of Senior Management**

Other than for our Managing Director, Whole-time Director, and two members of our Senior Management, namely Subodh Kumar Sharma and Manoj Kumar Rohilla, none of our Key Managerial Personnel and members of Senior Management have any interest in our Company except to the extent of their remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business. For details of the interest of our Managing Director and Whole-time Director, see “-*Interest of Directors*” on page 279. Further, for details of the interest of Subodh Kumar Sharma and Manoj Kumar Rohilla see “-*Payment of non-salary related benefits to*

*officers of our Company*” on page 293.

Our Key Managerial Personnel and members of Senior Management may be interested to the extent of the employee stock options that may be granted to them from time to time under the ESOP 2023 and other employee stock option schemes formulated by our Company from time to time.

#### **Arrangements and understanding with major Shareholders, customers, suppliers or others for appointment of Key Managerial Personnel/Senior Management**

Except as disclosed in “- *Arrangements and understanding with major Shareholders, customers, suppliers or others for appointment of Directors*” on page 277, none of our Key Managerial Personnel and members of Senior Management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

#### **Changes in Key Managerial Personnel and members of Senior Management during the last three years**

The changes in our Key Managerial Personnel and members of Senior Management during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below, other than changes to our Managing Director and Whole-time Director, which is disclosed under – “*Changes in our Board during the last three years*” on page 280.

<b>Name</b>	<b>Date</b>	<b>Reason</b>
Pushpendra Kumar Bansal	February 12, 2024	Appointment as the Chief Financial Officer
Anil Kumar Chandani	February 12, 2024	Designated as President – Corporate Finance and Strategy
Anil Kumar Chandani	February 12, 2024	Resignation as the Chief Financial Officer
Pradipta Kumar Nandi	July 3, 2023	Appointment as the Corporate Environment Health and Safety Head – Safety
Naveen Kumar	July 1, 2023	Re-designated as Assistant Vice President – Quality Control
Sonam Malik	February 20, 2023	Appointment as the Head – Information Technology
Navaz Cheriya Malikkakal	November 28, 2022	Appointment as the Chief Operating Officer
Vikas Kaushal	October 11, 2022	Resignation as Chief Operating Officer
Subhransu Mohanty	October 6, 2022	Appointment as Vice President – Human Resources
Jay Singh Katiyar	August 19, 2022	Re-designated as Vice President -Planning
Yashpal Soni	July 1, 2022	Appointment as the Senior General Manager – Purchase
Manish Kumar Garg	August 9, 2021	Appointment as Chief Executive Officer
Subodh Kumar Sharma	July 1, 2021	Re-designated as Vice President (Works) – Tamil Nadu
Manoj Kumar Rohilla	July 1, 2021	Re-designated as Assistant Vice President (Works) – Uttarakhand
Anil Kumar Chandani	April 9, 2021	Appointment as the Chief Financial Officer

#### **Employee stock option and stock purchase schemes**

For details of the employee stock option scheme of our Company, see “*Capital Structure – Employee Stock Option Scheme*” on page 103.

#### **Payment of non-salary related benefits to officers of our Company**

Except (i) as disclosed under *Other Financial Information – Related party transactions* on page 378; and (ii) an amount of ₹ 4.40 million provided as a loan to one of the members of our Senior Management, Subodh Kumar Sharma, Vice President (Works) – Tamil Nadu in Fiscal 2024; and (iii) an amount of ₹ 0.53 million provided as a loan to one of the members of our Senior Management, Manoj Kumar Rohilla, Assistant Vice President (Works) – Uttarakhand, in Fiscal 2024, there is no other non-salary related amount or benefit paid or given to any officer of our Company including any Key Managerial Personnel and member of the Senior Management within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

Arvind Nanda, Gautam Suri, Ishaan Suri, and Viraj Nanda are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters, collectively hold 10,913,092 Equity Shares, which constitutes 75.71 % of the issued, subscribed and paid-up share capital of our Company.

For details of the build-up shareholding of our Promoters in our Company, see '*Capital Structure – History of build-up of Promoters' shareholding in our Company*' on page 96.

### Details of our Promoters



#### Arvind Nanda

Arvind Nanda, born on October 16, 1954, aged 69 years, is one of our Promoters. He is also the Managing Director of our Company. Arvind Nanda is a resident of House No. 8, Dera Mandi Road, Mandi Mehrauli, Delhi, 110 047, India. For the complete profile of Arvind Nanda, along with the details of his educational qualifications, experience in the business, positions/posts held in past and directorship in other entities of our Promoter, his special achievements, his business and financial activities, see '*Our Management – Brief Profiles of our Directors*' on page 276.

The permanent account number of Arvind Nanda is AAAPN2641L.



#### Gautam Suri

Gautam Suri, born on September 30, 1952, aged 71 years, is one of our Promoters. He is also the Whole-time Director of our Company. He is a resident of F-36, Radhe Mohan Drive, Gadaipur Bandh Road, Gadai Pur, Mehrauli, South Delhi 110 030, Delhi, India. For the complete profile of Gautam Suri along with the details of his educational qualifications, experience in the business, positions/posts held in past and directorship in other entities of our Promoter, his special achievements, his business and financial activities, see '*Our Management – Brief profiles of our Directors*' on page 276.

The permanent account number of Gautam Suri is AAJPS9920L.



#### Ishaan Suri

Ishaan Suri, born on August 4, 1981, aged 42 years, is one of our Promoters. He is also a Non-Executive Director of our Company. Ishaan Suri is a resident of F-36, Radhe Mohan Drive, Gadaipur Bandh Road, Gadai Pur, Haus Khas, South Delhi 110 030, Delhi, India. For the complete profile of Ishaan Suri, along with the details of his educational qualifications, experience in the business, positions/posts held in past and directorship in other entities of our Promoter, his special achievements, his business and financial activities, see '*Our Management – Brief Profiles of our Directors*' on page 276.

The permanent account number of Ishaan Suri is ATWPS6366G.

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### **Viraj Nanda**

Viraj Nanda, born on February 9, 1996, aged 28 years, is one of our Promoters. He is also a Non-Executive Director of our Company. Viraj Nanda is a resident of House No. 8, Dera mandi Road, Mandi Mehrauli Delhi 110 047, India. For the complete profile of Viraj Nanda, along with the details of his educational qualifications, experience in the business, positions/posts held in past, directorship in other entities of our Promoter, his special achievements, his business and financial activities, see '*Our Management – Brief Profiles of our Directors*' on page 276.

The permanent account number of Viraj Nanda is AVVPN3341H.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhar card number and driving licence number, as applicable, of each of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

### **Other ventures of our Promoters**

Other than as disclosed in the sections '*Our Management – Our Board – Other directorships*' and "*– Entities forming part of the Promoter Group*" on pages 274 and 297 respectively, our Promoters are not involved in any other ventures.

### **Change in the control of our Company**

There has been no change in the control of our Company in the last five years preceding the date of this Draft Red Herring Prospectus.

### **Interests of Promoters**

Our Promoters are interested in our Company to the extent: (i) that they have promoted our Company; (ii) of their directorships in our Company; (iii) of their shareholding and shareholding of their relatives in our Company; (iv) dividends payable thereon; and (v) other distributions in respect of the Equity Shares held by them. See "*Capital Structure – History of build-up of Promoters' shareholding in our Company*" on page 96. Our Promoters, who are also our Directors and Key Managerial Personnel, as applicable, may be deemed to be interested to the extent of their remuneration/fees, benefits and reimbursement of expenses, payable to them, if any. See "*Our Management - Interest of Directors*" and "*Other Financial Information – Related party transactions*" on pages 279 and 378, respectively.

Certain of our Promoters have provided personal guarantees in favour of consortium of banks (State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Yes Bank Limited, IDFC First Bank Limited, Bank of Baroda and IndusInd Bank Limited) for certain borrowings availed by our Company. See "*History and Certain Corporate – Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale*" on page 273.

Further, our Company has entered into agreements with entities forming part of the Promoter Group, where our Promoters are interested, the details of which, are set out below.

- (a) Our Company has entered into a lease agreement dated February 22, 2024, with Aries, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company has taken the premise of our Registered Office on lease for a term of 11 months with effect from March 1, 2024 and pays a monthly rent of ₹ 25,000 to Aries.
- (b) Our Company has entered into a lease agreement dated February 22, 2024, with Aries, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company provides accommodation facilities to Arvind Nanda. This property has been taken on lease for a term of 11 months with effect from March 1, 2024. Our Company pays a monthly rent of ₹ 325,000 to Aries.

- (c) Our Company has entered into a lease agreement dated February 22, 2024, with M/s Intertec, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company has taken the premise of one of our offices situated at Ground Floor, First Floor and Basement of B 33, Sector 57, Noida 201 301, Uttar Pradesh, India on lease for a term of 11 months with effect from March 1, 2024. Our Company pays a monthly rent of ₹ 450,000 to M/s Intertec. Our Company pursuant to Board resolution dated January 15, 2024 and Shareholders' resolution dated January 17, 2024 and Board and Shareholders resolutions both dated March 8, 2024 proposes to enter into a sale deed with M/s Intertec for the purpose of purchasing this above-mentioned property.
- (d) Our Company has entered into a lease agreement dated February 22, 2024, with M/s Intertec, where our Promoter and our Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company has taken the premise situated at 28-A Udyog Vihar, Greater Noida, 201 306, Uttar Pradesh, India for one of our godowns on lease for a term of 11 months with effect from March 1, 2024. Our Company pays a monthly rent of ₹ 25,000 to M/s Intertec.
- (e) Our Company has entered into a lease agreement dated February 22, 2024, with Signu Real Estate LLP, where our Promoter and Whole-time Director Gautam Suri is a partner. Pursuant to such agreement, our Company provides accommodation facilities to Gautam Suri. The property has been taken on lease for a term of 11 months with effect from March 1, 2024 from Signu Real Estate LLP by our Company. our Company pays a monthly rent of ₹ 75,000 to Signu Real Estate LLP.
- (f) Our Company has entered into a retainer agreement dated July 28, 2023, with Artfoto Advertising LLP (*formerly known as Artfoto Studios*), where our Promoter and Non-Executive Director, Ishaan Suri is a partner. Pursuant to such agreement, Artfoto Advertising LLP provides advertisement services to our Company for a term of twelve months with effect from August 1, 2023 for a consideration of ₹ 0.11 million per month to Artfoto Advertising LLP.

For details of amounts paid by our Company for Financial Years 2021, 2022 and 2023 and for the six months ended September 30, 2023 to the members of the Promoter Group pursuant to the above mentioned agreements, see ***“Other Financial Information – Related party transactions”*** on page 378. Except as disclosed above and in ***“Risk Factors - Our Company is proposing to acquire property from M/s Intertec which is a member of the Promoter Group and may undertake such acquisition in the future”*** on page 60, none of our Promoters have interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc. Our Promoters are not interested as a member in any firm or company which has any interest in our Company except for (A) their interests in (i) Aries; (ii) Signu Real Estate LLP; (iii) M/s Intertec; and (iv) Artfoto Advertising LLP. See ***“– Interests of Promoters”*** on page 295 and (B) Taipan and IGS certain of where our Promoters, namely, Arvind Nanda and Gautam Suri are directors. Taipan and IGS are shareholders of our Company and holds 580,000 Equity Shares and 525,000 Equity Shares respectively. See ***“Capital Structure – Shareholding of our Promoters and members of our Promoter Group”*** on page 96. No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company.

#### **Payments or benefits to our Promoters or members of our Promoter Group**

Except in the ordinary course of business and as disclosed in, ***“Our Management”***, ***“Other Financial Information – Related party transactions”*** and ***“– Interests of Promoters”*** on pages 274, 378 and 295, respectively, no amount or benefit has been paid or given to our Promoters or members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of the Promoter Group.

#### **Confirmations**

Our Promoters and members of the Promoter Group are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI any securities market regulator in any other jurisdiction or any other authority/court.

Our Promoters are not a promoter, director or person in control of any other company which is prohibited from accessing the capital markets under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters have not been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

### **Material Guarantees to third parties with respect to the Equity Shares**

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

### **Disassociation by our Promoters in the three immediately preceding years**

Our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of this Draft Red Herring Prospectus.

### **Promoter Group**

The following individuals and entities constitute the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

#### **A. Natural persons who are part of the Promoter Group**

The natural persons who are part of the Promoter Group are as follows:

<b>Name of Promoter</b>	<b>Name of relative</b>	<b>Relationship</b>
<b>Arvind Nanda</b>	Arhaan Nanda	Son
	Viraj Nanda	Son
<b>Gautam Suri</b>	Shobhna Suri	Spouse
	Ishaan Suri	Son
	Kalpna Joshie	Sister of spouse
	Ranjana Nigam	Sister of spouse
	Vandana Purohit	Sister of spouse
<b>Ishaan Suri</b>	Gautam Suri	Father
	Shobhna Suri	Mother
	Neha Suri	Spouse
	Imaan Suri	Son
	Inaya Suri	Daughter
	Pradeep Chaudhry	Father of spouse
	Kokil Chaudhry	Mother of spouse
	Neeti Chaudhry Das	Sister of Spouse
<b>Viraj Nanda</b>	Arvind Nanda	Father
	Arhaan Nanda	Brother

#### **B. Entities forming part of the Promoter Group**

The entities forming part of the Promoter Group are as follows:

1. Aries;
2. Arhaan trust;
3. Artfoto Advertising LLP (*formerly known as Artfoto Studios*);
4. Gautam Suri and Sons HUF;
5. IGS;
6. Libra Buildwell LLP;
7. M/s Intertec;
8. M/s Signu Real Estate LLP;
9. Signu Homes Private Limited;

10. Suri family trust Imaan;
11. Suri family trust Inaya;
12. Taipan; and
13. Viraj trust

## DIVIDEND POLICY

The dividend distribution policy of our Company was approved and adopted by our Board on January 15, 2024 (“**Dividend Policy**”).

Any future determination as to the declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with the provisions of our Articles of Association and Applicable Law, including the SEBI Listing Regulations and the Companies Act 2013, (together with the applicable rules issued thereunder), and will depend on a number of factors, including but not limited to profits, cash flow position, accumulated reserves, earnings stability, capital expenditure, long term investments, business cycles, changes in government policies and industry specific rulings.

Further, our Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the operations, ongoing or planned business expansion or other factors. As a result, we may not declare dividend in the foreseeable future. For details in relation to risks involved in this regard, see “*Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*” on page 69.

Our Company has not declared any dividends on the Equity Shares during the last three Financial Years, the six months ended September 30, 2023 and the period from October 1, 2023 until the date of this Draft Red Herring Prospectus.



**SECTION V: FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

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**Independent Auditors' Examination Report on the 'Restated Summary Statements' which comprises of the Restated Summary Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Summary Statement of Cash Flows and the Restated Summary Statement of Changes in Equity for the six months period ended September 30, 2023 and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the summary statement of material accounting policies and other explanatory information of Interarch Building Products Limited (formerly known as Interarch Building Products Private Limited)**

To

The Board of Directors

Interarch Building Products Limited (formerly known as Interarch Building Products Private Limited),

B-30, Sector 57,

Noida 201301, Uttar Pradesh,

India.

Dear Sir/Madam:

1. We, S.R. Batliboi & CO. LLP, Chartered Accountants ("we" or "us") have examined the attached Restated Summary Statements of Interarch Building Products Limited (formerly known as Interarch Building Products Private Limited) (the "Company") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") proposed to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") in connection with the proposed initial public offering of equity shares of face value of Rs. 10 each of the Company (the "Offer"), which comprises a fresh issue of equity shares and an offer for sale by certain existing shareholders of the Company. The Restated Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on March 14, 2024, have been prepared in accordance with the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act 2013, as amended (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations");
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note"); and
  - d) The E-mail dated December 04, 2023 received from Book Running Lead Managers ("BRLMs"), which confirms that based on the email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Email"), the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) for all the three years and the stub period.

**Management's Responsibility for the Restated Summary Statements**

2. The preparation of the Restated Summary Statements, which are to be included in the DRHP to be filed with SEBI and the Stock Exchanges in connection with the proposed Offer is the responsibility of the Management of the Company. The Restated Summary Statements have been prepared by the Management of the Company on the basis of preparation, as stated in Annexure V (Note 2.1) to the Restated Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

**Auditors' Responsibilities**

3. We have examined such Restated Summary Statements taking into consideration:
  - a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated November 23, 2023, requesting us to carry out the assignment, in connection with the proposed Offer of the Company;
  - b) the E-mail dated December 04, 2023 received from Book Running Lead Managers ("BRLMs"), which confirms that based on the email dated October 28, 2021 from Securities and Exchange Board of India

- (“SEBI”) to Association of Investment Bankers of India (“SEBI Email”), the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) for all the three years and the stub period;
- c) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;
  - d) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Summary Statements; and
  - e) the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, the Guidance Note and the SEBI Email in connection with the Offer.

#### **Restated Summary Statements**

4. These Restated Summary Statements have been compiled by the management of the Company from:
- a) Audited interim financial statements of the Company as at and for the six months period ended September 30, 2023 prepared in accordance with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended) along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on March 14, 2024 (the “Interim Financial Statements”);
  - b) Audited financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable, which was approved by the Board of Directors at their meeting held on June 20, 2023 (the “March 2023 Financial Statements”); and
  - c) Audited special purpose Ind AS financial statements of the Company as at and for the years ended March 31, 2022 and March 31, 2021, which were prepared by the Company after taking into the consideration the requirements of the SEBI Email and were approved by the Board of Directors at their meeting held on March 14, 2024 (the “Special Purpose Ind AS Financial Statements”).
- In March 2023 Financial Statements, year end March 31, 2023 is the ‘first time reporting period’, for first time adoption of Indian Accounting Standard (Ind-AS) – notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and accordingly April 01, 2021 is the transition date for preparation of its March 2023 Financial Statements as at and for the year ended March 31, 2023. The March 2023 Financial Statements, were the first financials, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2022, the Company prepared its financial statements in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (“Indian GAAP”) due to which the Special Purpose Ind AS Financial Statements were prepared to comply with the SEBI Email. The audit reports on the Indian GAAP statutory financial Statements for the years ended March 31, 2022 and March 31, 2021 were issued by us on September 26, 2022 and September 24, 2021 respectively (the “Indian GAAP Financial Statements”).

The Special Purpose Ind AS Financial Statements have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS -101) consistent with that used at the date of transition (April 01, 2021) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the six months period ended September 30, 2023 pursuant to the SEBI Email.

The audited financial statements referred to in paragraph (a), (b) and (c) above together hereinafter referred as the "Audited Financial Statements".

## Auditors Report

5. For the purpose of our examination, we have relied on:
- a) Auditors' report issued by us, dated March 14, 2024 on the Interim Financial Statements of the Company as at and for the six months period ended September 30, 2023 as referred in Paragraph 4 (a) above.
  - b) Auditors' report issued by us, dated June 20, 2023 on the March 2023 Financial Statements of the Company as at and for the year ended March 31, 2023 as referred in Paragraph 4 (b) above.
  - c) Auditors' report issued by us, dated March 14, 2024 on the Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2022 as referred in Paragraph 4 (c) above.
  - d) Auditors' report issued by us, dated March 14, 2024 on the Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2021 as referred in Paragraph 4 (c) above.
6. (a) The audit report on Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2022 referred to in paragraph 5(c) above included the following emphasis of matter which did not require any corrections (included in Annexure VII in the attached Restated Summary Statements):
- “Emphasis of matter – Basis of preparation and restriction of use  
We draw attention to Note 2.1 to the Special Purpose Ind AS Financial Statements, which describes the basis of preparation of these Special Purpose Ind AS Financial Statements stating that these Special Purpose Ind AS Financial Statements have been prepared to comply with the E-mail dated December 04, 2023 received from Book Running Lead Managers. The E-mail confirms that basis the email dated October 28, 2021 from Securities and Exchange Board of India (“SEBI”) to the Association of Investment Bankers of India (“SEBI Email”), the Company should prepare these Special Purpose Ind AS Financial Statements in accordance with Indian Accounting Standards (Ind AS). Accordingly, the Special Purpose Ind AS Financial Statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- Our opinion is not modified in respect of this matter.”
- (b) The audit report on Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2021 referred to in paragraph 5(d) above included the following emphasis of matter which did not require any corrections (included in Annexure VII in the attached Restated Summary Statements):
- “Emphasis of matter – Basis of preparation and restriction of use  
We draw attention to Note 2.1 to the Special Purpose Ind AS Financial Statements, which describes the basis of preparation of these Special Purpose Ind AS Financial Statements stating that these Special Purpose Ind AS Financial Statements have been prepared to comply with the E-mail dated December 04, 2023 received from Book Running Lead Managers. The E-mail confirms that basis the email dated October 28, 2021 from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India (“SEBI Email”), the Company should prepare these Special Purpose Ind AS Financial Statements in accordance with Indian Accounting Standards (Ind AS). Accordingly, the Special Purpose Ind AS Financial Statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- Our opinion is not modified in respect of this matter.”
7. Based on our examination and according to the information and explanations given to us as at and for the six months period ended September 30, 2023 and as at and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021, we report that Restated Summary Statements of the Company:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in each of the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2023;
- b) There are no qualifications in the auditors' reports on the Interim Financial Statements of the Company as at and for the six months period ended September 30, 2023, on the March 2023 Financial Statements of the Company as at and for the year ended March 31, 2023 and on the Special Purpose Ind AS Financial Statements of the Company as at and for the years ended March 31, 2022 and March 31, 2021, which require any adjustments to the Restated Summary Statements.

However, items relating to emphasis of matter, as referred to in paragraph 6 (a) and (b) above which do not require any corrective adjustments in the Restated Summary Statements, have been disclosed in Annexure VII to the Restated Summary Statements; and

- c) have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and the SEBI Email, as applicable.
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Company as of any date or for any period subsequent to September 30, 2023.
  9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  10. The Restated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the Audited Financial Statements mentioned in paragraph 4 above.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. Our report is intended solely for use of the Board of Directors of the Company for inclusion in the DRHP to be filed with the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Pravin Tulseyan**

Partner

Membership Number: 108044

UDIN: 24108044BKFLXJ6937

Place of Signature: Gurugram

Date: March 14, 2024

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company for the years ended March 31, 2021, March 31, 2022, and March 31, 2023, together with all the annexures, schedules and notes thereto (collectively, the “**Audited Financial Statements**”) are available at <https://www.interarchbuildings.com/financial-information.asp>. Our Company does not have a subsidiary, as on the date of this Draft Red Herring Prospectus. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider in order to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision.

The details of accounting ratios required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Restated earnings per equity share				
- Basic earnings per Equity Share (in ₹) <sup>#(1)</sup>	4.29	11.42	54.31	23.07
- Diluted earnings per equity shares (in ₹) <sup>#(2)</sup>	4.29	11.42	54.31	23.07
RoNW (in %) <sup>#(3)</sup>	2.68	6.52	23.69	10.33
NAV per Equity Share (in ₹) <sup>(4)</sup>	159.90	175.09	229.19	232.24
EBITDA (in ₹ million) <sup>(5)</sup>	110.44	328.89	1,063.80	441.10

<sup>#</sup> Not annualised for September 30, 2023.

Notes:

1. Basic earnings per Equity Share (₹) = Restated profit attributable to Shareholders of our Company for the year/period divided by weighted average number of Equity Shares outstanding during the year/period computed in accordance with Ind AS 33.
2. Diluted earnings per Equity Share (₹) = Restated profit attributed to Equity Shareholders of our Company for the year/period divided by weighted average number of shares outstanding during the year/period are adjusted for the effects of all dilutive potential equity shares are computed in accordance with Ind AS 33.
3. RoNW (%) = Restated profit for the year/period divided by Net Worth at the end of the year/period.
4. Net asset value per Equity Share = Net Worth at the end of the year/period divided by the number of Equity Shares outstanding at the end of year/period.
5. EBITDA is calculated as restated profit plus total tax expense, finance costs, depreciation and amortization expense less other income for the year/period.

### Related party transactions

Set out below is a summary of related party transactions with related parties for the Financial Years 2021, 2022 and 2023 and for the six months ended September 30, 2023, as per Ind AS 24 read with the SEBI ICDR Regulations, as derived from the Restated Financial Information.

Related parties with whom transactions have taken place	Nature of relationships	Nature of transaction	(in ₹ million)			
			Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Aries Developers LLP	Entities in which KMP have a significant influence/ control.	Lease rent payment	2.40	2.40	4.20	2.10

<i>(in ₹ million)</i>						
Related parties with whom transactions have taken place	Nature of relationships	Nature of transaction	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Artfoto Studios	Entities in which KMP have a significant influence/ control.	Advertisement Expenses	0.59	0.96	1.02	0.61
Interarch Foundation	Entities in which KMP have a significant influence/ control.	Corporate Social Responsibility payment	0.58	1.01	1.37	-
Interarch Employees Group Gratuity Trust	Entities in which KMP have a significant influence/ control.	Gratuity Contribution	-	-	70.20	-
Intertec	Entities in which KMP have a significant influence/ control.	Sale of products	0.33	-	-	-
		Lease rent payment	3.90	3.90	5.70	2.85
		Reimbursement of expenses received	0.48	-	0.48	-
Signu Real Estates LLP	Entities in which KMP have a significant influence/ control.	Sale of products	-	-	0.03	-
		Lease rent payment	0.60	0.60	0.90	0.45
Taipan Associates Private Limited	Entities in which KMP have a significant influence/ control.	Sale of products	0.09	0.05	-	0.34
		Lease rent payment	-	-	-	-
Arvind Nanda	Managing Director	Finance Cost	0.15	0.12	0.12	0.02
		Loan taken/adjusted	1.50	-	-	-
		Loan repaid/adjusted	3.50	-	-	2.00
		Remuneration Long term benefit	-	-	-	-
		Remuneration Short term benefit	2.77	3.22	3.21	1.61
		Buyback of shares	-	-	-	127.50
Gautam Suri	Whole Time Director	Finance Cost	0.42	0.72	0.69	-
		Loan taken/adjusted	-	7.50	-	-
		Loan repaid/adjusted	-	-	14.50	-
		Remuneration Long term benefit	-	-	-	-
		Remuneration Short term benefit	3.35	4.80	4.81	2.40
		Buyback of shares	-	-	-	87.50
Viraj Nanda	Non-Executive Director	Remuneration Long term benefit	-	0.02	0.04	0.03
		Remuneration Short term benefit	-	1.33	1.57	0.87

<i>(in ₹ million)</i>						
Related parties with whom transactions have taken place	Nature of relationships	Nature of transaction	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Ishaan Suri	Non-Executive Director	Buyback of shares	-	-	-	40.00
Manish Kumar Garg	KMP	Remuneration Long term benefit	-	0.24	0.47	0.32
		Remuneration Short term benefit	-	9.93	15.58	8.15
Nidhi Goel	KMP	Remuneration Long term benefit	0.04	0.11	0.16	0.05
		Remuneration Short term benefit	1.24	1.40	1.53	0.83
Anil Kumar Chandani	KMP	Remuneration Long term benefit	-	0.20	0.23	0.16
		Remuneration Short term benefit	-	7.64	8.15	4.08

*Notes:*

- (i) *The remuneration to the key managerial personnel includes value of perquisites (excluding rent payment) based on the actual payment or evaluated as per the Income Tax Rule, 1962.*
- (ii) *The remuneration paid to Arvind Nanda excludes rent for March 31, 2021: ₹ 2.40 million, March 31, 2022: ₹ 2.40 million, March 31, 2023: ₹ 4.20 million and September 30, 2023: ₹ 2.10 million paid to Aries Developers Private Limited (Aries Developers Private Limited was converted into Aries Developers LLP and a certificate of incorporation dated April 21, 2023 was issued by the RoC) for his residence.*
- (iii) *Remuneration paid to Gautam Suri excludes rent for March 31, 2021: ₹ 0.60 million, March 31, 2022: ₹ 0.60 million, March 31, 2023: ₹ 0.90 million and September 30, 2023: of ₹ 0.45 million paid to Signu Real Estate LLP for his residence.*

For details of the related party transactions, as per the requirements under Ind AS 24 for Financial Years 2021, 2022 and 2023 and for six months ended September 30, 2023, see “**Restated Financial Information – Annexure VI – Related Party Disclosures**” on page 357.



## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at September 30, 2023, derived from our Restated Financial Information and as adjusted for the proposed Offer. This table below should be read in conjunction with "Risk Factors", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 30, 300 and 384, respectively.

Particulars	<i>(in ₹ million, except ratios)</i>	
	Pre-Offer as at September 30, 2023	As adjusted for the proposed Offer*
<b>Borrowings</b>		
Current borrowings (I)	28.79	[●]
Non-current borrowings (II)	8.61	[●]
<b>Total Borrowings (I) + (II) = (A)</b>	<b>37.40</b>	<b>[●]</b>
<b>Equity</b>		
Equity Share Capital (III)	144.16	[●]
Other equity (IV)	3,767.46	[●]
<b>Total Equity (III) + (IV) = (B)</b>	<b>3,911.62</b>	<b>[●]</b>
<b>Capitalisation (A) + (B)</b>	<b>3,949.02</b>	<b>[●]</b>
<b>Non-current borrowings /Total Equity (times) (II)/(B)</b>	<b>0.22</b>	<b>[●]</b>
<b>Total borrowings/ Total Equity (times) (A)/(B)</b>	<b>0.96</b>	<b>[●]</b>

Note:

1. Total borrowings is the sum of non-current borrowings and current borrowings.

2. These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.

\*The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same have not been provided in the above statement.

## FINANCIAL INDEBTEDNESS

Our Company avails credit facilities in the ordinary course of its business for purposes such as, *inter alia*, meeting our working capital requirements. For details regarding the borrowing powers of our Board, see “*Our Management – Borrowing Powers*” on page 280.

Set forth below is a brief summary of our outstanding indebtedness, as on January 31, 2024

<i>(in ₹ million)</i>		
Category of Borrowing	Sanctioned Amount as on January 31, 2024	Amount outstanding as on January 31, 2024*
<i>Secured</i>		
<b>Fund-based facilities</b>		
Working capital facilities	450.00	0.51
Vehicle loans	21.84	12.10
Total fund-based facilities (A)	471.84	12.61
<b>Non-fund-based facilities</b>		
Letters of credit	3,000.00	682.80
Bank guarantees		2,117.17
Total non-fund-based facilities (B)	3,000.00	2,799.97
<b>Total indebtedness (A) + (B)</b>	<b>3,471.84</b>	<b>2,812.58</b>

\* As certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated March 18, 2024.

Key terms of our borrowings are disclosed below:

- **Interest rate:** The interest rates of the working capital facilities of our Company are primarily linked to the lenders’ benchmark lending rates/ marginal cost lending rate or external benchmark lending rates, such as the repo rate prescribed by the Reserve Bank of India, with a spread per annum charged above the applicable benchmark rates. The interest rate for vehicle loans of our Company typically ranges from 6.80% per annum to 9.00% per annum. Further, for non-fund based facilities, our bank guarantees bear commissions typically ranging from 0.75% per annum to 2.75% per annum, while our letters of credit bear commissions typically ranging from 0.70% per annum to 1.40% per annum.
- **Tenor:** The tenor of our working capital facilities typically ranges up to 365 days, while our vehicle loans have a tenor ranging from one year to five years. Further, the tenor of our bank guarantees typically ranges from six months to 24 months, while the maximum tenor for letter of credit is 12 months.
- **Security:** As of January 31, 2024, all our borrowings are secured by way of:
  - a) *Pari passu* charge over the Company’s present and future current assets, stock in-trade and moveable and immovable fixed assets, book debts and plant and machinery;
  - b) *Pari passu* charge over certain immovable assets of M/s Intertec;
  - c) pledge of certain fixed deposits of our Company;
  - d) personal guarantee provided by some of our Company’s Promoters, Arvind Nanda and Gautam Suri and corporate guarantee provided by M/s Intertec, a member of our Promoter Group, on behalf of our Company, in favour of a consortium of banks (State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Yes Bank Limited, IDFC First Bank Limited, Bank of Baroda and IndusInd Bank Limited); and
  - e) hypothecation on the vehicles in relation to the vehicle loans.
- **Repayment:** Our facilities are typically repayable on demand or on maturity of the facility, as applicable.
- **Pre-payment:** The financing arrangements entered into by our Company typically have prepayment provisions which allow for prepayment of the outstanding loan amount and sometimes carry a pre-payment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documentation and may also require a prior written consent of the lenders.

- **Restrictive covenants:** Financing arrangements entered into by our Company typically contain various restrictive conditions and covenants mandating either the prior written consent and/or an intimation to the relevant lenders in respect of certain corporate actions. An indicative list of such covenants is set forth below:
  - a) effecting changes in the capital structure, ownership or control of our Company;
  - b) effecting changes in the shareholding pattern of our Company;
  - c) effecting changes in the management of our Company, including changes in the composition of the board of directors and the terms of their remuneration and/or sitting fees;
  - d) creating any encumbrance on the assets and properties of our Company charged in favour of lenders;
  - e) formulating any scheme of amalgamation or reconstruction or implementing any scheme of expansion, modernization, diversification and renovation;
  - f) amending and/or modifying the constitutional documents of our Company.
- **Events of default:** In terms of the financing arrangements entered into by our Company, the occurrence of any of the following, *inter alia*, constitutes an event of default:
  - a) breach of covenants, representations, warranties, undertakings and conditions stipulated in the loan documentation;
  - b) non-payment or default of any amount due on facility or loan obligations;
  - c) change in control or management or constitution of our Company;
  - d) commencement or existence of any legal proceedings, investigations or proceedings that may have material adverse effect; and
  - e) proceedings related to winding up, liquidation or insolvency initiated against us.
- **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, the following, *inter alia*, are the consequences of occurrence of events of default, whereby our Company's lenders may:
  - a) declare all amounts payable by our Company with respect to the facility to be due and payable immediately;
  - b) require our Company to re-constitute the board of directors with sufficiently qualified or experienced persons and appoint whole-time directors to the board of directors, as may be satisfactory to the lenders;
  - c) carry out technical, legal and/or financial inspection with respect to our business, facilities and books of account with assistance of our representative at the our cost;
  - d) appoint a nominee director on the board of directors of our Company to look after its interest; and
  - e) convert such outstanding loan into equity share capital of our Company.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by our Company, and the same may lead to consequences other than those stated above.

We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see **“Risk Factors – We have incurred indebtedness, and our inability to obtain further financing or meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition”** on page 48.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Restated Financial Information included herein as at and for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and as at and for the six months ended September 30, 2023, including the related notes, schedules and annexures.*

*Our Financial Year commences on April 1 and ends on March 31 of each year, and all references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our "Financial Information" on page 300.*

*We have exclusively commissioned and paid for the services of independent third party research agency, CRISIL MI&A ("CRISIL") for the purposes of confirming our understanding of the industry in connection with the Offer, and have relied on the CRISIL Report, for industry related data in this Draft Red Herring Prospectus, including in the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 168, 224 and 384, respectively. We engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated July 10, 2023. The CRISIL Report will be available on the website of our Company at <https://www.interarchbuildings.com/crisil-report.asp> from the date of this Draft Red Herring Prospectus till the Bid/Offer Closing Date, and has also been included in "Material Contracts and Documents for Inspection" on page 499. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant financial year.*

*This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 20 and 30, respectively.*

### Overview

We are one of the leading turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacturing, on-site project management capabilities for the installation and erection of pre-engineered steel buildings ("PEB"). (Source: CRISIL Report) We were ranked third in terms of operating revenue from PEB business in the Financial Year 2023 among integrated PEB players in India. (Source: CRISIL Report) Our Company further had the second largest aggregate installed capacity of 141,000 metric tonnes per annum ("MTPA") as of March 31, 2023 and a market share of 6.1% in terms of operating income in Financial Year 2023 among integrated PEB players in India. (Source: CRISIL Report) Our PEB offerings are designed, engineered and fabricated by us in accordance with customer requirements, and find use in construction for industrial, infrastructure and building (residential, commercial and non-commercial) end-use applications. We have delivered PEBs for projects ranging from multi-level warehouses for customers engaged in e-commerce to paint production lines for customers engaged in manufacturing of paints and, fast-moving consumer goods ("FMCG") sector for setting up manufacturing units for manufacturing their products. We have also supplied large-span PEBs for indoor stadiums and customers engaged in the cement industry. During the period from Financial Year 2015 to Financial Year 2023 and the six months ended September 30, 2023, we completed execution of 623 PEB Contracts, thereby demonstrating our extensive track record in the PEB industry. The Indian PEB industry is expected to grow at a CAGR of 10.5-11.5% CAGR over Financial Year 2023-Financial Year 2028 (Source: CRISIL Report), and our extensive track record, domain experience, established brand presence and market position, paired with our in-house design and engineering, manufacturing, supply, and on-site project management capabilities for the installation and erection of PEBs supplied by us, position us to benefit from such growth.

We offer our PEBs by way of: (a) pre-engineered steel building contracts ("PEB Contracts"), wherein we provide complete PEBs on a turn-key basis to our customers, and as a part of which, we also provide on-site project management expertise for the installation and erection of PEBs supplied by us at our customers' sites; and (b) sale of pre-engineered steel building materials ("PEB Sales"), which includes (i) sale of metal ceilings and corrugated roofing (comprising metal suspended ceiling systems (under the brand, "TRAC®"), metal roofing and cladding systems (under the brand, "TRACDEK®") and permanent/metal decking (lost shuttering) over steel framing

(under the brand, “**TRACDEK® Bold-Rib**”); (ii) supply of PEB steel structures (comprising, amongst other things, primary and secondary framing systems; as well as complete PEBs, such as non-industrial PEB buildings for non-industrial use, such as farmhouses and residential buildings (under the brand, “**Interarch Life**”) for erection and installation by third party builders/erectors, and (iii) light gauge framing systems (“**LGFS**”).

We were incorporated in 1983 and have presence of over 30 years in the PEB industry under our brands, “**TRAC®**” and “**TRACDEK®**”. As on the date of this Draft Red Herring Prospectus, we have evolved into a turn-key PEB solutions provider, with integrated facilities for design and engineering, manufacture, and on-site project management capabilities for the installation and erection of PEBs supplied by us which enable us to deliver end-to-end solutions to our customers.

We primarily manufacture our products in-house at our four Manufacturing Facilities, comprising the Tamil Nadu Manufacturing Facilities, Pantnagar Manufacturing Facility, and Kichha Manufacturing Facility. As of March 31, 2023 and September 30, 2023, our Manufacturing Facilities had an aggregate installed capacity of 141,000 MTPA. See “**Our Business -Manufacturing Facilities**” on page 248. As of the date of this Draft Red Herring Prospectus, our Manufacturing Facilities are supplemented by three dedicated design and engineering centres situated in Noida, Uttar Pradesh, India; Chennai, Tamil Nadu, India; and Hyderabad, Telangana India, which enable us to firstly, offer customized PEBs in accordance with our customers’ requirements and, secondly, to continually undertake incremental enhancements and improvements of our processes and design, thereby simultaneously contributing towards enhancement of our design compliance and engineering standards which create efficient PEB designs. We are supported by our dedicated in-house on-site project management team. We have established eight sales and marketing offices in eight cities to cater to our customers across India. We are also in the process of setting-up a manufacturing unit as part of the phase 1 of the Andhra Pradesh Manufacturing Facility and also propose to undertake the Project and also upgrade our Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility by utilizing a portion of the Net Proceeds, in order to bolster our manufacturing capacity and capabilities. See “**Objects of the Offer – Details of the Objects of the Fresh Issue**” on page 107. Additionally, we propose to set-up our Planned Gujarat Manufacturing Facility. See “**Our Business– Planned Gujarat Manufacturing Facility**” on page 253.

Our Company is led by our Promoters, Arvind Nanda who is also our Managing Director, Gautam Suri who is a Whole-time Director of our Company and Viraj Nanda and Ishaan Suri who are Non-Executive Directors of our Company. Our Promoters are supported by a qualified and experienced management team under the guidance of our Board of Directors, which consists of individuals from various professional backgrounds with substantial experience in the PEB industry. See “**Promoters and Promoter Group**” and “**Our Management**” on pages 294 and 274, respectively. We credit the building of our brand presence, our market position and the growth of our operations to the industry experience, vision and guidance of our Promoters and management team.

We credit our growth in revenue and profitability in part to our operational efficiency, which we seek to achieve by streamlining our operational activities and maintaining economies of scale. We have been able to grow our revenue from operations of ₹ 5,760.64 million in the Financial Year ended March 31, 2021 to ₹ 11,239.26 million in the Financial Year ended March 31, 2023, representing a CAGR of 39.68%.

## **Significant Factors Affecting our Results of Operations**

### ***Demand for our pre-engineered steel buildings***

The Indian PEB industry expanded at a CAGR of ~8.5% over Financial Years 2019-2023, growing from ₹ 130 billion in Financial Year 2019 to ₹ 180 billion in Financial Year 2023 and is expected to grow to ₹ 195 billion-₹ 200 billion in Financial Year 2024. The medium-term outlook is optimistic, with the industry growing at a 10.5-11.5% CAGR between Financial Year 2023- 2028 to ₹ 295-310 billion, supported by investments in the industrial and infrastructure sectors such as warehouses and logistics as well as expressways (way-side amenities and toll plazas). The total construction investments in the infrastructure sector is expected to attract investments of approximately ₹ 48.3 trillion between Financial Year 2024 - 2028, up from ₹ 26.6 trillion between Financial Year 2019-2023. (Source: CRISIL Report)

We were ranked third in terms of operating revenue from the PEB business in the Financial Year 2023 among the integrated PEB players. Our Company further had the second largest aggregate installed capacity of 141,000 MTPA as at March 31, 2023 and a market share of 6.1% in terms of operating income in Financial Year 2023 in India. We were incorporated in 1983 and have presence of over 30 years in the PEB industry under our brands, “**TRAC®**” and “**TRACDEK®**”, which we have leveraged to evolve into an end-to-end PEB solution provider and

establish a track record based on extensive customer insights developed over the course of our operations, thereby enabling us to acquire new customers and cover various customer industries end-use applications for our PEBs.

As a manufacturer and provider of PEBs on a turn key basis to our customers and PEB buildings and structures as part of our PEB Sales, our profitability and future growth are correlated with and dependent upon the growth of the PEB industry in India. While the PEB market in India is projected to see growth in its share in the overall construction spend from 3-5% share in Financial Year 2023 to 5-7% by Financial Year 2028, it is considered to be in its infancy, and is subject to a number of key challenges, including:

- (vii) vulnerability to fluctuations in raw material prices;
- (viii) transportation challenges;
- (ix) necessity for additional safeguards to withstand natural disasters;
- (x) medium capital outlay and fragmented industry;
- (xi) inherent design limitations; and
- (xii) limited knowledge and lack of skilled manpower. (Source: CRISIL Report)

Pre-engineered construction accelerates project timelines without compromising on deliverable quality. As pre-engineered construction involves components being first manufactured in factories/manufacturing plants, it allows simultaneous preparation of the foundation at the construction site. This not only helps accelerate project timelines, but also allows cost optimisation by decreasing overhead site costs, including labour costs. Furthermore, as pre-engineered structures are manufactured within factories/manufacturing plants, they allow standardising processes, which ensures good quality of structures. Additionally, as these structures are manufactured in factories/ manufacturing plants, they also prevent project delays stemming from external factors such as adverse weather. (Source: CRISIL Report)

Our extensive track record, domain experience, established brand presence and market position, paired with our integrated facilities for design and engineering, manufacture, on-site project management capabilities for installation and erection of PEBs supplied by us, position us to benefit from growth of the PEB industry in India. If the PEB industry in India fails to sustain or increase its adoption, including in particular by building, infrastructure and industrial sectors, our business may be adversely affected. If the PEB industry develops more slowly than expected, or if demand for PEBs decreases, there can be no assurance that our past performance will continue at a comparable scale in the future and our business, prospects, financial condition and operating results would be harmed.

#### ***Customer relationships, terms of supply arrangements and pricing of our products***

We have relied on our experience in the Indian building products industry and our focus on quality, reliability and prompt delivery of our PEBs, to establish our brand presence and market position, which we attribute in part to our relationships with our customers. Our Company has worked with industry leaders in project development and construction, providing support to critical industrial, commercial and infrastructure projects (Source: CRISIL Report).

We have established long-standing relationships with a number of our customers, including various Customer Groups, which we attribute in part to our emphasis on quality consciousness, cost efficiency, and timely execution. Three of our top five Customer Groups (identified on the basis of revenue contribution in Financial Year ended March 31, 2023) have been associated with our Company for over five years. Set forth below is a breakdown of our revenue from Repeat Orders in the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023:

Particulars	For the Financial year ended March 31, 2021		For the Financial year ended March 31, 2022		For the Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations	Revenue (in ₹ million)	% of total revenue from operations
Revenue from Repeat Orders	4,132.99	71.75	4,894.15	58.62	9,038.70	80.42	5,241.08	88.60

Set forth below is our revenue from top five Customer Groups in the three preceding Financial Years ended March 31, 2021, March 31, 2022, and March 31, 2023 and in the six months ended September 30, 2023:

Particulars	For the Financial year ended March 31, 2021		For the Financial year ended March 31, 2022		For the Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)	Revenue (in ₹ million)	% of total revenue from operations (excluding scrap sales and other services)
Revenue from top five Customer Groups	1,536.09	27.34	2,136.15	26.21	4,324.84	39.08	1,814.88	31.12

We typically do not enter into continuing or long-term arrangements with any of our customers, and rely on purchase orders issued by our customers from time to time, that set out the terms and conditions as well as customer specifications, timelines of delivery and other parameters, and also permit customers in certain instances to unilaterally terminate such orders, with or without cause. Certain PEB Contracts entered into by us entitle the customers inspect our Manufacturing Facilities and review our manufacturing processes and raw materials. Furthermore, our PEB Contracts typically contain provisions for warranty, defect liability and liquidated damages in the event of defect or non-conformity of our PEBs to customer specifications.

We have historically been dependent, and expect to depend, on such Customer Groups and such Repeat Orders, for a substantial portion of our revenue and the loss of any them for any reason (including due to loss of, or termination of existing arrangements; limitation to meet any change in quality specification, customization requirements, or change in construction technology; disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) could have a material adverse effect on our business, results of operations and financial condition.

See “*Risk Factors - We derive a significant portion of our revenues from repeat orders placed by our customers and customer groups (identified as customers forming part of the same corporate group) which we identify as orders placed by customers or customer groups (identified as customers forming part of the same corporate group) that have placed orders with our Company previously. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows.*” on page 32.

#### **Availability and price of key inputs and materials**

For our PEB Contracts and PEB Sales, our primary raw material is steel in various descriptions and thickness i.e., hot rolled steel plates, galvanized steel coil sheets, standard hot rolled sections. Steel, which is the key raw material for the manufacturing of our products, is a commodity and is subject to fluctuation in commodity prices. Due to high dependence on steel, the ability of players in the PEB industry to tackle challenges related to input costs and working capital becomes crucial to the PEB industry’s success.

We depend on third-party suppliers for supply of raw materials required in our production process. We do not have continuing arrangements for the supply of raw materials and rely on purchase orders which set out the terms and conditions in relation to quantity, pricing, scheduling and delivery details. Steel is our key raw material and finding readymade substitute suppliers for supplying the raw materials, including steel, of exact specifications and on terms and conditions acceptable to us may be difficult.

We procure our raw materials, including steel, from third parties based on purchase orders and do not have continuing arrangements with our suppliers. The absence of any long-term or continuing arrangements for firm commitments of quantities at fixed prices and the need to maintain a continued supply of raw materials may make it difficult to resist price increases imposed by our suppliers. We are therefore exposed to volatility in the prices of our key raw materials specifically of steel. Majority of our customer orders are based on fixed or pre-determined prices which makes it difficult for us to pass on the increased price to our customers.

The table below sets forth details of our cost of raw material and components consumed which primarily comprises expenses incurred on procuring steel, including as a percentage of our total expense for the Financial Years ended March 31, 2021, 2022 and 2023 and for the six months ended September 30, 2023 respectively:

Particulars	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses	Amount (in ₹ million)	% of Total expenses
Cost of raw material and components consumed	3,551.18	61.69	5,694.36	69.59	7,427.33	72.29	3,952.59	71.56

Interruption of, or a shortage in the supply of, raw materials required to manufacture our products, may also result in our inability to operate our Manufacturing Facilities at optimal capacities, leading to a decline in production and sales. See **“Risk Factors - Our business and profitability are substantially dependent on the availability and the cost of our raw materials and components consumed, including steel, and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations, financial condition and cash flows”** on page 30.

#### ***Our ability to effectively execute and expand our order book***

Our track record has in turn contributed to our growing order book, as a result of an enhancement of our reputation and brand image, our ability to acquire new customers, and our ability to successfully win new projects due to improvement in our ability to pre-qualification requirements of customers. Details of our order book as on March 31, 2021, March 31, 2022 and March 31, 2023 and six months ended September 30, 2023 respectively, are set forth below:

Particulars	<i>(in ₹ million)</i>			
	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023	As on September 30, 2023
Total order book*	3,949.34	10,448.79	10,303.03	10,362.72

\*Our order book as at a particular date is calculated based on the aggregate contract value of our ongoing projects as at such date reduced by the value of work invoiced by us until such date.

The growth of our order book is a cumulative indication of the revenues that we expect to recognise in future periods with respect to our existing PEB Contracts. We cannot guarantee that the income anticipated in our order book will be realised or if realised, will be realised on time or result in profits. The number of orders we have received in the past, our existing order book and our growth rate may not be indicative of the number of orders we will receive in the future.

The completion of our orders involves various execution risks including delay or disruption in supply of raw materials, unanticipated cost increases, *force majeure* events, time and cost overruns, geo-political issues and operational hazards and therefore, we may not always be able to execute our projects within the scheduled time. In the event of any disruptions while executing our projects, due to natural or man-made disasters, workforce disruptions, fire, explosion, failure of machinery, or any significant social, political or economic disturbances or civil disruptions in or around the jurisdictions where such projects are located, our ability to execute our projects may be adversely affected. Project delays, modifications in the scope or cancellations may occur from time to time, due to delay in payments by our customers or due to our own defaults on account of delay in delivering the order, incidents of force majeure, cash flows problems, regulatory delays, need for change in measurements and estimates used by us and any other factors beyond our control. In view of the above, projects can remain outstanding in the order book for extended periods of time due to the nature of the project and the timing of the services required for completion of such projects. Delays in the completion of a project for any reason whatsoever can lead to delay in receiving our payments and thereby leading to variability in revenue.

Delays in the execution of projects results in the cost overruns and affects our payment milestones, subsequently



impacting our revenue recognition method and exposing our business to variability in revenue thereby creating an adverse impact on our revenue, cash flows and financial conditions. We may not be able to maintain and enhance our production capabilities within scheduled time or implement our production plans effectively at all.

See “**Risk Factors - The number of orders we have received in the past, our current order book and our growth rate may not be indicative of the number of orders we will receive in future. Any delays in execution of our orders expose us to time and cost overruns and variability in revenue, materially and adversely impacting our revenue from operations, cash flows and financial conditions**” on page 35.

#### **Sales initiatives and pan-India presence**

Our centralized corporate marketing team comprising six personnel as of September 30, 2023, is housed at our Corporate Office, and oversees overall marketing activities of our Company, including brand management, advertising and promotions, market research and analysis, digital marketing, marketing communications, public relations, market research, customer relationship management, and business development. The corporate marketing team is supported by 60 sales and marketing executives, including sales co-ordination and support staff as at September 30, 2023, operating out of eight sales and marketing offices in eight cities in the states of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh and West Bengal to cater to our customers across India. In addition to this, we have stationed sales and marketing employees in Chandigarh in Punjab and Haryana, Lucknow in Uttar Pradesh, Coimbatore in Tamil Nadu, Bhubaneswar in Odisha, and Raipur in Chhattisgarh. Our sales and marketing team include qualified engineers that are able to discuss our offerings with technical understanding, and their local presence ensures effective execution of regional marketing and lead generation. Further, maintaining and enhancing our brands may require us to make substantial investments in areas such as marketing and advertising. Our sales and marketing team acts on the recommendations of the business development team to increase the market visibility of our brand and our products in those identified industries, avenues and channels.

Details of expenses incurred towards sales initiatives and as a percentage of revenue from operations in Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six months ended September 30, 2023 respectively, is set forth below:

Particulars	Financial year ended March 31, 2021		Financial year ended March 31, 2022		Financial year ended March 31, 2023		For six months ended September 30, 2023	
	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Expenses incurred towards sales initiatives	8.39	0.15	10.08	0.12	15.75	0.14	9.72	0.16

*\*Includes advertisement and sales promotion expenses and rent expenses for sales and marketing offices*

Our Company further proposes to expand its sales and marketing team by hiring additional personnel, including to service its customers in Maharashtra, India. Further, while as on the date of this Draft Red Herring Prospectus, our Company’s sales have been pre-dominantly in India, we are currently evaluating expanding our network to Central and West Asia, South East Asia and Africa. See “**Our Business – Our Strategies - Expanding geographical footprint to cater to strategic markets in India and overseas**” on page 237.

However, marketing and advertising campaigns may not be effective to the extent planned or at all and we may, therefore, fail to attract new customers. Further, we may also fail to penetrate new target markets if our marketing and advertising programs are unsuccessful or not appropriately tailored to appeal to the target market. In the event, marketing and advertising campaigns are not as effective as our competitors, our competitive position could be adversely affected, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.

Also see, “**Risk Factors - If we cannot execute our strategies to target new customers and expand existing customer base effectively, our business and prospects may be materially and adversely affected**”, –“**Risk Factors - Our expansion of geographical footprint and execution capabilities may not be successful**” and –“**Risk Factors**

- Any reputational damage to our brand could have an adverse effect on our business, results of operation, financial condition and cash flows” on pages 62, 62 and 63, respectively.

### **Government initiatives**

As of calendar year 2022, India’s annual per capita steel consumption stood at 81.1 kg per annum, compared to the global average of 221.8 kg. Government policies like National Steel Policy aims to increase per capita steel consumption of India and create a technologically advanced and globally competitive steel industry in India to promote self-sufficiency in steel production as well as economic growth. The National Steel Policy focuses on the following three main aspects: (i) increase in consumption of steel through major sectors of infrastructure, automobiles and housing; (ii) to achieve 300MT of steelmaking capacity by 2030; and (iii) to increase per capita steel consumption to the level of 160 Kgs by 2030. This is expected to aid pre-engineered building industry by positively impacting the quality of steel available, which is the dominant raw material required for pre-engineered buildings. Additionally, increasing penetration of pre-engineered buildings in infrastructure projects coupled with National Steel Policy’s aim to boost steel consumption in infrastructure sector is expected to positively impact pre-engineered buildings. (Source: CRISIL Report) A withdrawal of this policy could have an adverse impact on our business, results of operations, cash flows and financial condition.

Furthermore, the Government of India has also implemented the Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting ‘Made in India’ steel for government procurement. Additionally, in 2021, the Government of India approved the Production Linked Incentive (PLI) Scheme for specialty steel (“**Steel PLI Scheme**”). The duration of the Steel PLI Scheme will be five years, from Financial Year 2024 to Financial Year 2028. With a budgetary outlay of ₹ 63.2 billion, the Steel PLI Scheme is expected to bring in investment of approximately ₹ 400.0 billion and capacity addition of 25 MT for speciality steel. These steps will positively impact the availability and quality of steel as a raw material, supporting the PEB industry. (Source: CRISIL Report)

We expect to benefit from the above government initiatives and other initiatives similar thereto, and our business growth and continued profitability would depend in part on favorable government initiatives such as these, and in the absence of such favorable initiatives, our growth and future financial performance may be adversely affected.

### **Summary of Material Accounting Policies**

#### **I. Current versus non-current classification**

The Company presents assets and liabilities in the Restated Summary Statements of Assets and Liabilities based on current/ non-current classification. An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- b) Held primarily for the purpose of trading; or
- c) Expected to be realised within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## **II. Foreign currencies**

### **(i) Functional and presentation currency**

Items included in the Restated Summary Statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Restated Summary Statements are presented in Indian rupee (INR), which is Company’s functional and presentation currency.

### **(ii) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company's at functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis. In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

## **III. Fair value measurement**

The Company measures financial instrument, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Summary Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Restated Summary Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's finance department includes team that determines the policies and procedures for both recurring fair value measurement, such as valuation of assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as Property, plant and equipment and Right of use assets- leasehold land and liabilities such as corporate guarantee and personal guarantee. Involvement of external valuers is decided upon annually by the finance team after discussion with and approval by the Chief Financial Officer (CFO), Chief Executive Officer (CEO) and Managing Director (MD). Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The finance team and CFO decides, after discussions with the CEO, MD and external valuers, which valuation techniques and inputs to use for each case. At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the finance team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The finance team also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the finance team present the valuation results to the CFO, CEO, MD and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value related disclosure for financial instruments and non-financial assets which are measured at fair value are disclosed in the relevant notes.

#### **IV. Revenue from contract with customer**

The Company enters into two types of contracts with customers i.e. fixed price contract and variable price contract. Variable price contracts are such contracts wherein price of goods or services is calculated by reference to a base steel price agreed with customers at the time of contract execution. The Company enters in variable price contracts for sale of pre-engineered building and sale of building material contracts. Under these contracts, price of pre-engineered building and building material are calculated in reference to steel prices.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

##### **Sale of Pre-engineered building (PEB) contracts**

In respect of pre-engineered building contracts, revenue is recognised over a period of time using the input method (equivalent to percentage of completion method; POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

Percentage of completion is determined on the basis of proportion of the costs of shipment made and cost of erection incurred as against the total estimated cost of shipment and erection.

Contracts are combined when the Company believes the underlying goods and services are a single performance obligation, single commercial objective or the consideration in one contract depends on another. Else contracts are separated.

Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment from revisions to estimate is included in the statement of profit and loss for the period in which revisions are made.

Liquidated damages (LD) represents the expected claim which the Company may need to pay for non-fulfilment of certain commitments as per the terms of respective sales contract. These are determined on case to case basis considering the dynamics of each contract and the factors relevant to that sale.

The Company provides installation services that are bundled together with the sale of products to a customer. Contracts for bundled sales of product and installation services are considered as one performance obligations because company believes underlying goods and services are a single performance obligation, single commercial objective or the consideration in one contract depends on another. Hence the installation services has been considered as a part of sale of pre-engineered building contracts.

### **Sale of building materials**

Revenue from sale of building materials is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the material. The payment terms depends upon each contract entered into with the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

### **Variable Consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The revenue on account of extra claims on pre-engineering building contracts are accounted for at the time of acceptance/settlement by the customers, due to uncertainties attached there to.

### **Significant financing component**

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

### **Warranty obligations**

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### **Interest income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

### **Other**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### **Contract balances**

#### **a. Contract Assets:**

Revenue earned but not billed to customers against erection and sale of goods and services is reflected as Contract assets because the receipt of consideration is conditional on Company's performance under the contract (i.e. transfer control of related goods or services to the customer). Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment.

#### **b. Trade Receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### **c. Contract Liabilities:**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **V. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

The Company has elected to present the grant in the balance sheet as deferred income, which is recognised in profit or loss on a systematic and rational basis over the useful life of the asset.

### **VI. Taxes:**

#### **a. Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

#### **b. Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the Restated Summary Statements and in other management reports.

#### **c. Goods and service taxes (GST) paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of goods and service taxes paid, except:

- when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- when receivables and payables are stated with the amount of tax included.
- the net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the balance sheet.

### **VII. Property, plant and equipment**

Under the previous GAAP, Property, plant and equipment and capital work in progress were carried in the balance sheet at cost net of accumulated depreciation and accumulated impairment loss (if any). On transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at the date of transition i.e. April 1, 2021 to Ind AS at its fair value and use that fair values as its deemed cost at that date.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use (if any) is included in the

cost of the respective asset if the recognition criteria for a provision are met. As per estimate of the management, the Company does not have any expected cost of decommission on any asset.

When significant parts are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets and depreciates separately based on their specific useful life. When an item of PPE is replaced, then its carrying amount is de-recognised and cost of the new item of PPE is recognised.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Tangible assets	Useful life as per Schedule II (in years)	Useful life estimated by the management based on technical assessment (in years)
Factory building*	30 years	40 years
Non factory building*	60 years	40 years
Electrical Fittings	10 years	10 years
Plant and equipment	15 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Vehicles*	8 years	7-8 years

Machinery spares are depreciated on straight line basis over the remaining useful life of related plant and equipment or useful life of spare part, whichever is lower.

*The Company, based on technical assessment made by technical expert and management estimate, depreciates Buildings and certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## VIII. Investment properties

On transition to Ind As (i.e. April 1, 2021), the Company has elected to continue with the carrying value of all investment properties measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment properties are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on electrical fittings & furniture and fixtures components of investment property having gross block of ₹ 0.37 million is calculated on a straight line basis using the rates arrived at based on the useful life estimated by the management, which are equal to corresponding life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on factory buildings component of investment property having gross block of ₹ 13.25 million is calculated on a straight line basis over the remaining useful life after considering the overall useful life of 40 years (as re-assessed by the management in an earlier year based on technical evaluation), which is higher than the useful life prescribed in Schedule II to Companies Act, 2013.

Depreciation on residential property component of investment property of ₹ 3.05 million, which is yet to be available for use, will be calculated once the said property is available for use.



Depreciation on Leasehold land component of investment property taken on lease is calculated over the useful life or the period of primary lease of 90 years, whichever is lower.

Though the Company measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment properties the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

#### **IX. Intangible assets:**

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised as at April 1, 2021 measured as per the previous GAAP and use that carrying value as the deemed cost of such other intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

#### **Computer software:**

Cost relating to software and software licenses, which are acquired, are capitalized and amortized on a straight-line basis over their estimated useful lives of three years or actual period of license, whichever is lower.

#### **X. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **XI. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## **Company as a Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **i. Right of Use Assets:**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and machinery - 8 years

Building - 10 years

Land - 90/99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### **ii. Lease Liabilities:**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The cost and accumulated depreciation for right of use assets where the leases gets matured or disposed off before maturity are de-recognised from the balance sheet and the resulting gains/(losses) are included in the statement of profit and loss within other expenses /other income. Lease liabilities and right of use assets have been presented as separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

### **iii. Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of building and plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option), except in case of lease contracts with related parties since there exist economic incentive for the Company to continue using the leased premises for a period longer than 11 months and considering the contract is with the related parties, it does not foresee non-renewal of the lease term for future periods, thus basis the substance and economic of the arrangements, management believes that under Ind AS 116, the lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use the leased assets (i.e., reasonably certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the assets as on the date of transition. The management has assessed period of arrangement with related parties as 10 years as at April 1, 2021. It also applies the lease of

low-value assets recognition exemption to leases of plant and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## **XII. Inventories**

Inventories are valued at the lower of cost and net realisable value.

### **i. Raw materials and components, packing materials and stores and spares:**

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components, packing materials and stores and spares is determined on a moving weighted average method. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

### **ii. Work in progress, Semi-finished goods and finished goods.**

Lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a moving weighted average basis.

### **iii. Scrap.**

Scrap is valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **XIII. Impairment of non - financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations including impairment on inventories, are recognised in the statement of profit and loss.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as revaluation increase.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

#### **XIV. Provisions, contingent liabilities and contingent assets**

##### **i. General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### **ii. Onerous contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

##### **iii. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required

to settle obligation. A contingent liability also arises in extremely rare cases where there is a liability that can not be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Restated Summary Statements.

#### **iv. Contingent assets**

Contingent assets are not recognised in the financial statement. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

#### **XV. Retirement and other employee benefits Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

##### **Defined benefit plan**

The Company operates one defined benefit gratuity plan for its employees. The Company's net obligation in respect of defined benefit gratuity plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

##### **Short term employee benefits**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

##### **Long term employee benefits**

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current

liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

## **XVI. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial assets:**

#### **Initial recognition and measurement:**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Financial assets at amortised cost (debt instruments)
- ii. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt)
- iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity)
- iv. Financial assets at fair value through profit or loss

#### **Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from

impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and security deposit included under other non-current financial assets.

#### Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii. The asset's contractual cash flows represent SPPI Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company has not designated any financial asset (debt instruments) at FVTOCI.

#### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not designated any financial asset (equity instruments) as at FVTOCI.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes such financial assets which the Company had not irrevocably elected to classify at fair value through OCI. The Company has designated investments in mutual funds (debt instruments) in this category.

#### Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or

- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:



Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Financial Liabilities:

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- i. Financial liabilities at fair value through profit or loss
- ii. Financial liabilities at amortised cost (loans and borrowings)

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

### **Financial liabilities at amortised cost (Loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **XVII. Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **XVIII. Dividend:**

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## **XIX. Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## XX. Segment Reporting Identification of segments

The Company's operating businesses are organised and managed on a single segment considering activities of manufacturing, supply, erection and installation of pre-engineered buildings and related services as one single operating segment. The analysis of geographical segments is based on the location in which the customers are situated.

### Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Restated Summary Statements of the Company as whole.

### NON-GAAP FINANCIAL MEASURES

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Net Debt, Net Debt to EBITDA, Return on Capital Employed, Profit Margin, Cash Conversion Cycle, Asset turnover Ratio (together, “**Non-GAAP Measures**”) and certain other statistical information relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years/period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. For the risks relating to our Non-GAAP Measures, see “*Risk Factors - This Draft Red Herring Prospectus contains certain Non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These Non-GAAP Measures and statistical information may vary from any standard methodology that is applicable across the pre-engineered steel buildings industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies.*” on page 65.

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Revenue from operations <sup>(1)</sup> (in ₹ million)	5,760.64	8,349.43	11,239.26	5,915.28
Total Income (in ₹ million)	5,835.43	8,408.57	11,363.92	5,984.56
EBITDA <sup>(2)</sup> (in ₹ million)	110.44	328.89	1,063.80	441.10
EBITDA margin <sup>(3)</sup> (%)	1.92	3.94	9.47	7.46
Total equity (in ₹ million)	2,996.59	3,183.19	3,992.79	3,911.62
Net Debt to EBITDA <sup>(4)</sup> (Ratio)	0.11	(0.98)	(0.38)	(0.76)*
Net Debt to Equity <sup>(5)</sup> (Ratio)	0.00	(0.10)	(0.10)	(0.09)
Return on Capital Employed <sup>(6)</sup> (%)	3.21	8.30	26.75	11.76*
Restated profit for the year/period (in ₹ million)	64.37	171.33	814.63	345.74

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the six months ended September 30, 2023
Profit Margin <sup>(7)</sup> (%)	1.12	2.05	7.25	5.84
Total non-current assets (in ₹ million)	2,062.77	1,902.09	2,113.07	2,235.06
Total current assets (in ₹ million)	2,627.49	3,535.45	4,637.18	4,760.91
Total assets (in ₹ million)	4,690.26	5,437.54	6,750.25	6,995.97
Net cash generated from operating activities <sup>(8)</sup> (in ₹ million)	388.32	261.80	312.86	560.21
Return on equity <sup>(9)</sup> (%)	2.15	5.38	20.40	8.84*

\*Not annualized

<sup>(1)</sup> Revenue from operations is revenue from pre-engineered building contracts, sale of building materials, scrap sales and other operating services for the year/period.

<sup>(2)</sup> EBITDA is calculated as restated profit plus total tax expense, finance costs, depreciation and amortization expense less other income for the year/period.

<sup>(3)</sup> EBITDA margin represents the EBITDA divided by the revenue from operations.

<sup>(4)</sup> Net Debt to EBITDA ratio is computed as Net Debt divided by EBITDA.

<sup>(5)</sup> Net Debt to Equity ratio is computed as Net debt divided by the total equity.

<sup>(6)</sup> Return on capital employed (%) is calculated as EBIT divided by capital employed.

<sup>(7)</sup> Profit Margin is calculated at restated profit for the year/period divided by revenue from operations.

<sup>(8)</sup> Net cash generated from operating activities by the Company during the year/period.

<sup>(9)</sup> Return on equity is calculated as restated profit for the year/period divided by total equity.

### Reconciliation of Non-GAAP measures

Reconciliation for the following Non-GAAP Measures included in this Draft Red Herring Prospectus, are as set out below.

#### Reconciliation of Restated profit for the year/period to EBITDA, EBITDA Margin and Profit Margin

(in ₹ million, except percentages)

Particulars	For the Financial Year ended March 31,			For six months ended September 30, 2023
	2021	2022	2023	
Restated profit for the year/period (A)	64.37	171.33	814.63	345.74
Total income tax expenses (B)	14.31	54.58	274.90	115.70
Finance costs (C)	19.34	44.55	25.96	10.03
Depreciation and amortization expense (D)	87.21	117.57	72.97	38.91
Other income (E)	74.79	59.14	124.66	69.28
<b>EBITDA (F = A+B+C+D-E)</b>	110.44	328.89	1,063.80	441.10
Revenue from operations (G)	5,760.64	8,349.43	11,239.26	5,915.28
<b>EBITDA Margin (%) (H = F/G*100)</b>	1.92	3.94	9.47	7.46
<b>Profit Margin (%) (I = A/G*100)</b>	1.12	2.05	7.25	5.84

#### Reconciliation of Non-current Borrowings to Total Debt and Capital Employed

(in ₹ million)

Particulars	As at the Financial Year ended March 31,			As at the six months ended September 30, 2023
	2021	2022	2023	
Non-current Borrowings (A)	1.26	10.19	11.06	8.61
Non-current Lease liabilities (B)	38.87	41.48	57.77	54.86
Current Borrowings (C)	18.28	23.42	102.78	28.79
Current Lease liabilities (D)	3.10	3.38	5.67	5.83
<b>Total Debt (E=A+B+C+D)</b>	61.51	78.47	177.28	98.09
Total equity (F)	2,996.59	3,183.19	3,992.79	3,911.62
Intangible assets (G)	1.78	1.32	0.38	1.95
<b>Capital Employed (H = E+F-G)</b>	3,056.32	3,260.34	4,169.69	4,007.76

**Reconciliation of Restated profit for the year/period to EBIT, Capital Employed and Return on Capital Employed**

Particulars	As at/ for the Financial Year ended March 31,			(in ₹ million, except percentage)
	2021	2022	2023	As at/ for the six months ended September 30, 2023
Restated profit for the year/period (A)	64.37	171.33	814.63	345.74
Total tax expenses (B)	14.31	54.58	274.90	115.70
Finance costs (C)	19.34	44.55	25.96	10.03
<b>EBIT (D = A+B+C)</b>	<b>98.02</b>	<b>270.46</b>	<b>1,115.49</b>	<b>471.47</b>
<b>Capital Employed (E)</b>	<b>3,056.32</b>	<b>3,260.34</b>	<b>4,169.69</b>	<b>4,007.76</b>
<b>Return on Capital Employed (%) (F= D/E*100)</b>	<b>3.21</b>	<b>8.30</b>	<b>26.75</b>	<b>11.76</b>

**Reconciliation of Total equity to Return on Equity**

Particulars	As at/for the Financial Year ended March 31,			(in ₹ million, except percentages)
	2021	2022	2023	As at/for the six months ended September 30, 2023
Total equity (A)	2,996.59	3,183.19	3,992.79	3,911.62
Restated profit for the year/ period (B)	64.37	171.33	814.63	345.74
<b>Return on Equity (%) (C = B/A*100)</b>	<b>2.15</b>	<b>5.38</b>	<b>20.40</b>	<b>8.84</b>

**Reconciliation of Cash and cash equivalent to Total Debt, Net Debt, Net Debt to Equity Ratio and Net Debt to EBITDA Ratio**

Particulars	As at/ for the Financial Year ended March 31,			(in ₹ million, except ratios)
	2021	2022	2023	As at/ for the six months ended September 30, 2023
Cash and cash equivalents (A)	49.86	401.05	586.63	431.43
Total Debt (B)	61.51	78.47	177.28	98.09
<b>Net Debt (C = A-B)</b>	<b>11.65</b>	<b>(322.58)</b>	<b>(409.35)</b>	<b>(333.34)</b>
Total equity (D)	2,996.59	3,183.19	3,992.79	3,911.62
<b>Net Debt/Equity Ratio (E = C/D)</b>	<b>0.00</b>	<b>(0.10)</b>	<b>(0.10)</b>	<b>(0.09)</b>
EBITDA (F)	110.44	328.89	1,063.80	441.10
<b>Net Debt/EBITDA Ratio (G = C/F)</b>	<b>0.11</b>	<b>(0.98)</b>	<b>(0.38)</b>	<b>(0.76)</b>

**Reconciliation of Total assets to Average Total assets and Asset Turnover Ratio**

Particulars	As at/ for the Financial Year ended March 31,			(in ₹ million, except ratios)
	2021	2022	2023	As at/ for the six months ended September 30, 2023
Total assets at the beginning of the year/ period (A)	4,892.23	4,690.26	5,437.54	6,750.25
Total assets at the end of the year/ period (B)	4,690.26	5,437.54	6,750.25	6,995.97
<b>Average Total Assets (C = Average of A and B)</b>	<b>4,791.24</b>	<b>5,063.90</b>	<b>6,093.90</b>	<b>6,873.11</b>
Revenue from operations (D)	5,760.64	8,349.43	11,239.26	5,915.28
<b>Asset Turnover Ratio (E = D/C)</b>	<b>1.20</b>	<b>1.65</b>	<b>1.84</b>	<b>0.86</b>

**Reconciliation of Revenue from operations to Average Inventories, Inventories Days, Average Trade Receivables, Trade Receivables Days, Average Trade Payables, Trade Payables days and Cash Conversion Cycle**

Particulars	(in ₹ million, except days)			
	As at/ for the Financial Year ended March 31,			As at/ for the six months ended September 30, 2023
	2021	2022	2023	
Revenue from operations (A)	5,760.64	8,349.43	11,239.26	5,915.28
Inventories at the beginning of the year/ period (B)	1,142.12	979.18	1,341.28	1,369.76
Inventories at the end of the year/ period (C)	979.18	1,341.28	1,369.76	1,640.50
<b>Average Inventories (D = Average of B and C)</b>	1,060.65	1,160.23	1,355.52	1,505.13
<b>Inventories Days (E = C/A*365/183)</b>	67.20	50.72	44.02	46.56
Trade Receivables at the beginning of the year/ period (F)	1,396.10	1,020.11	1,136.52	1,970.78
Trade Receivables at the end of the year/ period (G)	1,020.11	1,136.52	1,970.78	1,562.57
<b>Average Trade Receivables (H = Average of F and G)</b>	1,208.11	1,078.32	1,553.65	1,766.68
Trade Receivables Days (I = H/A*365/183)	76.55	47.14	50.46	54.66
Trade Payables at the beginning of the year/ period (J)	885.65	703.98	804.59	1,036.60
Trade Payables at the end of the year/ period (K)	703.98	804.59	1,036.60	1,140.88
<b>Average Trade Payables (L = Average of J and K)</b>	794.82	754.29	920.60	1,088.74
<b>Trade Payables Days (M = L/A*365/183)</b>	50.36	32.97	29.90	33.68
<b>Cash Conversion Cycle Days (N = E+I-M)</b>	93.39	64.89	64.58	67.54

**PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

**Income**

Our total income consists of revenue from operations and other income. The following table sets out our revenue from operations and other income:

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
<b>Revenue from operations (A)</b> <b>(in ₹ million)</b>	5,760.64	8,349.43	11,239.26	5,915.28
<i>Revenue from contracts with customers</i>				
- Revenue from Pre-engineered building contracts (in ₹ million)	4,290.38	7,213.41	9,861.37	4,736.14
<i>Percentage of revenue from operations (%)</i>	74.48	86.39	87.74	80.07
<i>Sale of products</i>				
- Building materials (in ₹ million)	1,329.03	937.57	1,204.34	1,096.66
<i>Percentage of revenue from operations (%)</i>	23.07	11.23	10.72	18.54
<b>Other operating revenue</b>				
- Scrap Sales (in ₹ million)	86.24	144.63	165.55	74.21
- Other services (in ₹ million)	54.99	53.82	8.00	8.27

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Percentage of revenue from operations (%)	2.45	2.38	1.54	1.39
Other income (B) (in ₹ million)	74.79	59.14	124.66	69.28
<b>TOTAL INCOME (A+B) (in ₹ million)</b>	<b>5,835.43</b>	<b>8,408.57</b>	<b>11,363.92</b>	<b>5,984.56</b>

*Revenue from operations.* Revenue from operations comprises revenue from pre-engineered building contracts, sale of products and other operating revenue.

Revenue from contracts with customers comprises revenue from PEB Contracts, wherein we provide complete PEBs on a turn-key basis to our customers, and as a part of which, we also provide on-site project management capabilities for the installation and erection of PEBs supplied by us at the customers' sites.

Revenue from sale of products comprises revenues from sale of building materials, which comprise (i) sale of metal ceilings and corrugated roofing comprising of metal suspended ceiling systems (under the brand, "TRAC<sup>®</sup>"), metal roofing and cladding systems (under the brand, "TRACDEK<sup>®</sup>") and permanent/metal decking (lost shuttering) over steel framing (under the brand, "TRACDEK<sup>®</sup> Bold-Rib"); (ii) supply of PEBs (wherein we supply complete PEB steel structures (comprising, amongst other things, primary and secondary framing systems; as well as entire PEBs, such as non-industrial PEB buildings for non-industrial use, such as farmhouses and residential buildings (under the brand, "Interarch Life")) for erection and installation by third party builders/erectors, (iii) LGFS, and (iv) bought out items.

Other operating revenue comprises scrap sales and other services, which includes revenue generated from design and engineering services provided by us towards PEB Contracts.

*Other Income.* Other income comprises interest income from bank deposits, income tax refund and others, rental income on investment properties and others, bad debts recovered, net gain on disposal of property, plant and equipment, net gain on sale of investment properties such as immovable properties situated in Pantnagar, Uttarakhand, India, government grants and miscellaneous income, liabilities no longer required written back (net).

### Expenses

Our total expenses comprise cost of raw materials and components consumed, changes in inventories of finished goods and work-in-progress, employee benefits expenses, finance costs, depreciation and amortization expenses and other expenses. The following table sets out our total expenses from continuing operations:

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Cost of raw material and components consumed (in ₹ million)	3,551.18	5,694.36	7,427.33	3,952.59
Percentage of revenue from operations (%)	61.65	68.20	66.08	66.82
Changes in inventories of finished goods and work-in-progress (in ₹ million)	71.89	(45.91)	(102.50)	(214.79)
Percentage of revenue from operations (%)	1.25	(0.55)	(0.91)	(3.63)
Employee benefits expense (in ₹ million)	795.35	892.22	933.63	552.99
Percentage of revenue from operations (%)	13.81	10.69	8.31	9.35
Finance cost (in ₹ million)	19.34	44.55	25.96	10.03
Percentage of revenue from operations (%)	0.34	0.53	0.23	0.17
Depreciation and amortization expense (in ₹ million)	87.21	117.57	72.97	38.91

Particulars	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Six months ended September 30, 2023
Percentage of revenue from operations (%)	1.51	1.41	0.65	0.66
Other expenses (in ₹ million)	1,231.78	1,479.87	1,917.00	1,183.39
Percentage of revenue from operations (%)	21.38	17.72	17.06	20.01
<b>Total expenses (in ₹ million)</b>	<b>5,756.75</b>	<b>8,182.66</b>	<b>10,274.39</b>	<b>5,523.12</b>

*Cost of raw material and components consumed.* Cost of raw materials and components consumed consists of expenses incurred towards procurement of raw materials and components we use to manufacture PEBs, primarily steel in various descriptions and thickness i.e., hot rolled plates, galvanized steel coil sheets, sheeting coils, hot rolled sections.

*Changes in inventories of finished goods and work-in-progress.* Changes in inventories of finished goods and work-in-progress represent the costs attributable to the difference in inventories at the start of the Financial Year and the end of the Financial Year.

*Employee benefit expenses.* Employee benefit expenses consists of salaries, wages, allowance and bonus; contributions to provident and other funds; gratuity expenses; and staff welfare expenses.

*Finance costs.* Finance costs comprises interest on cash credit and vehicle loans from banks, others (includes interest accrued on income tax, lease liabilities and processing fees paid to lenders and provision of guarantee charges for issuances of guarantees by the Promoters. Other finance cost primarily relates to processing charges paid to the banks for working capital loans availed by our Company.

*Depreciation and amortization expenses.* Depreciation and amortization expenses consists of depreciation on property, plant and equipment, depreciation on investment properties, amortization of intangible assets and depreciation on right of use assets. Depreciation is calculated using the straight-line method based over the estimated useful life of the assets, as per which certain items of building, vehicle are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013, in order to reflect fair approximation of the period over which the assets are likely to be used.

*Other expenses.* Other expenses primarily consist of job work and installation charges paid to the empanelled builders/erectors, equipment hire and site charges, consumption of stores, spares and packaging materials, power and fuel expenses, freight and forwarding charges, rates and taxes, insurance expenses, repair and maintenance expenses, expenditure on corporate social responsibility, advertising and sales promotion expenses, commission to agents (other than of selling agents), travelling and conveyance expenses, communication costs, printing and stationary expenses, legal and professional fees, payments to auditors, net loss on foreign currency transactions, expenses on rent, net of bad debts/advances written off (less provision for doubtful debts and advances adjusted), allowances for doubtful debts and advances, donations made, testing expenses, bank charges and security service expenses.

## **TAX EXPENSES**

Our tax expense represents the tax payable on the taxable income in the years/period based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the years/period). Tax expense on total income for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 and six months ended September 30, 2023 amounted to ₹ 14.31 million, ₹ 54.58 million, ₹ 274.90 million and ₹ 115.70 million, respectively.

Deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled or the asset realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain, as the case may be, to be realized.



## OUR RESULTS OF OPERATIONS

The following table sets out select financial information derived from our restated statement of profit and loss for the Financial Years 2021, 2022 and 2023 and for six months ended September 30, 2023 and, the components of which are also expressed as a percentage of total income for such years/ period:

	Financial Year ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023		Six months ended September 30, 2023	
	(in ₹ million)	(% of Total Income)	(in ₹ million)	(% of Total Income)	(in ₹ million)	(% of Total Income)	(in ₹ million)	(% of Total Income)
<b>Income:</b>								
Revenue from operations	5,760.64	98.72	8,349.43	99.30	11,239.26	98.90	5,915.28	98.84
<i>Revenue from contracts with customers</i>								
- Revenue from Pre- engineered building contracts	4,290.38	73.52	7,213.41	85.79	9,861.37	86.78	4,736.14	79.14
<i>Sale of products</i>								
- Building materials	1,329.03	22.78	937.57	11.15	1,204.34	10.60	1,096.66	18.32
<i>Other operating revenue</i>								
- Scrap Sales	86.24	1.48	144.63	1.72	165.55	1.46	74.21	1.24
- Other services	54.99	0.94	53.82	0.64	8.00	0.07	8.27	0.14
Other income	74.79	1.28	59.14	0.70	124.66	1.10	69.28	1.16
<b>Total Income</b>	<b>5,835.43</b>	<b>100.00</b>	<b>8,408.57</b>	<b>100.00</b>	<b>11,363.92</b>	<b>100.00</b>	<b>5,984.56</b>	<b>100.00</b>
<b>Expenses:</b>								
Cost of raw material and components consumed	3,551.18	60.86	5,694.36	67.72	7,427.33	65.36	3,952.59	66.05
Changes in inventories of finished goods and work in progress	71.89	1.23	(45.91)	(0.55)	(102.50)	(0.90)	(214.79)	(3.59)
Employee benefits expense	795.35	13.63	892.22	10.61	933.63	8.22	552.99	9.24
Finance costs	19.34	0.33	44.55	0.53	25.96	0.23	10.03	0.17
Depreciation and amortisation expense	87.21	1.49	117.57	1.40	72.97	0.64	38.91	0.65
Other Expenses	1,231.78	21.11	1,479.87	17.60	1,917.00	16.87	1,183.39	19.77
<b>Total expenses</b>	<b>5,756.75</b>	<b>98.65</b>	<b>8,182.66</b>	<b>97.31</b>	<b>10,274.39</b>	<b>90.41</b>	<b>5,523.12</b>	<b>92.29</b>
<b>Restated profit before tax</b>	<b>78.68</b>	<b>1.35</b>	<b>225.91</b>	<b>2.69</b>	<b>1,089.53</b>	<b>9.59</b>	<b>461.44</b>	<b>7.71</b>
<b>Tax expense</b>								
Current tax	41.52	0.71	92.80	1.10	232.34	2.04	144.01	2.41
Adjustment of income tax relating to earlier years (net)	(2.83)	(0.05)	1.63	0.02	5.29	0.05	(0.87)	0.01
Deferred tax charge/(credit)	(24.38)	(0.42)	(38.53)	(0.46)	42.01	0.37	(27.44)	(0.46)
Deferred tax charge/(credit) for the earlier year	-	-	(1.32)	(0.02)	(4.74)	(0.04)	-	-
<b>Total income tax expense</b>	<b>14.31</b>	<b>0.25</b>	<b>54.58</b>	<b>0.65</b>	<b>274.90</b>	<b>2.42</b>	<b>115.70</b>	<b>1.93</b>
<b>Restated profit for the year/ period</b>	<b>64.37</b>	<b>1.10</b>	<b>171.33</b>	<b>2.04</b>	<b>814.63</b>	<b>7.17</b>	<b>345.74</b>	<b>5.78</b>

### Financial Year 2023 compared to Financial Year 2022

#### Total Income

Our total income increased by 35.15% to ₹ 11,363.92 million for the Financial Year 2023 from ₹ 8,408.57 million for the Financial Year 2022, primarily due to increase in our revenue from operations.

*Revenue from Operations:* Revenue from operations increased by ₹ 2,889.83 million or 34.61% to ₹ 11,239.26 million for the Financial Year 2023 from ₹ 8,349.43 million for the Financial Year 2022, primarily due to an increase in revenue generated from pre-engineered building contracts and sale of products which were higher due

to growth in our order book, expanding our sales and marketing presence in West Bengal and Telangana and diversification into new sectors/industries. The following table sets forth the breakdown in our revenue from operations for Financial Years 2023 and 2022:

Particulars	Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	(in ₹ million)	(% of Total Income)	(in ₹ million)	(% of Total Income)
Revenue from operations	11,239.26	98.90	8,349.43	99.30
<i>Revenue from contracts with customers</i>				
- Revenue from Pre-engineered building contracts	9,861.37	86.78	7,213.41	85.79
<i>Sale of products</i>				
- Building materials	1,204.34	10.60	937.57	11.15
<i>Other operating revenue</i>				
- Scrap Sales	165.55	1.46	144.63	1.72
- Other services	8.00	0.07	53.82	0.64

*Sale of Products:* Our revenue from sale of products (i.e., sale of building materials), as per Ind AS 115 read with SEBI ICDR Regulations, increased by ₹ 266.77 million or 28.45% to ₹ 1,204.34 million for Financial Year 2023 from ₹ 937.57 million for Financial Year 2022, primarily attributable to the categories set forth below:

Particulars	Financial year ended March 31, 2023		Financial year ended March 31, 2022		Percentage Increase/ (Decrease)
	Revenue from operations (in ₹ million)	% of sale of products	Revenue from operations (in ₹ million)	% of sale of products	
Metal ceilings and corrugated roofing	287.95	23.91	235.52	25.12	(1.21)
Steel structure	821.11	68.18	596.12	63.58	4.60
Light gauge framing system	4.28	0.36	16.77	1.79	(1.43)
Bought out items	91.00	7.56	89.16	9.51	(1.95)
<b><i>Sale of products</i></b>	<b>1,204.34</b>	<b>100.00</b>	<b>937.57</b>	<b>100.00</b>	<b>-</b>

*Other operating revenue:* Other operating revenue decreased by ₹ 24.90 million or 12.55% to ₹ 173.55 million for the Financial Year 2023 from ₹ 198.45 million for the Financial Year 2022 primarily due to decrease in other services to ₹ 8.00 million for the Financial Year 2023 from ₹ 53.82 million for the Financial Year 2022. This was partially offset by increase in scrap sales to ₹ 165.55 million for the Financial Year 2023 from ₹ 144.63 million for the Financial Year 2022 on account of sale of ₹ 8.97 million of waste material resulting from floods in Uttarakhand.

*Other Income:* Other income increased by 110.79% to ₹ 124.66 million for the Financial Year 2023 from ₹ 59.14 million for the Financial Year 2022, primarily due an increase in (i) interest income from bank deposits to ₹ 56.50 million for the Financial Year 2023 from ₹ 29.51 million for the Financial Year 2022 due to increase in cash accruals from revenue from operations, (ii) ₹ 44.87 million net provision for doubtful debts/ advances written back in Financial Year 2023; (iii) rental income on investment properties to ₹ 13.54 million for the Financial Year 2023 from ₹ 12.19 million for the Financial Year 2022, (iv) recovery of bad debts to ₹ 5.07 million for the Financial Year 2023 from ₹ 1.59 million for the Financial Year 2022, and (v) net gain on disposal of property, plant and equipment to ₹ 1.09 million for the Financial Year 2023 from ₹ 0.83 million for the Financial Year 2022. This was partially offset by decrease in (a) interest income on income tax refund to ₹ 0.23 million for the Financial Year 2023 from ₹ 2.49 million for the Financial Year 2022, (b) interest income on loans given to employees and interest accrued on recovery from customers to ₹ 0.69 million for the Financial Year 2023 from ₹ 0.70 million for the Financial Year 2022, (c) rental income from moveable assets to ₹ 1.80 million for the Financial Year 2023 from ₹ 2.21 million for the Financial Year 2022, and (d) net gain on sale of investment properties to ₹ 0.62 million for the Financial Year 2023 from ₹ 9.47 million for the Financial Year 2022 due to sale of immoveable property situated at Pantnagar, Uttarakhand, India in Financial Year 2022.

## Expenses

Our total expenses increased by ₹ 2,091.73 million or 25.56% to ₹ 10,274.39 million for the Financial Year 2023 from ₹ 8,182.66 million for the Financial Year 2022, primarily due to increase in cost of raw material and components consumed, employee benefit expenses and other expenses, which was partially offset by decrease in changes in inventories of finished goods and work in progress, finance cost and depreciation and amortization expense.

*Cost of raw material and components consumed:* Cost of raw material and components consumed increased by ₹ 1,732.97 million or 30.43% to ₹ 7,427.33 million for the Financial Year 2023 from ₹ 5,694.36 million for the Financial Year 2022, primarily due to an increase in revenue generated from pre-engineered building contracts to ₹ 9,861.37 million for the Financial Year 2023 from ₹ 7,213.41 million for the Financial Year 2022 as a result of growth in our order book, establishment of sales and marketing offices in West Bengal and Telangana and diversification into new sectors/ industries.

*Changes in inventories of finished goods and work in progress:* Changes in inventories of finished goods and work in progress decreased by ₹ 56.59 million or 123.26% to ₹ 102.50 million for the Financial Year 2023 from ₹ 45.91 million for the Financial Year 2022, primarily due to increase in (i) sale of semi-finished goods to ₹ 238.33 million for the Financial Year 2023 from ₹ 190.47 million for the Financial Year 2022, (ii) sale of work in progress products to ₹ 202.13 million for the Financial Year 2023 from ₹ 149.64 million for the Financial Year 2022, and (iii) scrap sales to ₹ 3.56 million for the Financial Year 2023 from ₹ 1.35 million for the Financial Year 2022. This was partially offset by decrease in sale of finished goods to ₹ 1.90 million for the Financial Year 2023 from ₹ 1.96 million for the Financial Year 2022.

*Employee benefit expenses:* Employee benefit expenses increased by ₹ 41.41 million or 4.64% to ₹ 933.63 million for the Financial Year 2023 from ₹ 892.22 million for the Financial Year 2022, primarily due to an increase in (i) salaries, wages, allowances and bonus to ₹ 800.20 million for the Financial Year 2023 from ₹ 771.88 million for the Financial Year 2022, (ii) contribution to provident fund and other funds to ₹ 62.70 million for the Financial Year 2023 from ₹ 60.97 million for the Financial Year 2022, (iii) gratuity expenses to ₹ 34.22 million for the Financial Year 2023 from ₹ 31.31 million for the Financial Year 2022, and (iv) staff welfare expenses to ₹ 36.51 million for the Financial Year 2023 from ₹ 28.06 million for the Financial Year 2022 due to annual increments of employees.

*Finance cost:* Finance cost decreased by ₹ 18.59 million or 41.73% to ₹ 25.96 million for the Financial Year 2023 from ₹ 44.55 million for the Financial Year 2022. This decrease in finance cost is primarily attributable to decrease in (i) interest on cash credit and vehicle loans from banks to ₹ 3.03 million for the Financial Year 2023 from ₹ 5.32 million for the Financial Year 2022, (ii) interest accrued on income tax to ₹ 1.88 million for the Financial Year 2023 from ₹ 1.24 million for the Financial Year 2022 due to receipt of income tax refund and interest thereon, (iii) others such as processing fees paid to lenders to ₹ 0.97 million for the Financial Year 2023 from ₹ 21.42 million for the Financial Year 2022, and (iv) commission paid to bank for issuance of bank guarantee to ₹ 0.06 million for the Financial Year 2023 from ₹ 0.09 million for the Financial Year 2022. This was partially offset by increase in (a) interest on lease liabilities to ₹ 6.18 million for the Financial Year 2023 from ₹ 4.12 million for the Financial Year 2022, and (ii) other finance cost such as processing charges paid to the banks for enhancement of working capital facilities availed by our Company to ₹ 13.84 million for the Financial Year 2023 from ₹ 12.36 million for the Financial Year 2022.

*Depreciation and amortization expense:* Our depreciation and amortization expense decreased by ₹ 44.60 million or by 37.93% to ₹ 72.97 million for the Financial Year 2023 from ₹ 117.57 million for the Financial Year 2022. The decrease reflects the depreciated value of assets for the period.

*Other Expenses:* Other expenses increased by ₹ 437.13 million or 29.54% to ₹ 1,917.00 million for the Financial Year 2023 from ₹ 1,479.87 million for the Financial Year 2022 primarily due to (i) increase in job work and installation charges to ₹ 1,130.02 million for the Financial Year 2023 from ₹ 785.42 million for the Financial Year 2022 due to increase in order value and outsourcing of a portion of PEBs; (ii) increase in consumption of store, spares and packing material to ₹ 206.39 million for the Financial Year 2023 from ₹ 173.20 million for the Financial Year 2022 due to an increase in production of PEBs; (iii) increase in power and fuel expenses to ₹ 64.59 million for the Financial Year 2023 from ₹ 58.71 million for the Financial Year 2022; (iv) increase in freight and transportation charges to ₹ 217.86 million for the Financial Year 2023 from ₹ 152.13 million for the Financial Year 2022 due to an increase in production of PEBs and cost of fuel; (v) increase in travelling and conveyance expenses to ₹ 49.70 million for the Financial Year 2023 from ₹ 21.87 million for the Financial Year 2022 due to increase in travel activity during Financial Year 2023 pursuant to relaxations of Covid-19 restrictions; (vi) increase

in legal and professional fees to ₹ 56.26 million for the Financial Year 2023 from ₹ 30.55 million for the Financial Year 2022; and (vii) increase in bad debts/advances written off (net) to ₹ 81.48 million for the Financial Year 2023 from ₹ 35.50 million for the Financial Year 2022 (less provision for doubtful debts and advances adjusted out of above, which increased to ₹ (55.65) million for the Financial Year 2023 from ₹ (26.27) million for the Financial Year 2022). However, such increase in expenses were offset by a decrease in expenses towards (a) rates and taxes to ₹ 2.45 million in Financial Year 2023 from ₹ 20.01 million in Financial Year 2022 due to payment of demand towards sales tax amounting to ₹ 17.81 million in Financial Year 2022; (b) insurances expenses to ₹ 3.76 million in Financial Year 2023 from ₹ 4.33 million in Financial Year 2022; (c) equipment hire and site charges to ₹ 32.40 million in Financial Year 2023 from ₹ 43.37 million in Financial Year 2022; and (d) repairs and maintenance charges to ₹ 33.92 million in Financial Year 2023 from ₹ 39.85 million in Financial Year 2022 which consisted of (A) charges on plant and machinery to ₹ 6.15 million in Financial Year 2023 from ₹ 7.23 million in Financial Year 2022, (B) charges on building to ₹ 10.21 million in Financial Year 2023 from ₹ 17.78 million in Financial Year 2022, and (C) charges on others such as office equipment, furniture and fittings to ₹ 17.56 million in Financial Year 2023 from ₹ 14.84 million in Financial Year 2022.

### ***Restated Profit before tax***

For the reasons discussed above, our restated profit before tax was ₹ 1,089.53 million in Financial Year 2023 compared to ₹ 225.91 million in Financial Year 2022.

### ***Tax Expense***

Current tax expenses increased to ₹ 232.34 million in Financial Year 2023 from ₹ 92.80 million in Financial Year 2022 and deferred tax charge increased to a credit of ₹ 42.01 million in Financial Year 2023 from a debit of ₹ (38.53) million in Financial Year 2022.

### ***Restated Profit for the year***

For the various reasons discussed above, we reported a profit for the year of ₹ 814.63 million for the Financial Year 2023 as compared to a reported profit for the year of ₹ 171.33 million for the Financial Year 2022.

## **Financial Year 2022 compared to Financial Year 2021**

### ***Total Income***

Our total income increased by 44.10% to ₹ 8,408.57 million for the Financial Year 2022 from ₹ 5,835.43 million for the Financial Year 2021, primarily due to increase in our revenue from operations.

*Revenue from Operations:* Revenue from operations increased by ₹ 2,588.79 million or 44.94% to ₹ 8,349.43 million for the Financial Year 2022 from ₹ 5,760.64 million for the Financial Year 2021, primarily due to an increase in revenue generated from pre-engineered building contracts which were higher due to an increase in production volume due to the recovery from the Covid-19 pandemic and increase in our order book and was partially set off by decrease in sale of products. The following table sets forth the breakdown in our revenue from operations for Financial Years 2022 and 2021:

<b>Particulars</b>	<b>Financial Year ended March 31, 2022</b>		<b>Financial Year ended March 31, 2021</b>	
	<b>(in ₹ million)</b>	<b>(% of Total Income)</b>	<b>(in ₹ million)</b>	<b>(% of Total Income)</b>
Revenue from operations	8,349.43	99.30	5,760.64	98.72
<i>Revenue from contracts with customers</i>				
- Revenue from Pre-engineered building contracts	7,213.41	85.79	4,290.38	73.52
<i>Sale of products</i>				
- Building materials	937.57	11.15	1,329.03	22.78
<i>Other operating revenue</i>				
- Scrap Sales	144.63	1.72	86.24	1.48
- Other services	53.82	0.64	54.99	0.94

*Sale of Products:* Our revenue from sale of products (i.e., sale of building materials), as per Ind AS 115 read with SEBI ICDR Regulations, decreased by ₹ 391.46 million or 29.45% to ₹ 937.57 million for the Financial Year 2022 from ₹ 1,329.03 million for the Financial Year 2021, primarily attributable to the categories set forth below:

Particulars	Financial year ended March 31, 2022		Financial year ended March 31, 2021		Percentage Increase/ (Decrease)
	Revenue from operations (in ₹ million)	% of sale of products	Revenue from operations (in ₹ million)	% of sale of products	
Metal ceilings and corrugated roofing	235.52	25.12	363.94	27.38	(2.26)
Steel structure	596.12	63.58	866.99	65.23	(1.65)
Light gauge framing system	16.77	1.79	6.71	0.50	1.29
Bought out items	89.16	9.51	91.39	6.88	(2.63)
<b>Sale of products</b>	<b>937.57</b>	<b>100.00</b>	<b>1,329.03</b>	<b>100.00</b>	-

*Other operating revenue:* Other operating revenue increased by ₹ 57.22 million or 40.52% to ₹ 198.45 million for the Financial Year 2022 from ₹ 141.23 million for the Financial Year 2021 primarily due to increase in scrap sales to ₹ 144.63 million for the Financial Year 2022 from ₹ 86.24 million for the Financial Year 2021, due to an increase in production of PEBs leading to increase of production of scrap material. This was partially offset by decrease in other services by ₹ 1.17 million or 2.13% to ₹ 53.82 million for the Financial Year 2022 from ₹ 54.99 million for the Financial Year 2021, due to receipt of a customer order which only included designing and consultancy services.

*Other Income:* Other income decreased by 20.93% to ₹ 59.14 million for the Financial Year 2022 from ₹ 74.79 million for the Financial Year 2021, primarily due to decrease in (i) interest income from bank deposits to ₹ 29.51 million for the Financial Year 2022 from ₹ 31.59 million for the Financial Year 2021, (ii) rental income on investment properties to ₹ 12.19 million for the Financial Year 2022 from ₹ 12.55 million for the Financial Year 2021, and (iii) recovery of bad debts to ₹ 1.59 million for the Financial Year 2022 from ₹ 25.57 million for the Financial Year 2021 since majority on bad debts were recovered by the Company in Financial Year 2021. This was partially offset by increase in (a) interest income on income tax refund to ₹ 2.49 million for the Financial Year 2022 from ₹ 0.04 million for the Financial Year 2021, (b) interest income on loans given to employees and interest accrued on recovery from customers to ₹ 0.70 million for the Financial Year 2022 from ₹ 0.67 million for the Financial Year 2021, (c) rental income on from moveable assets to ₹ 2.21 million for the Financial Year 2022 from ₹ 1.14 million for the Financial Year 2021, (d) net gain on disposal of property, plant and equipment to ₹ 0.83 million for the Financial Year 2022 from ₹ 0.75 million for the Financial Year 2021, and (e) net gain on sale of investment properties to ₹ 9.47 million for the Financial Year 2022 due to sale of immovable property situated at Pantnagar, Uttarakhand, India in Financial Year 2022.

### **Expenses**

Our total expenses increased by ₹ 2,425.91 million or 42.14% to ₹ 8,182.66 million for the Financial Year 2022 from ₹ 5,756.75 million for the Financial Year 2021, primarily due to increase in cost of raw material and components consumed, employee benefit expenses, finance cost, depreciation and amortization expense and other expenses, which was partially offset by decrease in changes in inventories of finished goods and work in progress.

*Cost of raw material and components consumed:* Cost of raw material and components consumed increased by ₹ 2,143.18 million or 60.35% to ₹ 5,694.36 million for the Financial Year 2022 from ₹ 3,551.18 million for the Financial Year 2021, primarily due to an increase in revenue generated from pre-engineered building contracts to ₹ 7,213.41 million for the Financial Year 2022 from ₹ 4,290.38 million for the Financial Year 2021 which were higher due to an increase in production volume during the recovery from the Covid-19 pandemic and increase in order book and was partially offset by decrease in sale of building materials to ₹ 937.57 million for the Financial Year 2022 from ₹ 1,329.03 million for the Financial Year 2021 on account of decrease in (i) sale of metal ceilings and corrugated roofing to ₹ 235.52 million for the Financial Year 2022 from ₹ 363.94 million for the Financial Year 2021, (ii) sale of steel structure to ₹ 596.12 million for the Financial Year 2022 from ₹ 866.99 million for the Financial Year 2021, and (iii) sale of bought out items to ₹ 89.16 million for the Financial Year 2022 from ₹

91.39 million for the Financial Year 2021 which was partially offset by increase in sale of light gauge framing systems to ₹ 16.77 million for the Financial Year 2022 from ₹ 6.71 million for the Financial Year 2021.

*Changes in inventories of finished goods and work in progress:* Changes in inventories of finished goods and work in progress decreased by ₹ 117.80 million or 163.86% to ₹ (45.91) million for the Financial Year 2022 from ₹ 71.89 million for the Financial Year 2021, primarily due to decrease in (i) sale of finished goods to ₹ 1.96 million for the Financial Year 2022 from ₹ 2.44 million for the Financial Year 2021, (ii) work in progress products to ₹ 149.64 million for the Financial Year 2022 from ₹ 164.64 million for the Financial Year 2021, and (iii) scrap sales to ₹ 1.35 million for the Financial Year 2022 from ₹ 1.56 million for the Financial Year 2021. This was partially offset by increase in sale of semi-finished goods to ₹ 190.47 million for the Financial Year 2022 from ₹ 128.87 million for the Financial Year 2021.

*Employee benefit expenses:* Employee benefit expenses increased by ₹ 96.87 million or 12.18% to ₹ 892.22 million for the Financial Year 2022 from ₹ 795.35 million for the Financial Year 2021, primarily due to an increase in (i) salaries, wages, allowances and bonus to ₹ 771.88 million for the Financial Year 2022 from ₹ 686.87 million for the Financial Year 2021, (ii) contribution to provident fund and other funds to ₹ 60.97 million for the Financial Year 2022 from ₹ 55.70 million for the Financial Year 2021, (iii) gratuity expenses to ₹ 31.31 million for the Financial Year 2022 from ₹ 30.70 million for the Financial Year 2021, and (iv) staff welfare expenses to ₹ 28.06 million for the Financial Year 2022 from ₹ 22.08 million for the Financial Year 2021 due to the increase in number of our employees to 1,825 as at March 31, 2022 from 1,582 as at March 31, 2021 and annual increments.

*Finance cost:* Finance cost increased by ₹ 25.21 million or 130.35% to ₹ 44.55 million for the Financial Year 2022 from ₹ 19.34 million for the Financial Year 2021. This increase in finance cost is primarily attributable to increase in (i) interest on cash credit and vehicle loans from banks to ₹ 5.32 million for the Financial Year 2022 from ₹ 1.54 million for the Financial Year 2021, (ii) interest on income tax to ₹ 1.24 million for the Financial Year 2022 from ₹ (5.56) million for the Financial Year 2021 due to receipt of income tax and interest thereon, (iii) interest on lease liabilities to ₹ 4.12 million for the Financial Year 2022 from ₹ 4.08 million for the Financial Year 2021, (iv) others such as processing fees paid to lenders to ₹ 21.42 million for the Financial Year 2022 from ₹ 3.79 million for the Financial Year 2021, and (v) commission paid to bank for issuance of bank guarantee to ₹ 0.09 million for the Financial Year 2022. This was partially offset by decrease in other finance cost such as processing charges paid to the banks for enhancement of working capital facilities availed by our Company to ₹ 12.36 million for the Financial Year 2022 from ₹ 15.49 million for the Financial Year 2021.

*Depreciation and amortization expense:* Our depreciation and amortization expense increased by ₹ 30.36 million or by 34.81% to ₹ 117.57 million for the Financial Year 2022 from ₹ 87.21 million for the Financial Year 2021. The increase in depreciation and amortisation expenses was primarily due to brownfield expansion of Kichha Manufacturing Facility resulting in increase in depreciable assets.

*Other Expenses:* Other expenses increased by ₹ 248.09 million or 20.14% to ₹ 1,479.87 million for the Financial Year 2022 from ₹ 1,231.78 million for the Financial Year 2021 primarily due to increase in (i) job work and installation charges to ₹ 785.42 million for the Financial Year 2022 from ₹ 701.26 million for the Financial Year 2021 due to increase in order value and outsourcing of production of a portion of our PEBs; (ii) consumption of store, spares and packing material to ₹ 173.20 million for the Financial Year 2022 from ₹ 139.35 million for the Financial Year 2021 due to an increase in production volume of PEBs; (iii) power and fuel expenses to ₹ 58.71 million for the Financial Year 2022 from ₹ 44.39 million for the Financial Year 2021; (iv) freight and transportation charges to ₹ 152.13 million for the Financial Year 2022 from ₹ 125.91 million for the Financial Year 2021 due to an increase in production volume and cost of fuel; (v) rates and taxes to ₹ 20.01 million in Financial Year 2022 from ₹ 2.97 million in Financial Year 2021 due to disallowance of previous input tax credit, (vi) insurances expenses to ₹ 4.33 million in Financial Year 2022 from ₹ 3.90 million in Financial Year 2021, (vii) repairs and maintenance charges to ₹ 39.85 million in Financial Year 2022 from ₹ 22.72 million in Financial Year 2021 which consisted of (A) charges on plant and machinery to ₹ 7.23 million in Financial Year 2022 from ₹ 4.79 million in Financial Year 2021, (B) charges on building to ₹ 17.78 million in Financial Year 2022 from ₹ 3.47 million in Financial Year 2021, and (C) charges on others such as office equipment, furniture and fittings to ₹ 14.84 million in Financial Year 2022 from ₹ 14.46 million in Financial Year 2021, (viii) advertising and sales promotion to ₹ 2.92 million in Financial Year 2022 from ₹ 1.62 million in Financial Year 2021, (ix) travelling and conveyance expenses to ₹ 21.87 million for the Financial Year 2022 from ₹ 14.69 million for the Financial Year 2021 due to increased travel activity during Financial Year 2022 pursuant to relaxations of Covid-19 restrictions, (x) communication costs to ₹ 3.95 million for the Financial Year 2022 from ₹ 3.92 million for the Financial Year 2021, (xi) printing and stationary expenses to ₹ 5.63 million for the Financial Year 2022 from ₹ 5.07 million for the Financial Year 2021, (xii) legal and professional fees to ₹ 30.55 million for the Financial Year

2022 from ₹ 21.48 million for the Financial Year 2021, (xiii) net of bad debts/ advances written off to ₹ 35.50 million for the Financial Year 2022 from ₹ 1.68 million for the Financial Year 2021, (xiv) allowances for doubtful debts and advances to ₹ 57.95 million for the Financial Year 2022 from ₹ 39.82 million for the Financial Year 2021, (xv) donation expenses to ₹ 0.02 million for the Financial Year 2022; (xvi) testing expenses to ₹ 1.03 million for the Financial Year 2022 from ₹ 0.99 million for the Financial Year 2021, (xvii) bank charges to ₹ 41.20 million for the Financial Year 2022 from ₹ 24.72 million for the Financial Year 2021, (xviii) security services expenses to ₹ 8.08 million for the Financial Year 2022 from ₹ 6.71 million for the Financial Year 2021. This was partially offset by decrease in equipment hire and site charges to ₹ 43.37 million for the Financial Year 2022 from ₹ 54.54 million for the Financial Year 2021.

### ***Restated Profit before tax***

For the reasons discussed above, our restated profit before tax was ₹ 225.91 million in Financial Year 2022 compared to ₹ 78.68 million in Financial Year 2021.

### ***Tax Expense***

Current tax expenses increased to ₹ 92.80 million in Financial Year 2022 from ₹ 41.52 million in Financial Year 2021 and deferred tax charge decrease to ₹ 38.53 million in Financial Year 2022 from ₹ 24.38 million in Financial Year 2021.

### ***Restated Profit for the year***

For the various reasons discussed above, we reported a profit for the year of ₹ 171.33 million for the Financial Year 2022 as compared to a reported profit for the year of ₹ 64.37 million for the Financial Year 2021.

## **CASH FLOWS**

The following table sets forth certain information relating to our cash generated from operations in the Financial Year 2021, Financial Year 2022, Financial Year 2023 and for the six months ended September 30, 2023:

Particulars	Financial Year	Financial Year	Financial Year	Six months ended
	ended March 31, 2021 (in ₹ million)	ended March 31, 2022 (in ₹ million)	ended March 31, 2023 (in ₹ million)	September 30, 2023 (in ₹ million)
Net cash generated from operating activities	388.32	261.80	312.86	560.21
Net cash generated from/(used in) investing activities	(349.87)	90.81	(189.88)	(199.07)
Net cash (used in)/generated from financing activities	(34.78)	(1.42)	62.60	(516.34)
Net increase/(decrease) in cash and cash equivalents	3.67	351.19	185.58	(155.20)

### **Operating Activities**

#### ***Six Months ended September 30, 2023***

Cash generated from operations was ₹ 723.86 million for the six months ended September 30, 2023 and our operating profit before working capital changes was ₹ 499.00 million. The difference was primarily attributable to ₹ 270.74 million increase in inventories due to higher production, decrease in trade receivables by ₹ 367.86 million, ₹ 10.04 million increase in other financial assets and increase in other assets by ₹ 291.50 million. This was offset by ₹ 106.67 million increase in trade payables, increase by ₹ 266.40 million in other liabilities, increase by ₹ 26.50 million in provisions and increase in other financial liabilities by ₹ 29.71 million.

#### ***Financial Year 2023***

Cash generated from operations was ₹ 510.63 million in Financial Year 2023 and our operating profit before working capital changes was ₹ 1,095.30 million. The difference was primarily attributable to ₹ 28.48 million increase in inventories due to higher production, increase in trade receivables by ₹ 819.46 million, increase in other assets by ₹ 131.83 million and decrease by ₹ 52.48 million in provisions. This was offset by ₹ 249.78 million

increase in trade payables, increase by ₹ 185.20 million in other liabilities, increase by ₹ 9.21 million in other financial liabilities and decrease by ₹ 3.39 million in other financial assets.

### ***Financial Year 2022***

Cash generated from operations was ₹ 342.07 million in Financial Year 2022 and our operating profit before working capital changes was ₹ 402.28 million. The difference was primarily attributable to ₹ 362.10 million increase in inventories due to higher production, increase in trade receivables by ₹ 180.38 million, increase in other assets by ₹ 33.79 million and increase in other financial assets by ₹ 49.06 million. This was offset by ₹ 100.61 million increase in trade payables, increase by ₹ 451.20 million in other liabilities, increase in other financial liabilities by ₹ 11.89 million and increase by ₹ 1.42 million in provisions.

### ***Financial Year 2021***

Cash generated from operations was ₹ 403.05 million in Financial Year 2021 and our operating profit before working capital changes was ₹ 150.62 million. The difference was primarily attributable to ₹ 179.33 million decrease in trade payables, ₹ 13.40 million decrease in other financial liabilities, ₹ 33.12 million decrease in other liabilities, ₹ 162.94 million decrease in inventories. This was partially offset by ₹ 18.75 million increase in provisions, ₹ 73.80 million, increase in assets, ₹ 8.66 million decrease in other financial assets and increase in trade receivables by ₹ 361.73 million.

### **Investing Activities**

#### ***Six Months ended September 30, 2023***

Net cash used in investing activities for the six months ended September 30, 2023 was ₹ 199.07 million. This reflected (i) payment of ₹ 32.25 million towards purchase of property, plant and equipment and intangible assets due to routine expansion at our Manufacturing Facilities; (ii) payment of ₹ 68.02 million towards purchase of right to use assets which includes payment made to Andhra Pradesh Industrial Infrastructure Corporation Limited for the industrial land for setting up the Planned Andhra Pradesh Manufacturing Facility in the Industrial Park at Attivaram, Andhra Pradesh, India; (iii) ₹ 8.37 million loans given to employees; and (iv) ₹ 928.23 million of investment in bank deposits (having original maturity of more than three months). This was partially offset by (i) ₹ 1.58 million of proceeds from sale of property, plant and equipment; (ii) ₹ 4.33 million of loans repaid by employees; (iii) ₹ 52.13 million from interest received; and (iv) ₹ 779.76 million proceeds from bank deposits (having original maturity of more than three months).

#### ***Financial Year 2023***

Net cash used in investing activities for the Financial Year 2023 was ₹ 189.88 million. This reflected (i) payment of ₹ 136.48 million towards purchase of property, plant and equipment and intangible assets due to routine expansion at our Manufacturing Facilities and purchase of vehicles for employees; (ii) ₹ 50.02 million towards purchase of investments such as long-term debt mutual fund; (iii) ₹ 5.84 million loans given to employees; and (iv) ₹ 406.64 million of investment in bank deposits (having original maturity of more than three months). This was partially offset by (i) ₹ 2.67 million of proceeds from sale of property, plant and equipment; (ii) ₹ 6.45 million of loans repaid by employees; (iii) ₹ 2.34 million proceeds from sale of investment properties; (iv) ₹ 342.37 million of proceeds from bank deposits (having original maturity of more than three months); and (v) ₹ 55.27 million from interest received.

#### ***Financial Year 2022***

Net cash from investing activities for the Financial Year 2022 was ₹ 90.81 million. This reflected (i) ₹ 1.79 million of proceeds from sale of property, plant and equipment; (ii) ₹ 8.20 million of loans repaid by employees; (iii) ₹ 23.68 million proceeds from sale of investment properties; (iv) ₹ 851.22 million of proceeds from bank deposits (having original maturity of more than three months); and (v) ₹ 32.78 million from interest received. This was partially offset by (i) payment of ₹ 38.72 million towards purchase of property, plant and equipment and intangible assets due to routine expansion at our Manufacturing Facilities and purchase of vehicles for employees; (ii) ₹ 8.95 million loans given to employees; and (iii) ₹ 779.19 million of investment in bank deposits (having original maturity of more than three months).

#### ***Financial Year 2021***



Net cash used in investing activities for the Financial Year 2021 was ₹ 349.87 million. This reflected (i) ₹ 1.39 million proceeds from sale of property, plant and equipment; (ii) ₹ 3.07 million of loans repaid by employees; (iii) ₹ 269.75 million of proceeds from bank deposits (having original maturity of more than three months); (iv) ₹ 34.62 million from interest received. This was partially offset by (i) ₹ 52.02 million towards purchase of property, plant and equipment and intangible assets due to expansion of Kichha Manufacturing Facility; (ii) ₹ 3.69 million loans given to employees; (iii) ₹ 0.10 million purchase from sale of investment properties; and (iii) ₹ 602.89 million of investment in bank deposits (having original maturity of more than three months).

## Financing Activities

### *Six Months ended September 30, 2023*

Net cash used in financing activities in the six months ended September 30, 2023 was ₹ 516.34 million. This reflected (i) payment of ₹ 390.00 million towards payment for buy back of equity shares; (ii) payment of ₹ 42.81 million towards tax on buy back of equity shares; (iii) ₹ 2.84 million towards repayment of long-term borrowings; (iv) ₹ 73.60 million towards repayment of short-term borrowings; (v) ₹ 1.42 million towards interest paid; (vi) ₹ 2.92 million towards interest paid on lease liability; and (vii) ₹ 2.75 million towards payment of principal portion of lease liability.

### *Financial Year 2023*

Net cash generated from financing activities in Financial Year 2023 was ₹ 62.60 million. This reflected (i) ₹ 7.71 million proceeds from long-term borrowings; and (ii) ₹ 77.44 million proceeds from short-term borrowings. This was partially offset by (i) ₹ 4.92 million towards repayment of long-term borrowings; (ii) ₹ 6.29 million towards interest paid; (iii) ₹ 6.18 million towards interest paid on lease liability; and (iii) ₹ 5.16 million towards payment of principal portion of lease liability.

### *Financial Year 2022*

Net cash used in financing activities in the Financial Year 2022 was ₹ 1.42 million. This reflected (i) ₹ 6.77 million towards repayment of long-term borrowings; (ii) ₹ 8.51 million towards interest paid; (iii) ₹ 4.12 million towards interest paid on lease liability; and (iv) ₹ 2.86 million towards payment of principal portion of lease liability. This was partially offset (i) ₹ 14.13 million proceeds from long-term borrowings; and (ii) ₹ 6.71 million proceeds from short-term borrowings.

### *Financial Year 2021*

Net cash used in financing activities in the Financial Year 2021 was ₹ 34.78 million. This reflected (i) ₹ 7.92 million towards repayment of long-term borrowings; (ii) ₹ 19.68 million towards repayment of short-term borrowings; (iii) ₹ 0.29 million towards interest paid; (iv) ₹ 4.08 million towards interest paid on lease liability; and (v) ₹ 2.81 million towards payment of principal portion of lease liability.

## Financial Indebtedness

As at January 31, 2024, the aggregate amount of our financial indebtedness was ₹ 2,812.58 million which primarily consisted of working capital facilities. For further details related to our indebtedness, please see “*Financial Indebtedness*” on page 381.

## Contingent Liabilities

As at September 30, 2023, our contingent liabilities as per Ind AS 37 were as follows:

S. No.	Particulars	<i>(in ₹ million)</i>
		As at September 30, 2023
1.	Demands received from Sales tax authorities	153.87
2.	Demands raised by Income tax authorities	13.15
3.	Outstanding bank guarantees by the Company	736.50
4.	Demand raised by the Director of Town & Country Planning, Chennai, towards Infrastructure and Amenities	2.51

		<i>(in ₹ million)</i>
S. No.	Particulars	As at September 30, 2023
5.	Recovery suit filed by a vendor	16.99
6.	Pending labour cases	Liability not ascertainable
7.	Demand raised by Asstt. Labour Commissioner, Pantnagar ('ALC'), towards the wages of workers during the lockout period	18.50
8.	Demand raised by Pondur Panchayat towards non-payment of House Tax	1.39
9.	Demand received from Regional P.F. Commissioner, Haldwani towards assessment of PF dues related to job workers involved/engaged in job work by the Company or job work contractors, in connection with the work of the Company	3.43

### Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

### Capital Expenditure

Our capital expenditure comprises expenditure incurred towards property, plant & equipment, Intangible Assets and Right of Use Assets. For the six months ended September 30, 2023 and Financial Years 2023, 2022 and 2021, our capital expenditure amounted to ₹ 108.11 million, ₹ 131.50 million, ₹ 36.94 million and ₹ 141.97 million, respectively, incurred towards property, plant & equipment, Intangible Assets and Right of Use Assets.

### Related party transactions

We have engaged in the past, and may engage in the future, in ordinary course of business, transactions with related parties including rent expenses, managerial remuneration. See "**Other Financial Information – Related party transactions**" on page 378.

### Quantitative and Qualitative Disclosures about Market Risk

In the course of our business activities, we are exposed to certain financial risks, namely market risks, credit risk and liquidity risk. The senior management of the Company oversees the management of these risks. The senior management of the Company is supported by an internal finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The internal finance team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarized below:

#### **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates. The risks are managed by periodic monitoring of interest rates. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency liabilities. The Company manages its foreign currency risk through a forecast of highly probable foreign currency cash flows. The Company is exposed to movement in price of steel commodity. Profitability of Company may get affected by movement in the prices of steel. The strategic move of the Company from fixed price contracts to variable price contracts helps mitigate steel price fluctuation risk. Equity price risk is the risk that the value of a equity financial instrument will

fluctuate due to changes in market prices. The Company does not hold any quoted or marketable equity financial instruments, hence, is not exposed to any movement in market prices.

### ***Credit Risk***

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and location in which customers operate. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit obtained from reputable banks.

### ***Liquidity Risk***

The Company monitors its risk of a shortage of funds using a liquidity planning tool. Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuing of funding and flexibility through the use of bank overdrafts, bank loans, cash credits, and advance payment terms.

### **Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

### **Significant Economic Changes and Known Trends or Uncertainties**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified in “- *Significant Factors Affecting our Results of Operations*” on page 385 and the uncertainties described in “*Risk Factors*” on page 30. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties which we expect to have a material adverse effect on our income.

### **Future Relationship between Cost and Revenue**

Other than as described in this section and “*Risk Factors*” and “*Our Business*” on pages 30 and 224, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

### **New Products or Business Segments**

Other than as disclosed in this section and in “*Our Business*” on page 224, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

### **Significant Dependence on Customers and Suppliers**

While we do not significantly depend on a single customer or a single supplier, we are dependent on third party suppliers for the uninterrupted supply of key inputs and components including steel in various descriptions and thickness, including hot rolled plates, galvanized steel coil sheets, sheeting coils, hot rolled sections, bought outs and other consumables. A supply shortage may increase our costs if we are forced to pay higher prices for components or raw materials or both, or if we have to redesign or reconfigure products to accommodate a substitute component. When prices rise, they may impact our margins and results of operations if we are not able to pass the increases onto our customers or otherwise offset them.

For further information on our dependence on customers and suppliers, see “*Risk Factors - We depend on third party suppliers for the uninterrupted supply of our raw materials and do not have continuing or exclusive arrangements with any of our suppliers. Loss of suppliers or any failure by our suppliers to make timely delivery of raw materials may have an adverse effect on our business, results of operations, financial condition and cash flows.*” and “*Risk Factors - We derive a significant portion of our revenues from repeat orders placed by our customers and customer groups (identified as customers forming part of the same corporate group) which we identify as orders placed by customers or customer groups (identified as customers forming part of the same corporate group) that have placed orders with our Company previously. Any loss of, or a significant reduction in the repeat orders received by us could adversely affect our business, results of operations, financial condition and cash flows.*” on pages 31 and 32.

### **Segment Reporting**

Our Company is involved in manufacturing, supply, erection and installation of pre-engineered buildings, metal roofing & cladding system and metal false ceilings. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108 notified under Section 133 of Companies Act, 2013.

### **Seasonality of Business**

Our revenues and results may be affected by seasonal factors. Further, some of our customers have businesses which are seasonal in nature and a downturn in demand for our products by such customers could reduce our revenue during such periods. Our operations may also be adversely affected by difficult working conditions during monsoon season. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced. Although such adverse weather conditions do not typically have a material impact on our revenue from operations, abnormally rainy monsoon could have a material impact. Typically, our quarter wise net sales figures are lower during the monsoon quarter, i.e. June to September in comparison to the other quarters.

### **Competitive Conditions**

We operate in a competitive environment. Please refer to “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 224, 168 and 30, respectively for further information on our industry and competition.

### **Recent Accounting Pronouncements**

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

### **Significant developments subsequent to September 30, 2023**

No circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our trading, operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities including notices issued by such authorities; (iii) claims related to direct and indirect taxes in a consolidated manner; or (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy, in accordance with the SEBI ICDR Regulations, in each case involving our Company, our Promoters and our Directors (collectively, the “**Relevant Parties**”). Further, there are no disciplinary actions including penalties imposed by SEBI or the stock exchanges against our Promoters during the last five Financial Years, including any outstanding action.

For the purpose of point (iv) above, our Board in its meeting held on, March 14, 2024 has considered and adopted the Materiality Policy for identification of material outstanding litigation (including arbitration proceedings) involving the Relevant Parties. In terms of the Materiality Policy, pending litigation, involving the Relevant Parties, has been considered ‘material’ for the purposes of disclosures in this Draft Red Herring Prospectus, where:

- (a) the aggregate monetary amount of claim involved, whether by or against the Relevant Parties in any such pending proceeding is in excess of or equivalent to 2.5% of the restated profit after tax as per the most recent complete financial year covered in the Restated Financial Information included in the Offer Documents being ₹ 20.37 million;
- (b) the monetary impact is not quantifiable or lower than the threshold mentioned in point (a) above, but the outcome in any such litigation would materially and adversely affect our Company’s business, prospects, operations, performance, financial position or reputation in the opinion of the Board; or
- (c) where the decision in one matter is likely to affect the decision in similar matters, even though the amount involved in an individual matter may not exceed the materiality threshold as specified in (a) above.

Pre-litigation notices (excluding governmental/ statutory/ regulatory/ judicial authorities or notices threatening criminal action) received by the Relevant Parties from third parties shall, unless otherwise decided by the Board, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Any pending litigation involving the group companies, as identified in accordance with provisions of the SEBI ICDR Regulations would be considered to have a ‘material impact’ on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially affect the business, operations or financial position or reputation of our Company.

For identification of material creditors, a creditor of our Company shall be considered to be material for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor is equivalent to or in excess of 5.00% of total trade payables of our Company as at the end of the most recent financial period covered in the Restated Financial Information included in this Draft Red Herring Prospectus.

For outstanding dues to micro, small and medium enterprises (“**MSME**”) and other creditors, the disclosure will be based on information available with our Company regarding the status of the creditors as ‘MSME’ as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

#### LITIGATION INVOLVING OUR COMPANY

##### A. Litigation against our Company

- (i) Criminal proceedings

MKU Warehousing Co. Private Limited filed a criminal complaint dated January 1, 2016 against our Company, certain of our Promoters and Directors, namely Arvind Nanda and Gautam Suri, before the Special Chief Judicial Magistrate, Kanpur Nagar under the Companies Act, 1956, alleging, *inter alia*, that our Company has refused to refund an advance payment of ₹ 1.00 million for an order which was placed by MKU Warehousing Co. Private Limited with our Company for purchase of pre-fab building structure and was subsequently cancelled by MKU Warehousing Co. Private Limited, which was registered pursuant to an order dated January 1, 2016 of the Special Chief Judicial Magistrate, Kanpur Nagar and subsequently summons were issued pursuant to an order dated July 16, 2018 by the Special Chief Judicial Magistrate, Kanpur. Our Company has filed a criminal miscellaneous application dated November 1, 2022 before the High Court of Judicature at Allahabad seeking, *inter alia*, quashing of such criminal proceedings i.e., the above mentioned orders dated January 1, 2016 and July 16, 2018, respectively. The High Court of Judicature at Allahabad passed an order dated January 17, 2023 directing no coercive action to be taken against our Company until the next hearing of such criminal proceedings before the Special Chief Judicial Magistrate, Kanpur Nagar. The matter is currently pending.

(ii) *Material civil proceedings*

Nil

(iii) *Actions by statutory or regulatory authorities*

- (a) The Employees' Provident Fund Organization, Sub Regional Office Haldwani had issued a show cause notice dated December 5, 2014 against our Company to show cause as to why proceedings should not be initiated against our Company under Section 7A of the Employees Provident Fund and Miscellaneous Provisions Act, 1952, pursuant to its inspection at our Pantnagar Manufacturing Facility and report dated September 17, 2014 where it was alleged that our Company had failed to produce certain documents of payments for Manorath Engineering Works, which had supplied job workers to our Company. Thereafter, the Regional Provident Fund Commissioner, Regional Office, Haldwani passed an order dated April 29, 2022 directing our Company to pay an amount of ₹ 3.41 million on account of contributions and administrative charges payable towards the provident fund, the pension fund and deposit linked insurance fund for the period from November 2014 till October 2017 and subsequently, in this regard, a recovery notice dated May 6, 2022 was also issued against our Company by the Employees' Provident Fund Organization, Sub Regional Office, Haldwani seeking the payment of outstanding dues within 15 days. Our Company by way of a letter dated June 18, 2022 has replied to the recovery notice dated May 6, 2022 requesting that the recovery notice dated May 6, 2022 be kept in abeyance and that our Company has filed an application dated May 30, 2022 before the Employees' Provident Fund Appellate Tribunal/ CGIT, Lucknow challenging the order dated April 29, 2022. Our Company has deposited an amount of ₹ 0.34 million. The matter is currently pending.
- (b) Our Company had issued a notice dated March 16, 2022 imposing a lock-out in relation to certain disputes with the Interarch Majdoor Sanghatan, Pantnagar, a labour union involving our employees at our Pantnagar Manufacturing Facility. The Interarch Majdoor Sanghatan, Pantnagar filed a writ petition before the High Court of Uttarakhand at Nainital challenging the lock-out notice issued by our Company. The High Court of Uttarakhand at Nainital pursuant to an order dated April 1, 2022, disposed off the writ petition directing the matter for adjudication before the appropriate authorities, further to which, the Uttarakhand Government Labour Division by way of an order dated May 30, 2022 declared the lock-out imposed by our Company as illegal. Subsequently, a notice dated June 2, 2022 was issued against our Company by the Office of the Deputy Labour Commissioner, Udham Singh Nagar area, Labour Building, Collectorate Complex directing our Company to comply with the order dated May 30, 2022. Subsequently, our Company filed a writ petition dated June 10, 2022 before High Court of Uttarakhand at Nainital Court challenging the order and notices dated May 30, 2022 and June 2, 2022, respectively. Thereafter, the Office of the Deputy Labour Commissioner, Udham Singh Nagar area, Labour Building, Collectorate issued a notice of recovery dated June 14, 2022 to our Company to show cause as to why a certificate of recovery for the wages exceeding ₹ 0.05 million should not be issued against our Company in accordance with Section 3 of the U.P Industrial Peace (Timely Payment of Wages) Act, 1978. Our Company by way of a letter dated June 21, 2022 replied to such notice of recovery dated June 14, 2022. Subsequently, our Company received a notice of recovery dated June 28, 2022 from the Assistant Labour Commissioner, Shram Bhawan, Udham Singh Nagar, Rudrapur, Uttarakhand directing our Company to pay ₹ 18.49 million to our employees for the lock-out period. Thereafter, the Interarch Majdoor Sanghatan, Pantnagar filed an application before the Assistant Labour Commissioner, Shram Bhawan, Udham Singh Nagar, Rudrapur, Uttarakhand demanding payment of outstanding wages from our

Company during the lock-out period aggregating to an amount of ₹ 18.49 million. The High Court of Uttarakhand at Nainital by order dated June 30, 2022 directed that no coercive actions to be taken against our Company pursuant to the above mentioned orders dated May 30, 2022 and June 2, 2022, respectively till the matter is listed further. Thereafter, our Company by way of a letter dated July 5, 2022 replied to such notice dated June 28, 2022 intimating that the High Court of Uttarakhand at Nainital by order dated June 30, 2022 has directed that no coercive actions to be taken against our Company till the matter is listed further. The matter is currently pending.

- (c) As on the date of this Draft Red Herring Prospectus our Company has received 34 demand notices from the office of Sriperumbudur Panchayat Union, Sriperumbudur Taluka, Kanchipuram, Tamil Nadu pertaining to certain outstanding payments in relation to license fee, house professional, library and property taxes under the Panchayat Act, 1994 and sought details of our factory licenses. Our Company has replied to such notices. The matter is currently pending.
- (d) Our Company was allotted plots in SIPCOT Industrial Park, Sriperumbudur Taluka by the Director of Town and Country Planning, Chennai, pursuant to which demand for payment of infrastructure and basic amenities charges were raised against our Company in November 2009 under Tamil Nadu Town and Country Planning (Levy of Infrastructure and Amenities Charges) Rules, 2008. Our Company in its response dated November 7, 2009, highlighted that the infrastructure and basic amenities charges were already paid at the time of allotment of plots and hence such additional demand was not applicable. After multiple correspondences in this regard, our Company received another notice for demand on December 30, 2015 from the Director of Town and Country Planning, Chennai, for payment of ₹ 4.27 million as infrastructure and basic amenities charges. Our Company filed a representation dated February 1, 2016, before the Director of Town and Country Planning, Chennai, highlighting the error in calculation of such charges and stated that the Company had instead made a payment of ₹ 2.56 million towards infrastructure and basic amenities charges. The Director of Town and Country Planning, Chennai, rejected our representation on February 5, 2016, and demanded ₹ 1.71 million. Thereafter, our Company filed a writ petition dated March 17, 2017 before the High Court of Judicature at Madras against Director of Town and Country Planning, Chennai and others under Article 226 of the Constitution of India. The matter is currently pending.

## **B. Litigation by our Company**

- (i) *Criminal proceedings*
  - i. As on date of this Draft Red Herring Prospectus, our Company has filed eight complaints against certain of our suppliers under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881 alleging dishonour of cheques issued by our suppliers in relation to advance payments made by our Company towards certain purchase orders. These matters are currently pending at different stages of adjudication before various courts and judicial fora. The aggregate amount involved in these matters as on the date of this Draft Red Herring Prospectus is ₹ 29.56 million.
  - ii. Our Company has filed a complaint dated November 26, 2018 with the Station House in-Charge, SIDCUL Rudrapur, Uddham Singh Nagar, Uttarakhand against Interarch Majdoor Sanghatan, Pantnagar, a labour union involving our employees at our Pantnagar Manufacturing Facility alleging *inter alia* assault of our production manager followed by demonstration by certain employees and protest at our Pantnagar Manufacturing Facility which was thereafter registered as a first information report dated November 30, 2018, at Uddham Singh Nagar Police Station, Pantnagar, Uttarakhand under Sections 323, 504 and 506 of the Indian Penal Code, 1860, as amended. Subsequently, Birju Giri one of the accused employees filed a complaint dated August 14, 2019 before the Judicial Magistrate, Fifth Additional Civil Judge (P.K) Sir, Rudrapur, District Uddham Singh Nagar against our production manager and all officers of our Company alleging *inter alia* mental harassment and pressuring to leave the Interarch Majdoor Sanghatan, Pantnagar. Thereafter, our Company applied before the Court of Third Additional Senior Civil Judge/ Additional Chief Judicial Magistrate, Rudrapur, Uddham Singh Nagar seeking an anticipatory bail which was granted pursuant to an order dated July 25, 2023. The matter is currently pending.

(ii) *Material civil proceedings*

- i. Our Company has filed a money recovery suit dated March 16, 2016 before the High Court of Delhi against Ampo Valves India Private Limited alleging, *inter alia*, that Ampo Valves India Private Limited had wrongfully invoked a bank guarantee amounting to ₹ 27.00 million pursuant to cancellation of a purchase order by Ampo Valves India Private Limited for supply of pre-engineered steel building in excess of the amount actually due to Ampo Valves India Private Limited which was ₹ 4.50 million. Our Company has accordingly sought, *inter alia*, recovery of an amount of ₹ 22.95 million. The matter is currently pending.
- ii. Our Company has filed a money recovery suit dated February 25, 2023 before the High Court of Delhi against VRY Logistics Park LLP seeking an amount of ₹ 31.16 million towards unpaid proforma invoices raised by our Company for the supply of pre-engineered buildings to VRY Logistics Park LLP. The matter is currently pending.

(iii) *Tax proceedings against our Company*

Nature of proceeding	Number of proceedings outstanding <sup>^</sup>	Amount involved* <sup>^</sup> (in ₹ million)
Direct tax	2	17.58
Indirect tax	26	214.34
<b>Total</b>	<b>28</b>	<b>231.92</b>

\* To the extent quantified.

<sup>^</sup> Further, there are 34 demands raised by Sriperumbudur Panchayat Union, Sriperumbudur Taluka, Kanchipuram, Tamil Nadu, towards non-payment of license fees, house, professional, property and library tax for the period of Financial Year ended March 31, 2011 to Financial Year ended March 31, 2023. The amount involved in such demands aggregates to ₹ 1.39 million. See “- *Actions by statutory or regulatory authorities*” on page 426.

## LITIGATION INVOLVING OUR DIRECTORS

(a) *Litigation against our Directors*

(i) *Criminal proceedings*

For litigation involving Arvind Nanda and Gautam Suri, See “- *Litigation against our Company – Criminal Proceedings*” on page 425.

Gunjan Jain registered a first information report under Sections 406 and 420 of Indian Penal Code, 1860 with Sursa Police Station, Hardoi, Uttar Pradesh against our Directors, Arvind Nanda, Gautam Suri, Ishaan Suri and Viraj Nanda alleging *inter alia* that Arvind Nanda, Gautam Suri, Ishaan Suri and Viraj Nanda have absconded without fulfilling their obligations to complete the construction work for a company, with which Gunjan Jain is associated. Additionally, it is alleged that certain of our Directors namely Arvind Nanda, Gautam Suri, Ishaan Suri and Viraj Nanda have also misappropriated a sum of ₹ 7.50 million which was registered pursuant to an order dated September 11, 2023 passed by the Court of Additional Chief Judicial Magistrate, District Hardoi, Uttar Pradesh. Thereafter, Arvind Nanda, Gautam Suri, Ishaan Suri and Viraj Nanda filed a writ petition before the High Court of Judicature at Allahabad seeking, *inter alia*, quashing of such criminal proceedings. Thereafter, the High Court of Judicature at Allahabad by an order dated February 6, 2024 stayed the above criminal proceedings and directed that no coercive action be taken against Arvind Nanda, Gautam Suri, Ishaan Suri and Viraj Nanda till the adjudication of the matter. The matter is currently pending.

(ii) *Actions by statutory or regulatory authorities*

Nil

(iii) *Material civil proceedings*

A commercial suit was filed against IndoStar Capital Finance Limited and others, including Dhanpal, by Sanjay Hinduja before the High Court of Bombay on August 27, 2018, seeking ₹ 323.90 million as



damages, *inter-alia* praying that the forfeiture of certain shares given to Sanjay Hinduja as a part of managerial incentive scheme was illegal and he continued to be the owner of such shares of Indostar Capital Finance Limited. Pursuant to its direction dated February 22, 2019, the High Court of Bombay directed the removal of matter from the court. Indostar Capital Finance Limited has received information that a new application in relation to the matter was filed in March 2024. A copy of the application has not been provided to Indostar Capital Finance Limited, as of the date. The matter is currently pending.

**(b) Litigation by our Directors**

**(i) Criminal proceedings**

Nil

**(ii) Material civil proceedings**

Nil

**(iv) Tax proceedings against our Directors**

Nature of proceeding	Number of proceedings outstanding	Amount involved ( in ₹ million)
Direct tax	1	Nil
Indirect tax	Nil	Nil
<b>Total</b>	<b>1</b>	Nil

*\*To the extent quantifiable.*

**LITIGATION INVOLVING OUR PROMOTERS**

**(a) Litigation against our Promoters**

**(i) Criminal proceedings**

For litigation involving Arvind Nanda and Gautam Suri, see “- *Litigation against our Company – Criminal Proceedings*” on page 425.

For litigation involving Arvind Nanda, Gautam Suri, Ishaan Suri and Viraj Nanda, see “-*Litigation against our Directors – Criminal Proceedings*” on page 428.

**(ii) Actions taken by statutory or regulatory authorities**

Nil

**(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action**

Nil

**(iv) Material civil proceedings**

Nil

**(b) Litigation by our Promoters**

**(i) Criminal proceedings**

Nil

(ii) *Material civil proceedings*

Nil

(c) *Tax proceedings against our Promoters*

For tax proceedings against Viraj Nanda, see “*Litigation against our Directors – Tax proceedings against our Directors*” on page 429.

## LITIGATION INVOLVING OUR GROUP COMPANIES

Aries Developers LLP has received a demand notice dated July 8, 2013 from the Municipal Corporation of Delhi in relation to the alleged non-payment of tax on the land on which our Registered Office is located under Rule 5 of Property Tax Bye-Laws, 2004 for an amount of ₹ 1.95 million. Thereafter, Municipal Corporation of Delhi by an order dated December 6, 2013 directed Aries Developers LLP to deposit an amount of ₹ 1.95 million. Thereafter, Aries Developers LLP filed an appeal before the Municipal Corporation of Delhi Taxation Tribunal, Delhi challenging the order dated December 6, 2013. The Municipal Corporation of Delhi Taxation Tribunal, Delhi by an order dated January 9, 2014 directed Aries Developers LLP to deposit the above mentioned amount. Subsequently, Aries Developers LLP filed a writ petition before Hon’ble High Court of Delhi seeking a stay on the order dated January 9, 2014 passed by the Municipal Corporation of Delhi Taxation Tribunal, Delhi. The Hon’ble High Court of Delhi by an order dated February 2, 2023 directed Municipal Corporation of Delhi to refund the amount of ₹ 1.95 million deposited by Aries Developers LLP. Subsequently, the Municipal Corporation of Delhi filed a special leave petition before the Hon’ble Supreme Court of India, New Delhi challenging the above mentioned order passed by the Hon’ble High Court of Delhi. The matter is currently pending.

## OUTSTANDING DUES TO CREDITORS

In terms of the Materiality Policy, creditors of our Company to whom an amount equivalent or exceeding 5.00% of our total trade payables as on September 30, 2023 was outstanding, have been considered ‘material’ creditors. Our total trade payables as on September 30, 2023 was ₹ 1,140.88 million and accordingly, creditors to whom outstanding dues was equal to or exceeded ₹ 57.04 million as of September 30, 2023 have been considered as material creditors (“**Material Creditors**”) for the purposes of disclosure in this Draft Red Herring Prospectus.

The details of the total outstanding trade payables owed to micro, small and medium enterprises (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on September 30, 2023 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ million)
Micro, small and medium enterprises	66	91.79
Material Creditor(s)	04	368.76
Other creditors	442	680.33*
<b>Total</b>	<b>512</b>	<b>1,140.88</b>

\*Amount outstanding includes provisions amounting to ₹ 207.19 million which are not attributable to one creditor.

The details pertaining to outstanding over dues to the Material Creditors, along with names and amounts involved for each such Material Creditor are available on the website of our Company at <https://www.interarchbuildings.com/outstanding-dues-material-creditors.asp>.

## **MATERIAL DEVELOPMENTS**

There have not arisen since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which may materially and adversely affect, or are likely to affect our profitability, our trading or operations, the value of our assets or our ability to pay our material liabilities within the next 12 months of filing of this Draft Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental, statutory and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of consents, licenses, registrations, permissions, and approvals obtained by our Company, which are considered material and necessary for the purposes of undertaking our business activities and operations.*

*Except as mentioned below, no further material consents, licenses, registrations, permissions, and approvals are required to undertake the Offer or to carry on the business and operations of our Company. Additionally, unless otherwise stated herein, these approvals, consents, licenses, registrations and permits are valid as on the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. See “Risk Factors - We are subject to various stringent laws and regulations, including environmental and health and safety laws and regulations.” on page 59 and “Key Industry Regulations and Policies in India” on page 263.*

### I. MATERIAL APPROVALS OBTAINED IN RELATION TO INCORPORATION

- (i) Certificate of incorporation as “Luxalon Building Products Private Limited”, a private limited company under the Companies Act, 1956 dated November 30, 1983, issued by the RoC.
- (ii) Fresh certificate of incorporation dated August 9, 1985 consequent upon change of name of our Company from “Luxalon Building Products Private Limited” to “Interarch Building Products Private Limited” issued by the RoC.
- (iii) Endorsement of conversion, on the certificate of incorporation dated August 9, 1985, consequent to becoming a deemed public company, and the change of name of our Company from “Interarch Building Products Private Limited” to “Interarch Building Products Limited” with effect from July 1, 1996.
- (iv) Endorsement of conversion on the certificate of incorporation dated August 9, 1985, consequent to conversion of our Company from a deemed public company to a private limited company, and the change of name of our Company from “Interarch Building Products Limited” to “Interarch Building Products Private Limited” with effect from January 11, 2002.
- (v) Fresh certificate of incorporation dated December 15, 2023 consequent upon conversion of our Company to a public limited company, and the change of name of our Company from “Interarch Building Products Private Limited” to “Interarch Building Products Limited”.
- (vi) Our Company has been allotted corporate identity number U45201DL1983PLC017029.

### II. MATERIAL APPROVALS OBTAINED IN RELATION TO THE OFFER

For details of corporate and other approvals obtained in relation to the Offer, see ‘*Other Regulatory and Statutory Disclosures - Authority for the Offer*’ on page 438.

### III. MATERIAL APPROVALS OBTAINED IN RELATION TO OUR BUSINESS

#### *Tax related approvals*

- (i) Permanent account number of our Company issued under the Income Tax Act, 1961 is AAACI0106J.
- (ii) Tax deduction account number of our Company issued under the Income Tax Act, 1961 is DELI04536A.
- (iii) Tax deduction account number of our Pantnagar Manufacturing Facility issued under the Income Tax Act, 1961 is MRTI00561B.
- (iv) Professional tax registrations, under various state professional tax legislations, of our Company.

- (v) GST registrations number for payments under various central and state goods and services tax legislations of our Company

S. No	Particulars	GST IN
1.	Interarch Building Products Limited- Uttar Pradesh	09AAACI0106J1ZY
2.	Interarch Building Products Limited- West Bengal	19AAACI0106J1ZX
3.	Interarch Building Products Limited- Rajasthan	08AAACI0106J1Z0
4.	Interarch Building Products Limited- Punjab	03AAACI0106J1ZA
5.	Interarch Building Products Limited- Odisha	21AAACI0106J1ZC
6.	Interarch Building Products Limited- Madhya Pradesh	23AAACI0106J1Z8
7.	Interarch Building Products Limited- Maharashtra	27AAACI0106J1Z0
8.	Interarch Building Products Private Limited- Karnataka	29AAACI0106J2ZV
9.	Interarch Building Products Limited- Jharkhand	20AAACI0106J1ZE
10.	Interarch Building Products Limited- Uttar Pradesh ISD	09AAACI0106J2ZX
11.	Interarch Building Products Limited- Himachal Pradesh	02AAACI0106J1ZC
12.	Interarch Building Products Limited- Haryana	06AAACI0106J1Z4
13.	Interarch Building Products Limited- Gujarat	24AAACI0106J1Z6
14.	Interarch Building Products Limited- Goa	30AAACI0106J1ZD
15.	Interarch Building Products Limited- Delhi	07AAACI0106J1Z2
16.	Interarch Building Products Limited- Tamil Nadu	33AAACI0106J1Z7
17.	Interarch Building Products Limited- Uttarakhand	05AAACI0106J1Z6
18.	Interarch Building Products Limited- Telangana	36AAACI0106J1Z1
19.	Interarch Building Products Limited – Andhra Pradesh	37AAACI0106J1ZZ
20.	Interarch Building Products Limited - Chhattisgarh	22AAACI0106J1ZA
21.	Interarch Building Products Limited - Assam	18AAACI0106J1ZZ
22.	Interarch Building Products Limited - Dadra and Nagar Haveli	26AAACI0106J1Z2
23.	Interarch Building Products Limited - Bihar	10AAACI0106J1ZF

***Labour and employee related approvals***

- (i) Registration under the provisions of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the schemes framed thereunder.
- (ii) Registration under the provisions of the Employees State Insurance Act, 1948.
- (iii) Certificate of Importer Exporter Code under the under the Foreign Trade (Development and Regulation) Act, 1992.

***Material approvals in relation to our existing Manufacturing Facilities and Planned Andhra Pradesh Manufacturing Facility***

***(a) Tamil Nadu Manufacturing Facilities***

- i. Factory licenses under the Tamil Nadu Factories Act, 1950 and the rules made thereunder, for the Tamil Nadu Manufacturing Facilities.
- ii. Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981 (the “**Air Act**”), Water (Prevention and Control of Pollution) Act, 1974 (the “**Water Act**”), for Tamil Nadu Manufacturing Facility II.
- iii. No objection certificate under the Tamil Nadu Fire Service Act, 1985 for the Tamil Nadu Manufacturing Facilities.
- iv. Certificates of verification under the Legal Metrology Act, 2009, and the rules made thereunder (“**Metrology Act**”), with respect to weights and measures for the Tamil Nadu Manufacturing Facilities.
- v. Registration under the provisions of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, and the schemes framed thereunder for the Tamil Nadu Manufacturing Facilities.

- vi. Registration under the provisions of the Employees State Insurance Act, 1948, for the Tamil Nadu Manufacturing Facilities.
- vii. Registration under the provisions of the Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and rules made thereunder, for Tamil Nadu Manufacturing Facility II.

**(b) *Pantnagar Manufacturing Facility and Kichha Manufacturing Facility***

- i. Factory license under the Factories Act, 1948 for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.
- ii. Consent to operate under the Air Act, Water Act and Waste Management Rules for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.
- iii. No objection certificate under the Uttarakhand Fire & Emergency Service, Fire Prevention and Fire Safety Act, 2016, for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.
- iv. No objection certificate for ground water extraction under the Environment Act for Pantnagar Manufacturing Facility.
- v. Certificates of verification under the Metrology Act with respect to weights and measures for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.
- vi. License under Static and Mobile Pressure Vessels (Unverified) Rules, 2016 with respect to storage of liquid argon gas for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.
- vii. Licence under the Gas Cylinder Rules, 2016, with respect to storage of carbon dioxide, oxygen and dissolved acetylene gas cylinders for Pantnagar Manufacturing Facility.
- viii. Provisional approval under the Gas Cylinder Rules, 2016, with respect to storage of carbon dioxide, oxygen and dissolved acetylene gas cylinders for Kichha Manufacturing Facility
- ix. Registration under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and the schemes framed thereunder for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.
- x. Registration under the provisions of the Employees State Insurance Act, 1948, for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.
- xi. Registration certificate as a "principal employer" under the Contract Labour (Regulation and Abolition) Act, 1970, for Pantnagar Manufacturing Facility and Kichha Manufacturing Facility.

***Material approvals in relation to our Planned Andhra Pradesh Manufacturing Facility (Phase I)***

- i. Consent order for establishment under the Air Act and Water Act.
- ii. Provisional no-objection certificate issued by the under the Andhra Pradesh Fire Services Act, 2006.
- iii. No objection certificate for ground water extraction under the Environment Act.

**IV. MATERIAL APPROVALS PENDING TO BE OBTAINED BY OUR COMPANY**

***Material approvals or renewals applied for but not received***

- (a) Application dated December 6, 2023 for renewal of no objection certificate for ground water extraction under the Environment Act for the Kichha Manufacturing Facility.

- (b) Application dated December 1, 2023 for renewal of registration as a “principal employer” under the Contract Labour (Regulation and Abolition) Act, 1970, for Tamil Nadu Manufacturing Facility II.

***Material approvals expired and not applied for renewal***

*Nil*

***Material approvals required but not applied for or obtained***

*Nil*

**V. INTELLECTUAL PROPERTY**

As on the date of this Draft Red Herring Prospectus, we have 14 registered trademarks in India under the Trademarks Act, 1999. See “***Risk Factors - Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others and any failure to keep our technical knowledge confidential could erode our competitive advantage and could have a material adverse effect on us.***” on page 50.

## GROUP COMPANIES

As per the SEBI ICDR Regulations, group companies of a company include such companies (other than promoter(s) and subsidiary(ies) of such company) (i) with which there are related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards; and (ii) other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above such companies with which there were related party transactions during the period as covered by the Restated Financial Information, as covered under the relevant accounting standard (i.e., Ind AS 24) and with respect to point (ii) above, for the purposes of disclosure in this Draft Red Herring Prospectus, a company is considered “material” and disclosed as a group company, if it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, with which our Company has entered into one or more transactions during the last completed Financial Year (or relevant stub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of our Company for the last completed Financial Year (or the relevant stub period, as applicable) as per the Restated Financial Information.

Based on the above, our Group Companies are set forth below:

1. Taipan Associates Private Limited; and
2. Aries Developers LLP.

### Details of our Group Companies

S. No.	Group Companies	Registered Office
1.	Taipan Associates Private Limited	No. 56/23/2, Dera Mandi Road, Mehrauli, New Delhi 110 047 Delhi, India
2.	Aries Developers LLP*	No. 56/23/2, Dera Mandi Road, Mehrauli, New Delhi 110 047 Delhi, India

*\*Aries Developers Private Limited was converted into Aries Developers LLP pursuant to a certificate of incorporation dated April 21, 2023 issued by the RoC.*

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of our Group Companies based on their respective audited financial statements for the preceding three years shall be hosted on the website of our Company as indicated below:

S. No.	Group Companies	Website
1.	Taipan Associates Private Limited	<a href="https://www.interarchbuildings.com/group-company-financial-information.asp">https://www.interarchbuildings.com/group-company-financial-information.asp</a>
2.	Aries Developers LLP*	<a href="https://www.interarchbuildings.com/group-company-financial-information.asp">https://www.interarchbuildings.com/group-company-financial-information.asp</a>

*\* Aries Developers Private Limited was converted into Aries Developers LLP and a certificate of incorporation dated April 21, 2023 was issued by the RoC.*

Our Company has provided a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such information should not be considered as part of information that any investor should consider before making any investment decision.

### Nature and extent of interests of our Group Companies

#### *In the promotion of our Company*

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion of our Company.

#### *In the properties acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.*

Our Group Companies do not have any interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus.



*In the transactions for acquisition of land, construction of building, supply of machinery, etc.*

Our Group Companies do not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

### **Related Business Transactions**

As on the date of this Draft Red Herring Prospectus, except as disclosed in “***Other Financial Information – Related party transactions***” on page 378 and including as set out below, none of our Group Companies have, (i) any business interest in our Company; or (ii) related business transactions with our Company.

- (a) Our Company has entered into a lease agreement dated February 22, 2024, with Aries, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company has taken the premise of our Registered Office on lease for a term of 11 months with effect from March 1, 2024 and pays a monthly rent of ₹ 25,000 to Aries.
- (b) Our Company has entered into a lease agreement dated February 22, 2024, with Aries, where our Promoter and Managing Director, Arvind Nanda is a partner. Pursuant to such agreement, our Company provides accommodation facilities to Arvind Nanda. This property has been taken on lease for a term of 11 months with effect from March 1, 2024. Our Company pays a monthly rent of ₹ 325,000 to Aries.

### **Common pursuits of our Group Companies**

As on the date of this Draft Red Herring Prospectus, there are no common pursuits between our Group Companies and our Company.

### **Litigation**

As on the date of this Draft Red Herring Prospectus, except as stated in “***Outstanding Litigation and Other Material Developments – Litigation involving our Group Companies***” on page 429, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### Corporate Authorizations

- Our Board has authorised the Offer by way of its resolution dated January 15, 2024 and our Shareholders have approved the Fresh Issue pursuant to a special resolution dated January 17, 2024. Further, our Board has taken on record the consent and authorisation of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution dated March 14, 2024.
- This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by our Board on March 18, 2024.

#### Approvals from the Selling Shareholders

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

S. No.	Name of the Selling Shareholder	Date of consent letter	Date of board resolution/ corporate authorization	Maximum number of Offered Shares
1.	Arvind Nanda	March 14, 2024	Not applicable	Up to 720,000
2.	Gautam Suri	March 14, 2024	Not applicable	Up to 790,000
3.	Ishaan Suri	March 14, 2024	Not applicable	Up to 539,930
4.	Shobhna Suri	March 14, 2024	Not applicable	Up to 600,100
5.	OIH Mauritius Limited	March 11, 2024	November 13, 2023	Up to 1,797,600
<b>Total</b>				<b>Up to 4,447,630</b>

#### In-principle listing approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to their letters dated [●] and [●], respectively.

### Prohibition by the Securities and Exchange Board of India, the Reserve Bank of India or governmental authorities

Our Company, our Promoters (the persons in control of our Company), members of our Promoter Group, our Directors are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Each of the Selling Shareholders severally and not jointly confirm, they are not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, each of our Promoters, members of our Promoter Group and each of the Selling Shareholders, severally and not jointly, confirms that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

### Directors associated with securities market

None of our Directors are, in any manner, associated with the securities market. Further, no outstanding action has been initiated by SEBI against any of our Directors, in the five years immediately preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation

6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹ 30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- our Company has an average operating profit of at least ₹ 150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each), calculated on a restated basis; and
- other than the deletion of the word “Private” from the name of our Company pursuant to conversion to a public limited company, our Company has not changed its name in the year immediately preceding the date of this Draft Red Herring Prospectus.

Set forth below are our Company’s net tangible assets, monetary assets including monetary assets as a percentage of the net tangible assets, operating profit and net worth, derived from our Restated Financial Information included in this Draft Red Herring Prospectus.

*(In ₹ million, unless otherwise stated)*

	<b>As at and for the Financial Years ended as on</b>		
	<b>March 31, 2021</b>	<b>March 31, 2022</b>	<b>March 31, 2023</b>
Net tangible assets	2,994.81	3,181.87	3,992.41
Monetary assets	669.71	917.59	1,192.07
% of monetary assets to net tangible assets	22.36	28.84	29.86
Operating profit	23.23	211.32	990.83
Average restated operating profit		408.46	
Net Worth	2,398.55	2,626.47	3,437.99

*Notes:*

- 1) *Net tangible assets have been computed as sum of all net assets of our Company, excluding intangible assets as defined in Ind AS 38.*
- 2) *Monetary Assets have been computed considering cash and cash equivalents and bank balances.*
- 3) *Operating Profit has been computed as restated profit before tax after excluding finance costs and other income.*
- 4) *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off but does not include reserves created out of revaluation of assets, capital reserve, write back of depreciation and amalgamation. Accordingly, we have calculated it as total equity excluding the fair value gain (net of tax) recognised on measurements of assets at fair value and reserves not created out of the profits.*

Our Company had operating profits in each of the Financial Years 2021, 2022 and 2023 in terms of our Restated Financial Information, as indicated in the table above.

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and applicable law.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the following conditions specified in Regulation 5 of the SEBI ICDR Regulations:

- none of our Company, the Selling Shareholders, our Promoters, the members of our Promoter Group, and our Directors are debarred from accessing the capital market by SEBI;

- none of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;
- none of our Company, Promoters or Directors is a Wilful Defaulter or a Fraudulent Borrower;
- neither our Promoters nor any of our Directors are Fugitive Economic Offenders; and
- there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AMBIT PRIVATE LIMITED AND AXIS CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE, SEVERALLY AND NOT JOINTLY, ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS TO THE EXTENT OF INFORMATION SPECIFICALLY PERTAINING TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING AMBIT PRIVATE LIMITED AND AXIS CAPITAL LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 18, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

#### **Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers**

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our

Company's website, [www.interarchbuildings.com](http://www.interarchbuildings.com), or any website of any affiliates of our Company, or of any of the Group Companies or of any of the Selling Shareholders, would be doing so at his or her own risk.

It is clarified that each of the Selling Shareholders, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, and neither the Selling Shareholders, nor their respective directors, partners, trustees, affiliates, associates and officers, accept and/or undertake any responsibility in any manner whatsoever, for any statements made or undertakings provided by any person other than those specifically made or undertaken by such Selling Shareholder in this Draft Red Herring Prospectus in relation to itself and its respective portion of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent the information pertains to such Selling Shareholder and its respective portion of Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates, in their capacity as principal or agents, may engage in transactions with, and perform services for, our Company, our Group Companies, each of the Selling Shareholders and their respective directors, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, each of the Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of jurisdiction**

This Offer is being made in India to persons resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI) or systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, and permitted Non-Residents including FPIs and Eligible NRIs, QIBs, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction, including India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus

comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares offered in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, Delhi, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India

### **Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investor must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

### **Disclaimer Clause of the BSE Limited**

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

### **Disclaimer Clause of the National Stock Exchange of India Limited**

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

### **Listing**

The Equity Shares proposed to be Allotted pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being offered and transferred in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. Further, each of the Selling Shareholders, severally and not jointly, confirms that it shall provide reasonable assistance to our Company, and the BRLMs, with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, our Company and every officer in default shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. However, the respective Selling Shareholders shall not be liable to pay and/or reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely by, and is directly attributable to, an act or omission of such Selling Shareholder and such liability shall be limited to the extent of their respective Offered Shares

### **Consents**

Consents in writing of: (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the legal advisors to our Company as to Indian law, the bankers to our Company, CRISIL, the BRLMs, independent chartered accountant, independent chartered engineer and Registrar to the Offer have been obtained and such consents have not been withdrawn until the date of this Draft Red Herring Prospectus; and (b) the Syndicate Members, Bankers to the Offer and Monitoring Agency to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act.

### **Expert**

Except as stated below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received written consent dated March 18, 2024 from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated March 14, 2024 on our Restated Financial Information; and (ii) their report dated March 18, 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated March 18, 2024 from Manian & Rao, Chartered Accountants, to include its name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and referred to as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in connection with the Offer. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated March 9, 2024 from Khyati Enterprises (acting through its proprietor Pradeep Kumar, chartered engineer) to include its name as required under Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of (i) certificate dated March 9, 2024 for Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II, Pantnagar Manufacturing Facility and Kichha Manufacturing Facility, respectively, containing details of *inter alia* the installed capacity, actual production and capacity utilisation at each of the above-mentioned manufacturing facilities; (ii) certificate

dated March 9, 2024 on our Company's proposed upgradation of the: (a) Tamil Nadu Manufacturing Facilities; (b) Kichha Manufacturing Facility; and (c) Pantnagar Manufacturing Facility; and (iii) report titled "Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities" dated March 9, 2024. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

**Particulars regarding public or rights issues during the last five years**

Our Company has not undertaken any public issues, including any rights issues to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Commission or brokerage on previous issues in the last five years**

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Capital issues in the preceding three years by our Company, our listed group companies, subsidiaries and associate**

Our Company has not made any capital issuances during the three years immediately preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or associate and none of our Group Companies are listed.

**Performance *vis-à-vis* objects – public/ rights issue of our Company**

Our Company has not undertaken any public issues, including any rights issues to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Performance *vis-à-vis* objects – public/ rights issue of listed subsidiaries/ listed promoter**

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiary. Further, our Promoters are individuals.



## Price information of past issues handled by the Book Running Lead Managers

### Ambit Private Limited

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Ambit Private Limited.

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	India Shelter Finance Corporation Limited	12,000	493.00	December 20, 2023	620	+17.64%, [+1.48%]	+10.50%, [+4.28%]	NA
2	Yatharth Hospital & Trauma Care Services Limited	6,865.51	300.00	August 7, 2023	304.00	+23.30, [-0.26%]	+20.58%, [-2.41%]	+26.23%, [+9.30%]
3	Senco Gold Limited	4,050.00	317.00	July 14, 2023	430.00	+25.28, [-0.70%]	+105.32%, [+1.26%]	+103.13%, [+10.12%]
4	Metro Brands	13,675.05	500.00	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
5	Star Health and Allied Insurance Company Limited	60,186.84	900.00	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
6	Ami Organics Limited	5,696.36	610.00	September 14, 2021	902.00	+116.86%, [+4.27%]	+63.94%, [+0.93%]	+47.34%, [-4.63%]
7	Chemplast Sanmar Limited	38,500.00	541.00	August 24, 2021	550.00	+2.06%, [+5.55%]	+12.68%, [+6.86%]	-3.30%, [+3.92%]

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
- Price on NSE or BSE is considered for all of the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
- In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price of the previous trading day has been considered.
- Since 30/90/180 calendar days from listing date has not elapsed for the above issue, data for same is not available.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Ambit Private Limited.

Financial Year	Total no. of IPOs	Total funds raised (Millions)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2023-24*	3	22,915.51	-	-	-	-	1	2	-	-	-	1	1	-
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Financial Year	Total no. of IPOs	Total funds raised (Millions)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
			2021-22	4	118,058.25	-	-	1	1	-	2	-	-	2

Notes: \* The information is as on the date of the document

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

### **Axis Capital Limited**

1. Price information (during the current Financial Year and two Financial Years preceding the current Financial Years handled by Axis Capital Limited.

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Gopal Snacks Limited <sup>(1)</sup>	6,500.00	401.00	14-Mar-24	350.00	-	-	-
2	Jana Small Finance Bank Limited <sup>(1)</sup>	5,699.98	414.00	14-Feb-24	396.00	-5.23%, [+1.77%]	-	-
3	Apeejay Surrendra Park Hotels Limited <sup>@(2)</sup>	9,200.00	155.00	12-Feb-24	186.00	+17.39%, [+3.33%]	-	-
4	EPACK Durable Limited <sup>(1)</sup>	6,400.53	230.00	30-Jan-24	225.00	-19.96%, [+1.64%]	-	-
5	Medi Assist Healthcare Services Limited <sup>(1)</sup>	11,715.77	418.00	23-Jan-24	465.00	+22.32%, [+3.20%]	-	-
6	Azad Engineering Limited <sup>(1)</sup>	7,400.00	524.00	28-Dec-23	710.00	+29.06%, [-2.36%]	-	-
7	Happy Forgings Limited <sup>(2)</sup>	10,085.93	850.00	27-Dec-23	1,000.00	+14.06%, [-1.40%]	-	-
8	Muthoot Microfin Limited <sup>*(1)</sup>	9,600.00	291.00	26-Dec-23	278.00	-20.77%, [-0.39%]	-	-
9	Inox India Limited <sup>(1)</sup>	14,593.23	660.00	21-Dec-23	933.15	+32.01%, [+1.15%]	-	-
10	Flair Writing Industries Limited <sup>(2)</sup>	5,930.00	304.00	01-Dec-23	501.00	+14.69%, [+7.22%]	-8.63%, [+8.31%]	-

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

<sup>(1)</sup>BSE as designated Stock Exchange

<sup>(2)</sup>NSE as designated Stock Exchange

<sup>1</sup> Offer price was ₹ 363.00 per equity share to eligible employees

<sup>@</sup> Offer price was ₹ 148.00 per equity share to eligible employees

<sup>\*</sup> Offer price was ₹ 277.00 per equity share to eligible employees

Notes:

- a. Issue size derived from prospectus/final post issue reports, as available.
- b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
- c. Price on NSE or BSE is considered for all of the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable.
- d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year ) handled by Axis Capital Limited.

Financial Year	Total no. of IPOs	Total funds raised (Millions)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2023-2024*	18	218,638.22	-	-	3	2	6	6	-	-	1	3	1	-
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

\* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

## Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular bearing reference number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLMs	Website
1.	Ambit Private Limited	<a href="http://www.ambit.co">www.ambit.co</a>
2.	Axis Capital Limited	<a href="http://www.axiscapital.co.in">http://www.axiscapital.co.in</a>

## Stock market data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

## Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from SCSBs for addressing any clarifications or grievances of ASBA Bidders.

**Bidders can contact the Company Secretary and the Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.**

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall also enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

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

Pursuant to the SEBI ICDR Master Circular, SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular and subsequent circulars issued by the SEBI, as may be applicable, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received

by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, pursuant to the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021 issued by the SEBI (“**March 2021 Circular**”), the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/ withdrawn/ deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

For grievance redressal contact details of the BRLMs pursuant to the March 2021 Circular, see “*Offer Procedure – General Instructions*” on page 473.

### Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain authentication on the SEBI SCORES platform and has complied with the SEBI Circular number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, as amended, in relation to redressal of investor grievances through SCORES. Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaint pending.

Further, our Board has constituted a Stakeholders’ Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. See “*Our Management – Board Committees- Stakeholders’ Relationship Committee*” on page 285.

Our Company has appointed Nidhi Goel, as the Company Secretary and Compliance Officer who may be contacted in case of any pre-Offer or post-Offer related grievances. Their contact details are as follows:

**Nidhi Goel**

Farm No. 8, Khasara No. 56/23/2

Dera Mandi Road, Mandi Village

Mehrauli, New Delhi 110 047

Delhi, India

**Tel:** +91 120 4170 200

**E-mail:** [compliance@interarchbuildings.com](mailto:compliance@interarchbuildings.com)

Each of the Selling Shareholders, severally and not jointly, have authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the offer to redress any complaints received from Bidders solely to the extent of the statements specifically made, confirmed or undertaken by Selling Shareholders in the Offer Documents in respect of themselves and their respective Offered Shares.

**Other confirmations**

No person connected with the Offer shall not offer incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

**Exemption from complying with any provisions of securities laws, if any, granted by Securities Exchange Board of India**

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

## SECTION VII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities, issued from time to time, by SEBI and the Stock Exchanges, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or any other governmental, statutory or regulatory authorities while granting approval for the Offer.

#### Ranking of the Equity Shares

The Equity Shares being offered, Allotted and transferred pursuant to the Offer will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable laws. See “*Main Provisions of the Articles of Association*” on page 482.

#### Mode of payment of dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect or any other applicable law. Any dividends declared by our Company, after the date of Allotment in this Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. See “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 299 and 482, respectively.

#### Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, Employee Discount (if any) and the minimum Bid Lot will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and shall be published by our Company in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy or e-voting in accordance with the provisions of the Companies Act, 2013;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act the terms of the SEBI Listing Regulations, our Memorandum of Association, Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of the Articles of Association*” on page 482.

#### **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in dematerialised form only. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated May 18, 2018 among NSDL, our Company and the Registrar to the Offer; and
- tripartite agreement dated September 27, 2023 among CDSL, our Company and the Registrar to the Offer.

#### **Market lot and trading lot**

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised form in multiples of [●] Equity Share, subject to a minimum Allotment of [●] Equity Shares.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in New Delhi, Delhi, India.

#### **Joint holders**

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **Nomination facility**

In accordance with Section 72 of the Companies Act 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, to the exclusion of all other persons, unless the nomination is verified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a



minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the holder of such Equity Share(s). A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or at the Collecting Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013 will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

#### **Bid/Offer Period**

<b>EVENT</b>	<b>INDICATIVE DATE</b>
<b>BID/OFFER OPENS ON<sup>(1)</sup></b>	On or about [●]
<b>BID/OFFER CLOSES ON<sup>(2)(3)</sup></b>	On or about [●]
<b>FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE</b>	On or about [●]
<b>INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT</b>	On or about [●]
<b>CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES</b>	On or about [●]
<b>COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES</b>	On or about [●]

(1) Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

(2) Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIB one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the Self Certified Syndicate Bank(s), to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023.

The aforesaid timetable, is indicative in nature and does not constitute any obligation or liability on our Company or the Selling Shareholders or the Members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, with reasonable support and co-operation of each of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend reasonable support and co-operation required by our Company and the BRLMs, to the extent of each Selling Shareholder's portion of the Offered Shares, to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid/ Offer Closing Date or such time prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

#### **Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Bid/Offer Closing Date*</b>	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic applications (Bank ASBA through Online channels like internet banking, mobile banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Bidders)	Only between 10.00 a.m. and up to 12.00 p.m. IST
<b>Modification/ Revision/cancellation of Bids</b>	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs and Eligible Employees Bidding under the Employee Reservation Portion	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

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

#QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/ withdraw their Bids.

#### **On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

- (ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 12.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Bids will be accepted only on Working Days. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Investors may please note that as per letter no. list/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price provided that the Cap Price shall be at least 105% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days.**

**Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice and by indicating the change on the respective websites of the BRLMs and terminals of the Syndicate Members and will also be intimated to the Designated Intermediaries and the Sponsor Banks, as applicable. However, in case of a revision in the Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

## **Employee Discount**

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

## **Minimum subscription**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond two days, our Company shall pay interest at the rate of 15% per annum including the circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b) of SCRR, allotment of Equity Shares shall be first made towards the Fresh Issue followed by transfer of/ sale of the Offered Shares in the Offer for Sale. Additionally, even if the minimum subscription for 90% of the Fresh Issue is achieved, the Allotment for the balance valid Bids will be made (i) firstly, towards all the Offered Shares of Investor Selling Shareholder; (ii) secondly, towards the remaining Equity Shares offered pursuant to the Fresh Issue; and (iii) lastly, towards the Offered Shares proportionately between the Promoter Selling Shareholders and the Promoter Group Selling Shareholder, respectively. In the event any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with the Draft Red Herring Prospectus and applicable provisions of the SEBI ICDR Regulations.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

Each of the Selling Shareholders shall severally and not jointly adjust or reimburse, in proportion to the portion of its respective Offered Shares, any expenses (with regard to delayed payment of refunds) and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law as agreed among our Company and the Selling Shareholders in writing, provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

## **Arrangements for disposal of odd lots**

Since the Equity Shares will be traded in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

## **New financial instruments**

Our Company is not issuing any new financial instruments through this Offer.

## **Option to receive Equity Shares in dematerialized form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

## **Restrictions, if any on transfer and transmission of Equity Shares**

Except for lock-in of pre-Offer Share capital of our Company, lock-in of our Promoter's Contribution and Anchor Investor lock-in, as detailed in "*Capital Structure – Details of share capital locked-in for six months*", "*Capital Structure – Lock-in of Equity Shares Allotted to Anchor Investors*", "*Capital Structure - Details of minimum Promoters' Contribution locked in for 18 months*" and "*Main Provisions of Articles of Association*" on pages

99, 100, 99 and 482 respectively, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation or splitting.

### **Withdrawal of the Offer**

Our Company and Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Offer, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice within two days from the Bid/Offer Closing Date, or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Bank(s), as the case may be, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly by our Company.

If our Company and the Selling Shareholders in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within such time period as prescribed under applicable law.

## OFFER STRUCTURE

The Offer is [●] Equity Shares of face value of ₹ 10 each, for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 2,000.00 million by our Company and an Offer for Sale of up to 4,447,630 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders.

The Offer comprises Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ [●] million and a Net Offer of [●] Equity Shares aggregating to ₹ [●] million. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital.

Our Company, in consultation with the BRLMs may consider a private placement of Equity Shares to certain investors for an amount aggregating up to ₹ 400.00 million, as permitted under applicable laws on or prior to the date of filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR.

The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment or allocation <sup>*(2)</sup>	Up to [●] Equity Shares aggregating up to ₹ [●] million	Not more than [●] Equity Shares aggregating up to ₹ [●] million	Not less than [●] Equity Shares aggregating up to ₹ [●] million	Not less than [●] Equity Shares aggregating up to ₹ [●] million available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment or allocation	Up to 5% of the post-Offer paid-up equity share capital of our Company	Not more than 50% of the Net Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Category will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Category will also be eligible for allocation in the remaining QIB Category. The unsubscribed Category in the Mutual Fund Category will be available for allocation to other QIBs in the remaining Net QIB Category	Not less than 15% of the Net Offer or the Offer less allocation to QIB Bidders and RIBs will be available for allocation subject to the following: (i) One-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (ii) two-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of the Non-Institutional Category may be allocated to Bidders in other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being	Not less than 35% of the Net Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Basis of Allotment if respective category is oversubscribed*	Proportionate; unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for a value exceeding ₹200,000 (net of Employee Discount)., subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)	Proportionate as follows (excluding the Anchor Investor Category) a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors, of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	received at or above the Offer Price The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Category shall not be less than the minimum application size and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For details, see “Offer Procedure” on page 462
Mode of Bid	ASBA process only (including the UPI Mechanism)	ASBA process only (except in case of Anchor Investors)^	ASBA process only (including the UPI Mechanism), to the extent of Bids up to ₹ 500,000	ASBA process only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	For Non-Institutional Bidders applying under one-third of the Non-Institutional Category (with application size of more than ₹2,00,000 and up to ₹10,00,000) such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000. For Non-Institutional Bidders applying under two-thirds of the Non-Institutional Category (with application size of more than ₹10,00,000) such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 10,00,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so as to ensure that the Bid Amount by each Eligible Employee does not exceed ₹500,000 less	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer size (excluding the Anchor Investors Category), subject to applicable limits	For Non-Institutional Bidders applying under one-third of the Non-Institutional Category (with application size of more than ₹2,00,000 and up to ₹10,00,000) such number of Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	Employee Discount, if any	applicable to each Bidder	in multiples of [●] Equity Shares such that the Bid Amount does not exceeds ₹ 10,00,000.	
			For Non-Institutional Bidders applying under two-thirds of the Non-Institutional Category (with application size of more than ₹10,00,000) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹10 each not exceeding the size of the Net Offer, (excluding the QIB Category) subject to limits applicable to the Bidder	
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share of face value of ₹10 each thereafter	[●] Equity Shares and in multiples of one Equity Share of face value of ₹10 each thereafter	For NIBs allotment shall not be less than the Minimum Non-Institutional Application Size	[●] Equity Shares and in multiples of one Equity Share of face value of ₹10 each thereafter
Trading Lot	[●] Equity Share			
Who can apply (3)(5)(6)	Eligible Employees	Public financial institutions of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds registered with the Pension Fund Regulatory and Development Authority with minimum corpus of ₹ 250 million National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts,	Resident individuals, NRIs, HUFs (in the name of the karta), companies, corporate bodies, societies, trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident individuals, Eligible NRIs and HUFs (in the name of the karta)



Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
		India and Systemically Important NBFCs		
Terms of Payment		<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form</p>		

<sup>\*</sup> Assuming full subscription in the Offer.

<sup>^</sup> SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIBs, RIBs and Eligible Employees Bidding in the Employee Reservation Portion and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

<sup>#</sup> Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹ 200,000) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non Institutional Category shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹ 200,000 (net of Employee Discount) in the Employee Reservation Portion. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion, provided that under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories.

<sup>(1)</sup> Our Company in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Category is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Category is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Category, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Category, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Category will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Selling Shareholders in consultation with the BRLMs.

<sup>(2)</sup> Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.

<sup>(3)</sup> In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

<sup>(4)</sup> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.

<sup>(5)</sup> Bids by FPIs with certain structures as described under “Offer Procedure – Bids by Foreign Portfolio Investors” on page 467 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) may be proportionately distributed.

<sup>(6)</sup> Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the members of the Syndicate, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Category or the Retail Category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. See “**Terms of the Offer**” on page 451.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid. Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs, and the Designated Stock Exchange, on proportionate basis as per the SEBI ICDR Regulations.

## OFFER PROCEDURE

All Bidders should read the General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) price discovery and allocation; and (xiv) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds was discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) were allowed to only use UPI Mechanism with a timeline of T+6 days pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (“**UPI Phase II**”). Furthermore, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, all individual bidders in initial public offerings whose Bid sizes are up to ₹500,000 shall use the UPI Mechanism for submitting their Bids. Thereafter, pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days (“**UPI Phase III**”), using the UPI Mechanism for applications by UPI Bidders was voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. (“**T+3 Circular**”). Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (“**SEBI RTA Master Circular**”) and circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Additionally, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

The BRLMs shall be the nodal entity for any Issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and

*as amended pursuant to SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days. The BRLMs shall be the nodal entity for any issues arising out of the public issuance process.*

*Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus and the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

## **Book Building Procedure**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price.

Furthermore, up to [●] Equity Shares, aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, (for UPI Bidders) as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares offered in the Offer, subject to applicable laws.**

**Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto.**

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a

conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public issues where the application amount is up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- (i) a syndicate member;
- (ii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); or
- (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

#### **Electronic registration of Bids**

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

#### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors, i.e. RIB, QIB, NIB and other reserved categories and also for all modes through which the applications are processed.

ASBA Bidders, are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors <sup>^^</sup>	[●]
Eligible Employees Bidding in the Employee Reservation Portion <sup>#</sup>	[●]

\*Excluding the electronic Bid cum Application Form.

<sup>^</sup>Electronic Bid cum Application Form will be made available for download on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

<sup>^^</sup>Bid cum Application Forms for Anchor Investors were made available at the offices of the BRLMs.

<sup>#</sup>Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of our Company.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to the UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified

in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. The Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, 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 state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions”, as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those 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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Participation by the Promoters and Members of the Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to the Promoters/Promoter Group/BRLMs and the Syndicate Member.**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Category:

- a) mutual funds sponsored by entities which are associate of the BRLMs;
- b) insurance companies promoted by entities which are associate of the BRLMs;
- c) AIFs sponsored by the entities which are associate of the BRLMs; or
- d) FPIs other than individuals, corporate bodies and family offices which are associate of the BRLMs or pension funds registered with the Pension Fund Regulatory and Development Authority sponsored by entities which are associate of the BRLMs.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters or Promoter Group”: (a) rights under a shareholders agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLM” if:

- a) either of them controls, directly or indirectly through its subsidiaries or holding company, not less than 15% of the voting rights in the other; or

- b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- c) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Our Promoters and the members of the Promoter Group, except to the extent of their respective Offered Shares, will not participate in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Category.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible Non Resident Indians**

Eligible NRIs may obtain copies of ASBA Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the ASBA Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a ASBA Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 481.

### **Bids by Hindu Undivided Family**

Bids by Hindu Undivided Families or HUFs, in the individual name of the karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the karta”. Bids by HUFs may be considered at par with Bids from individuals.

### **Bids by Foreign Portfolio Investors**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable

to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100% under the automatic route).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

- a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;



- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

#### **Bids by Securities and Exchange Board of India registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in an investee company directly or through investment in the units of other AIF. A category III AIF cannot invest more than 10% of its investible funds in one investee company. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

**There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

#### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by Banking Companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in

consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank’s paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank’s interest on loans/investments made to a company.

#### **Bids by Self Certified Syndicate Banks**

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds registered with the Pension Fund Regulatory and Development Authority with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund and a copy of the registration certificate obtained by the pension fund from the Provident Fund Regulatory Development Authority

must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds registered with the Pension Fund Regulatory and Development Authority with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholders, in consultation with the BRLMs, may deem fit.

### **Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

- a) Anchor Investor Application Forms will be made available for the Anchor Investor Category at the offices of the BRLMs.
- b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Category. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- c) One-third of the Anchor Investor Category will be reserved for allocation to domestic Mutual Funds.
- d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
- e) Our Company may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Category will not be less than:
  - (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Category is up to ₹ 100 million;
  - (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Category is more than ₹ 100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
  - (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Category, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
- f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
- g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

- h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.
- i) 50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Category shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.
- j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or pension funds registered with the Pension Fund Regulatory and Development Authority sponsored by entities which are associate of the BRLMs) or FPIs, other than individuals, corporate bodies and family offices which are associate of the BRLMs and BRLMs) shall apply in the Offer under the Anchor Investor Category.
- k) Bids made by QIBs under both the Anchor Investor Category and the QIB Category will not be considered multiple Bids.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

### **Bids by Eligible Employees**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 (net of Employee Discount). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹ 500,000 (net of Employee Discount).

However, Allotments to Eligible Employees in excess of ₹ 200,000 (net of Employee Discount) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount) (which will be less Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- (b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (c) Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion.
- (d) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any would be considered for Allotment under this category.

- (e) Eligible Employees can apply at Cut-off Price.
- (f) Bids by Eligible Employees can be made also in the Employee Reservation Portion and in the Net Offer and such Bids shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (g) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (h) Eligible Employees bidding in the Employee Reservation Portion can also Bid through the UPI mechanism.
- (i) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion provided that under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Please note that any individuals who are directors, employees or promoters of (a) the BRLMs, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLMs, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding under the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Date.

**Do's:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. UPI Bidders shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;
7. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 pm on the Bid/ Offer Closing Date;
10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws; Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
20. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders) and PAN available in the Depository database;
21. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in));
22. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
23. Ensure that the Demographic Details are updated, true and correct in all respects;
24. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
25. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank(s) issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
26. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorisation of the mandate using their UPI PIN, a UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank(s) issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
27. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

28. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
29. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
30. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
31. The ASBA bidders shall ensure that bids above. 500,000, are uploaded only by the SCSBs;
32. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are re-categorised as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors



- having valid depository accounts as per Demographic Details provided by the depository);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Red Herring Prospectus;
  15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;
  16. In case of ASBA Bidders (other than UPI Bidders), do not submit more than one Bid cum Application Form per ASBA Account;
  17. If you are a UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;
  18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
  19. In case of ASBA Bidders (other than 3 in 1 Bids), Syndicate Members shall ensure that they do not upload any Bids above ₹500,000;
  20. Anchor Investors should not bid through the ASBA process;
  21. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
  22. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
  23. Do not submit the GIR number instead of the PAN;
  24. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
  25. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
  26. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;
  27. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidders. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
  28. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder, do not submit the ASBA Form directly with SCSBs;
  29. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
  30. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
  31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and
  32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 85.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information – Company Secretary and Compliance Officer*” on page 84.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

#### **Names of entities responsible for finalising the Basis of Allotment in a fair and proper manner**

The authorised employees of the Designate Stock Exchange, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by the Securities Exchange Board of India from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Net Offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the RIBs, NIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each RIB shall not be less than the minimum Bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Category, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

#### **Payment into Anchor Investor Escrow Account**

Our Company in consultation with the BRLMs, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all

editions of [●] (a widely circulated English national daily newspaper), and in all editions of [●] (a widely circulated Hindi daily newspaper, Hindi being the regional language of New Delhi, where our Registered Office is located). In the pre-Offer advertisement, our Company shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in part A of Schedule X of the SEBI ICDR Regulations.

### **Allotment Advertisement**

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located).

### **Signing of the Underwriting Agreement and filing with the Registrar of Companies, Delhi and Haryana at New Delhi**

Our Company and the Selling Shareholders intend to enter into the Underwriting Agreement after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years). Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

### **Undertakings by our Company**

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- if Allotment is not made within the prescribed timelines under applicable laws, the application monies will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within

such period as may be prescribed under applicable law;

- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- except for any allotment pursuant to the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, etc;
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

#### **Undertakings by the Selling Shareholders**

Each of the Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- a) it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- b) its respective portion of Offered Shares are eligible for being offered in the Offer in terms of Regulation 8 of the SEBI ICDR Regulations;
- c) it shall extend all necessary support, documentation and cooperation, as required under applicable laws or requested by to the Company and/ or the BRLMs, to the extent of their respective Offered Shares;
- d) its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- e) it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer; and
- f) it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges.

#### **Utilisation of Offer Proceeds**

Our Board certifies that:

- a) all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act 2013;
- b) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- c) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India (“DPIIT”) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Circular**”), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. The RBI and the concerned ministry/ department are responsible for granting the approval for foreign investment under the FDI Circular and FEMA.

FDI in companies in the manufacturing sector is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

All investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible Non-Resident Indian*” and “*Offer Procedure – Bids by Foreign Portfolio Investor*” on pages 467 and 467.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, 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 state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and, in compliance with, Regulation S and the applicable laws of the jurisdiction where those 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 offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### THE COMPANIES ACT, 2013

### COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION

### OF

### INTERARCH BUILDING PRODUCTS LIMITED

### PART A

The Articles of Association of Interarch Building Products Limited (“**Company**”), which have been adopted by our Board of Directors pursuant to a resolution dated March 8, 2024 and approved by the Shareholders pursuant to a special resolution dated March 8, 2024, comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of filing of the updated draft red herring prospectus of the Company (“**UDRHP**”) prepared in connection with the proposed initial public offering of its Equity Shares (“**IPO**”) with the Securities and Exchange Board of India (“**SEBI**”). In the event of any inconsistencies between Part A and Part B, the provisions of Part B shall prevail.

Part A shall automatically, and without any further corporate actions by the Company or by the Shareholders, come into effect on the date of filing of the UDRHP with the SEBI pursuant to the Offer (“**UDRHP Date**”); and Part B shall automatically, and without any further corporate action by the Company or by the Shareholders, terminate and shall cease to have any force and effect on and from the UDRHP Date.

However, with effect from, and upon the earlier of the following dates: (i) if the IPO is not completed by December 31, 2024 or such date as may be agreed in writing, subject to applicable Laws; or (ii) the date on which Board decides not to undertake the IPO and/or withdraw any offer document filed with any regulatory authority in respect of the Offer, including any draft offer document filed with the SEBI, subject to applicable Laws; or (iii) if the listing of the Equity Shares pursuant to the Offer is not completed on or before 12 months from the date of receipt of final observations from SEBI on the DRHP, Part B will become operative and come into effect, without any further corporate action by the Company or by the Shareholders and in case of any inconsistency between the provisions of Part A and Part B, the provisions of Part B shall prevail.

### APPLICABILITY OF TABLE F

Subject as hereinafter provided and in so far as these presents do not modify or exclude them the regulations contained in Table ‘F’ of Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

### *Interpretation*

1. In these regulations-
  - (a) **"the Act"** means the Companies Act, 2013, including the rules and regulations framed thereunder, from time to time, and includes any statutory modification(s) or re- enactment thereof for the time being in force;
  - (b) **"the seal"** means the common seal of the company.
  - (c) **"Company"** means Interarch Building Products Limited.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

### *Public Company*

The Company is a public company within the meaning of the Act.

### *Share capital and variation of rights*

1. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
2. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit or subject to the compliance with Section 53 of the Act, at a discount as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting.
3. (i) Every person whose name is entered as a member in the register of members, subject to the Act and other applicable law, shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, -
  - (a) one or more certificate for all his shares in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charges; or
  - (b) several certificates, if the Board so approves (upon paying such fee as the Board so determines, subject to a maximum of twenty rupees), each for one (1) or more of such Shares, and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.

Provided that this shall be signed by two Directors or one Director and the company secretary and shall be in such form as prescribed under sub-section (3) of Section 46 of the Act.
- (ii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
4. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.
- (ii) The provisions of this Article shall *mutatis mutandis* apply to debentures of the company.
5. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
6. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
7. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be as per the applicable provisions of the Act.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
9. Subject to the provisions of section 55 of the Act and rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the company may determine before the issue of the shares, by way of a special resolution.
10. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

#### ***Further Issue of Shares***

11. (1) Where at any time, it is proposed to increase the subscribed Share Capital of the Company by the issue of further Shares, such Shares shall be offered –
- (a) to the persons who, on the date specified under applicable law, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:
    - (i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
    - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right;
    - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to Shareholders and the Company.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution



passed by the Company and subject to such conditions as prescribed in the Act; or

- (c) to any persons, if its authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) either for cash or for a consideration other than cash, subject to compliance with applicable Law.
- (2) The notice referred to in sub-clause (i) of clause (a) of sub-clause (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue or such other period prescribed under applicable law.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

- (4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

#### ***Dematerialization Of Shares***

- 12. The Company shall be entitled to treat the person whose name appears on the register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of the Act.

Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of our Company, which have been dematerialized.

- 13. Notwithstanding anything contained herein, our Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a

register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.

14. Every person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a person who is the beneficial owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and our Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.
15. If a person opts to hold his Shares with a depository, our Company shall intimate such Depository the details of allotment of the Shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.
16. All Shares held by a depository shall be dematerialized and shall be in a fungible form.
  - (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.
  - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.
17. Every person holding Shares of our Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of our Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a Depository.
18. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
19. In the case of transfer of Shares or other marketable Securities where our Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

#### ***Lien***

20. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share or debentures), registered in the name of each Member or holder, respectively (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share or debenture; and
  - (b) on all shares or debentures (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company; and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect.

Provided that fully paid up shares shall be free from all liens and in respect of any partly paid shares/ debentures of the Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures.

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

21. Subject to provision of the Act, the company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.
22. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
23. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### *Calls on shares*

24. (i) Subject to the provision of the Act, the Board may, from time to time, make calls as it thinks fit upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or byway of premium) and not by the conditions of allotment thereof made payable at fixed times,
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
25. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
27. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
28. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

29. The Board—
- (a) may, subject to the provisions of Section 50 of the Act, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Provided that the amount paid in advance of calls on any share may carry interest but shall not confer a right to dividend or to participate in profits.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.

The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the company.

#### *Transfer of shares*

30. (a) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (c) The Company shall use a common form of transfer.
- (d) The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.
31. The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
32. Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares, not being a fully paid share, to a person of whom they do not approve, and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 30 (thirty) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Board may decline to recognize any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

Provided that where the securities are dealt with in a depository, the company shall intimate the details of allotment of securities to depository immediately on allotment of such securities.

33. On giving not less than seven days' prior notice in accordance with section 91 of the Act and rules made there under or such other period as required under applicable law,, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

34. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

#### ***Transmission of shares***

35. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

36. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

37. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

38. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### ***Forfeiture of shares***

39. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid,

serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

40. The notice aforesaid shall -
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
42. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
43. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
44. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall there upon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
45. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### *Alteration of capital*

46. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
47. Subject to the provisions of Section 61 of the Act, the company may, by ordinary resolution, -
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
48. Where shares are converted into stock, -
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
49. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law, -
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

***Capitalisation of profits***

50. (i) The company in general meeting may, upon the recommendation of the Board, resolve -
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards -
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

- (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
51. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

***Buy-back of shares***

52. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

***General meetings***

53. All general meetings other than annual general meeting shall be called extraordinary general meetings.
54. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board, subject to applicable law.
- (iii) Subject to section 101 of Act, a general meeting may be called by giving to the members a clear twenty one days' notice either in writing or through electronic mode to all members, directors and the auditor(s) of the Company, specifying the place, date, day and the hour of the meeting, with a statement of the business to be transacted at the meeting.

Provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance with the Act and other applicable law.

***Proceedings at general meetings***

55. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act or other requirements under applicable law.
- (iii) In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of section 103 of the Act, the general meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, provided that the agenda for such



adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.

56. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
57. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
58. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### *Adjournment of meeting*

59. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### *Voting rights*

60. Subject to any rights or restrictions for the time being attached to any class or classes of shares, -
  - (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
61. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
62. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
63. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
64. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
65. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
66. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### ***Proxy***

67. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
68. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
69. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### ***Board of Directors***

70. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution.
71. The following shall be the first directors of the Company:
1. Arvind Nanda
  2. Gautam Suri
72. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration, fees and/or commission payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.
73. The Board may pay all expenses incurred in setting up and registering the company.
74. The Directors shall not be required to hold any qualification shares.
75. The company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
76. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
77. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
78. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

***Proceedings of the Board***

- 79. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 80. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 81. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- 82. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. The managing director or chief executive officer of the Company, may be the chairperson.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
- 83. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 84. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 85. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 86. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 87. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

- 88. Subject to the provisions of the Act:-

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
89. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### *The Seal*

90. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### *Dividends and Reserve*

91. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
92. Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
93. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- (iii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iv) All dividends shall be declared and paid according to the amounts paid or credited as paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of shares.
- (v) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
94. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
95. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named

on the register of members, or to such person and to such address as the holder or joint holders may in writing direct or in any other mode permitted under applicable law.

- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
96. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
97. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
98. No dividend shall bear interest against the company.
99. Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.
100. Any money transferred to the 'Unpaid Dividend Account' of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with the interest accrued, if any, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

#### *Accounts*

- 101.
- (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
  - (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

#### *Winding up*

102. Subject to provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### *Indemnity*

103. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

### ***General Authority***

104. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.
105. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”) and the Act, as amended, the provisions of the Listing Regulations and the Act shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations and the Act, from time to time.

### **PART B**

Part B of the Articles provide for, among other things, the rights of certain shareholders pursuant to the Shareholders Agreement. For more details, see ‘*History and Certain Corporate Matters – Summary of key agreements and shareholders agreements - Shareholders’ agreement dated December 4, 2007 entered among our Company, OIH Mauritius, Arvind Nanda, Gautam Suri, Taipan and IGS (the “Original SHA Parties”) read with (i) deeds of adherence each dated May 27, 2009 executed between Gautam Suri, Ishaan Suri and Gautam Suri, Shobhna Suri, (the “Additional SHA Parties, and collectively with the Original SHA Parties, the “Parties”) respectively (“Deeds of Adherence”); and (ii) the amendment cum waiver agreement dated March 8, 2024 entered into among the Parties (“Amendment Agreement”, together with shareholders’ agreement and the Deeds of Adherence, the “Shareholders’ Agreement”)*’ on page 271.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts and documents which have been executed, entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, will be attached to the copy of the Red Herring Prospectus to be filed with the Registrar of Companies (except for such contracts and documents executed after the filing of the Red Herring Prospectus). Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office, between 10.00 am and 5.00 pm on all Working Days and will also be available at the website of our Company at <https://www.interarchbuildings.com/financial-information.asp> , from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act, 2013 and other applicable law.

#### *Material Contracts to the Offer*

- (1) Offer Agreement dated March 18, 2024 entered into among our Company, the Selling Shareholders and the BRLMs.
- (2) Registrar Agreement dated March 8, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
- (3) Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members and Banker(s) to the Offer.
- (4) Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent.
- (5) Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.
- (6) Underwriting Agreement dated [●] entered into among our Company, the Registrar to the Offer, the Selling Shareholders and the Underwriters.
- (7) Monitoring Agency Agreement dated [●] entered into among our Company and the Monitoring Agency.

#### *Material Documents in relation to the Offer*

- (1) Certified copies of Memorandum of Association and Articles of Association of our Company as amended until date.
- (2) Certificate of incorporation dated November 30, 1983, issued by RoC.
- (3) Fresh certificate of incorporation dated August 9, 1985, issued by RoC, consequent upon change of name of our Company from “Luxalon Building Products Private Limited” to “Interarch Building Products Private Limited”.
- (4) Endorsement of the certificate of incorporation dated August 9, 1985 by the RoC with effect from July 1, 1996, consequent to becoming a deemed public company.
- (5) Endorsement of the certificate of incorporation dated August 9, 1985 by the RoC with effect from January 11, 2002, consequent to conversion of our Company from a deemed public company to a private limited company.
- (6) Fresh certificate of incorporation dated December 15, 2023 issued by the RoC consequent upon conversion of our Company to a public limited company, consequent upon change of name of our Company from “Interarch Building Products Private Limited” to “Interarch Building Products Limited”.

- (7) Deed of personal guarantees dated January 18, 2024 given by Arvind Nanda and Gautam Suri in relation to the working capital facilities availed by our Company from a consortium of banks (State Bank of India, ICICI Bank Limited, HDFC Bank Limited, Yes Bank Limited, IDFC First Bank Limited, Bank of Baroda and IndusInd Bank Limited) respectively.
- (8) Resolution passed by our Board in relation to the Offer and other related matters dated January 15, 2024.
- (9) Shareholders resolution dated January 17, 2024 approving the Fresh Issue and other related matters.
- (10) Resolution of the Board of Directors dated March 18, 2024 approving this Draft Red Herring Prospectus for filing with the SEBI and the Stock Exchanges.
- (11) Consent letters from each of the Selling Shareholders consenting to participate in the Offer for Sale.
- (12) The Shareholders Agreement dated December 4, 2007 entered among our Company, OIH Mauritius, Arvind Nanda, Gautam Suri, Taipan and IGS.
- (13) The Share Subscription Agreement dated December 4, 2007 entered among our Company; OIH Mauritius, Arvind Nanda, Gautam Suri, Taipan and IGS.
- (14) Deed of adherence dated May 27, 2009 each executed between Ishaan Suri and Gautam Suri, Shobhna Suri and Gautam Suri respectively.
- (15) Amendment cum Waiver Agreement dated March 8, 2024 entered among our Company, OIH Mauritius, Arvind Nanda, Gautam Suri, Ishaan Suri, Shobhna Suri, Taipan and IGS.
- (16) Resolution of the Audit Committee dated March 18, 2024, approving the key performance indicators.
- (17) Resolution dated August 7, 2021 passed by our Board and Shareholders in relation to the re-designation of Arvind Nanda, as our Managing Director.
- (18) Resolution dated January 15, 2024 passed by our Board and Shareholders dated January 17, 2024 in relation to the re-designation of Gautam Suri, as our Whole -time Director.
- (19) Copies of annual reports of our Company for the last three Financial Years, *i.e.*, Financial Years 2023, 2022 and 2021.
- (20) Consent dated March 18, 2024 from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated 14, 2024 on our Restated Financial Information; and (ii) their report dated March 18, 2024 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- (21) Examination report dated March 14, 2024 of the Statutory Auditors on our Restated Financial Information.
- (22) Report dated March 18, 2024 of the Statutory Auditors on the statement of special tax benefits available to the Company and its shareholders.
- (23) Consent dated March 18, 2024 from Manian & Rao, Chartered Accountants, to include its name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and referred to as an “expert”, as defined under Section 2(38) of the Companies Act, in respect of the certificates issued by them in connection with the Offer. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- (24) Consent dated March 9, 2024 from Khyati Enterprises (acting through its proprietor, Pradeep Kumar, chartered engineer) to include their name as required under Section 26(5) of the Companies Act, 2013, read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined



under Section 2(38) of the Companies Act, 2013, in respect of (i) certificate dated March 9, 2024 for Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II, Pantnagar Manufacturing Facility and Kichha Manufacturing Facility, respectively, containing details of *inter alia* the installed capacity, actual production and capacity utilisation at each of the above-mentioned manufacturing facilities; (ii) certificate dated March 9, 2024 on our Company's proposed upgradation of the: (a) Tamil Nadu Manufacturing Facilities; (b) Kichha Manufacturing Facility; and (c) Pantnagar Manufacturing Facility; and (iii) detailed project report titled "Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities" dated March 9, 2024.

- (25) Industry report titled "Assessment of pre-engineered Steel Buildings Industry in India" released in January 2024, prepared by CRISIL, exclusively in connection with the Offer.
- (26) Resolution dated March 18, 2024 approving the objects of the Offer.
- (27) Consent letter dated March 15, 2024 from CRISIL with respect to the CRISIL Report.
- (28) Consents of the BRLMs, the Syndicate Members, Registrar to the Offer, Bankers to the Offer, bankers to our Company, Monitoring Agency, legal advisor to our Company as to Indian law, our Directors, Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
- (29) Certificate dated March 18, 2024 from Manian & Rao, Chartered Accountants, certifying the key performance indicators of our Company.
- (30) Tripartite agreement dated May 18, 2018 among NSDL, our Company and the Registrar to the Offer; and
- (31) Tripartite agreement dated September 27, 2023 among CDSL, our Company and the Registrar to the Offer.
- (32) In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
- (33) Due diligence certificate dated [●], addressed to SEBI from the BRLMs.
- (34) SEBI observation letter bearing reference no. [●] dated [●].

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Name of director:** Sonali Bhagwati Dalal

**Designation:** Chairperson and Independent Director

Date: March 18, 2024

Place: New Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Name of director:** Arvind Nanda

**Designation:** Managing Director

**Date:** March 18, 2024

**Place:** New Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Name of director:** Gautam Suri  
**Designation:** Whole-time Director  
Date: March 18, 2024  
Place: New Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Name of director:** Viraj Nanda

**Designation:** Non-Executive Director

Date: March 18, 2024

Place: New Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Name of director:** Ishaan Suri

**Designation:** Non-Executive Director

Date: March 18, 2024

Place: New Delhi

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

**Name of director:** Dhanpal Arvind Jhaveri

**Designation:** Nominee Director (*nominee of OIH Mauritius*)

Date: March 18, 2024

Place: Berlin

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Name of director:** Mohit Gujral

**Designation:** Independent Director

Date: March 18, 2024

Place: New Delhi



## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Name of director: Sanjiv Bhasin**

**Designation:** Independent Director

Date: March 18, 2024

Place: Mumbai

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the SEBI Act, the SCRA, the SCRR, each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

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Pushpendra Kumar Bansal

**Designation:** Chief Financial Officer

Date: March 18, 2024

Place: Noida

## **DECLARATION BY THE PROMOTER SELLING SHAREHOLDER**

I, Arvind Nanda, as a Promoter Selling Shareholder hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Name:** Arvind Nanda

**Date:** March 18, 2024

**Place:** New Delhi

## **DECLARATION BY THE PROMOTER SELLING SHAREHOLDER**

I, Gautam Suri, as a Promoter Selling Shareholder hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Name:** Gautam Suri  
**Date:** March 18, 2024  
**Place:** New Delhi

## **DECLARATION BY THE PROMOTER SELLING SHAREHOLDER**

I, Ishaan Suri, as a Promoter Selling Shareholder hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Name:** Ishaan Suri

**Date:** March 18, 2024

**Place:** New Delhi

## **DECLARATION BY THE PROMOTER GROUP SELLING SHAREHOLDER**

I, Shobhna Suri, as a Promoter Group Selling Shareholder hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about and in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Name:** Shobhna Suri  
**Date:** March 18, 2024  
**Place:** New Delhi

## **DECLARATION BY THE INVESTOR SELLING SHAREHOLDER**

We, OIH Mauritius Limited (*previously known as Indivision India Partners*), as the Investor Selling Shareholder hereby confirm and certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus about and in relation to us, as an Investor Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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**Signed for and on behalf of OIH MAURITIUS LIMITED (previously known as Indivision India Partners)**

Name: Michael Calisse

Authorised Signatory

Date: March 18, 2024

Place: Mauritius