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PROSPECTUS

Dated July 31, 2024

Please read section 26 and 32 of the Companies Act 2013

100% Book Built Issue



ESPRIT STONES LIMITED

Corporate Identity Number: U74999RJ2016PLC056284

REGISTERED OFFICE	Corporate Office	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
SP1, Udyog Vihar, Sukher Industrial Area, Udaipur – 313 004, Rajasthan, India	Khasra No. 1106 - 1109, Revenue Village Bhilwada, Kukdeshwar Mahadev Road, Udaipur – 313 001, Rajasthan, India	Anjali Pandey, Company Secretary and Compliance Officer	E-mail: legal@espritstones.com Telephone: +91 91166 52582	www.espritstones.com

OUR PROMOTERS: SUNILKUMAR LUNAWATH, NITIN GATTANI, PRADEEPKUMAR LUNAWATH, SANGEE TA GATTANI, ANUSHREE LUNAWATH AND SIDDHANTH LUNAWATH

DETAILS OF THE PUBLIC ISSUE

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	57,95,200 ¹ Equity Shares aggregating to ₹ 5,035.42 lakhs	Nil	₹ 5,035.42 lakhs	The Issue was being made pursuant to Regulation 229(2) and 253(1) of SEBI ICDR Regulation. As the Company's post issue face value capital is more than ₹10.00 crore rupees and upto ₹25.00 crore. For further details, see "Other Regulatory and Statutory Disclosures - Eligibility for the Issue" on page 291. For details of share reservation among Qualified Institutional Bidders ("QIBs"), Non-Institutional Bidders ("NIBs"), Retail Institutional Bidders ("RIBs") and Eligible Employees, see the section titled "Issue Structure" on page 312.

DETAILS IN RELATION TO FLOOR PRICE, CAP PRICE, EMPLOYEE DISCOUNT AND MINIMUM BID LOT

THE FLOOR PRICE IS ₹ 82 PER EQUITY SHARE WHICH IS 8.20 TIMES OF THE FACE VALUE AND THE CAP PRICE IS ₹ 87 PER EQUITY SHARE WHICH IS 8.70 TIMES OF THE FACE VALUE. THE MINIMUM BID LOT IS 1600 EQUITY SHARES AND IN MULTIPLES OF 1600 EQUITY SHARES THEREAFTER. DISCOUNT OF ₹ 5 PER EQUITY SHARE WAS OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION - NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price was 8.70 times of the face value of the Equity Shares. The Floor Price, Cap Price and Issue Price determined and justified by our Company in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "Basis for Issue Price" on 122 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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 Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 39.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the EMERGE platform of National Stock Exchange of India Limited ("NSE"). Our Company has received an 'in-principle' approval letter dated June 4, 2024 from NSE for using its name in this Offer Document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE. ("NSE"). A signed copy of this Prospectus shall be delivered for filing with the RoC in accordance with Section 26(4) of the Companies Act.

BOOK RUNNING LEAD MANAGERS

Name of Book Running Lead Managers and Logo	Contact Person	Telephone and Email
Choice Capital Advisors Private Limited 	Nimisha Joshi / Anuj Killa	Telephone No: +91 22 6707 9999 / 7919 Email: esl ipo@choiceindia.com
Srujan Alpha Capital Advisors LLP 	Jinesh Doshi	Telephone No: +91 22 4603 0709 Email: jinesh@srujanalpha.com

REGISTRAR TO THE ISSUE

Name of Registrar	Contact Person	Telephone and Email
Link Intime India Private Limited 	Shanti Gopalkrishnan	Telephone: +91 81081 14949 Email: espritstones.ipo@linkintime.co.in

ISSUE PROGRAMME

ANCHOR INVESTOR BID/ ISSUE PERIOD	Thursday, July 25, 2024*	BID/ISSUE OPENED ON:	Friday, July 26, 2024*	BID/ISSUE CLOSED ON:	Tuesday, July 30, 2024#
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¹Subject to finalization of Basis of Allotment

*The Anchor Investor Bidding Date was 1 (one) Working Day prior to the Bid/Issue Opening Date.

#The UPI mandate end time and date was at 5:00 p.m. on Bid/Issue Closing Day.



ESPRIT STONES LIMITED

Our Company was originally incorporated as 'Esprit Stones Private Limited', a private limited company under Companies Act, 2013, pursuant to a certificate of incorporation dated October 19, 2016 issued by the Central Registration Centre. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an Extra-ordinary General Meeting held on January 12, 2024 and a fresh certificate of incorporation dated February 5, 2024 was issued by the Registrar of Companies, Rajasthan at Jaipur consequent upon conversion, recording the change in name of our Company from 'Esprit Stones Private Limited' to 'Esprit Stones Limited'. For details of change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 174.

Registered Office: SP1, Udyog Vihar, Sukher Industrial Area, Udaipur – 313 004, Rajasthan, India

Corporate Office: Khasra No. 1106 - 1109, Revenue Village Bhilwada, Kukdeshwar Mahadev Road, Udaipur – 313 001, Rajasthan, India

Contact Person: Anjali Pandey, Company Secretary and Compliance Officer; **Tel:** +91 91166 52582

E-mail: legal@espritstones.com **Website:** www.espritstones.com

Corporate Identity Number: U74999RJ2016PLC056284

OUR PROMOTERS: SUNIL KUMAR LUNAWATH, NITIN GATTANI, PRADEEPKUMAR LUNAWATH, SANGEE TA GATTANI ANUSHREE LUNAWATH AND SIDDHANTH LUNAWATH

INITIAL PUBLIC OFFER OF UP TO 57,95,200 EQUITY SHARES* OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") OF ESPRIT STONES LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 87 PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ 77 PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING TO ₹ 5,035.42 LAKHS (THE "ISSUE") OF WHICH 2,91,200 EQUITY SHARES AGGREGATING TO ₹ 253.34 LAKHS (CONSTITUTING 1.33% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) WERE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION") AND UP TO 1,28,000 EQUITY SHARES AGGREGATING TO ₹ 104.96 LAKHS (CONSTITUTING UP TO 0.58% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) WAS RESERVED FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, OFFERED A DISCOUNT OF UP TO 5.75% (EQUIVALENT OF ₹ 5 PER EQUITY SHARE) TO THE ISSUE PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION AND EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE CONSTITUTED 26.41 % AND 24.50 % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FLOOR PRICE WAS ₹ 82 PER EQUITY SHARE WHICH IS 8.20 TIMES OF THE FACE VALUE AND THE CAP PRICE WAS ₹ 87 PER EQUITY SHARE WHICH WAS 8.70 TIMES OF THE FACE VALUE. THE MINIMUM BID LOT IS 1600 EQUITY SHARES AND IN MULTIPLES OF 1600 EQUITY SHARES THEREAFTER. A DISCOUNT OF ₹ 5 PER EQUITY SHARE WAS OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

The Issue was being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue were allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company, in consultation with the Book Running Lead Managers, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion was made available to be added to the remaining Net QIB Portion for proportionate allocation to QIBs. (the "Net QIB Portion"). Further, not less than 15% of the Net Issue were made available for allocation on a proportionate basis to Non-Institutional Bidders ("Non-Institutional Portion") and not less than 35% of the Net Issue were made available for allocation to Retail Individual Bidders ("Retail Portion") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) were required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts were blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors were not permitted to participate in the Issue through the ASBA process. For details, see "*Issue Procedure*" on page 317. A copy of this Prospectus will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Issue Price as determined by our Company in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in the "*Basis for Issue Price*" on page 122 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active 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 this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue 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 Prospectus. Specific attention of the investors is invited to the section "*Risk Factors*" on page 39.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE"). Our Company has received an 'in-principle' approval letter dated June 04, 2024 from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of the NSE. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus and this Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents that were made available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 417.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE ISSUE

<p>Choice Capital Advisors Private Limited Sunil Pataodia Tower, Plot No.156-158 J.B. Nagar, Andheri (East), Mumbai - 400 099, Maharashtra, India Telephone: +91 22 6707 9999 / 7919 E-mail: esl ipo@choiceindia.com Website: www.choiceindia.com/merchant-investment-banking Investor Grievance E-mail: regulator_advisors@choiceindia.com Contact Person: Nimisha Joshi / Anuj Killa SEBI Registration No.: INM000011872</p>	<p>Srujan Alpha Capital Advisors LLP 824 & 825, Corporate Avenue Sonawala Rd, opposite Atlanta Centre, Sonawala Industry Estate Goregaon, Mumbai – 400 064 Telephone: +91 022- 4603 0709 E-mail: jinesh@srujanalpha.com Website: www.srujanalpha.com Investor Grievance E-mail: partners@srujanalpha.com / jinesh@srujanalpha.com Contact Person: Jinesh Doshi SEBI Registration No.: INM000012829</p>	<p>Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India Telephone: +91 8108114949 E-mail: espritstones.ipo@linkintime.co.in Investor grievance email: espritstones.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No: INR000004058</p>

ISSUE PROGRAMME

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision

The words and expressions used in this Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Further, Issue related terms used but not defined in this Prospectus shall have the meaning ascribed to such terms under the General Information Document.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled "Industry Overview", "Key Regulations and Policies in India", "Statement of Special Tax Benefits", "Basis for the Issue Price", "Restated Financial Statement", "Outstanding Litigations and Material Developments", and "Main Provision of Articles of Association" on pages 135, 167, 131, 122, 205, 271 and 354 respectively, shall have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
“ESL”, “Our Company”, “the Company”, “the Issuer”, “Esprit Stones” and “Esprit Stones Limited”	Esprit Stones Limited, a public limited company incorporated in India under the Companies Act, 2013 having its Registered Office at, SP1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan – 313 004, India and Corporate Office located at Kh No. 1106-1109, Revenue Village Bhilwada, Lakhawali, Udaipur - 313001, Rajasthan, India
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis as on the date of this Prospectus.
“you”, “your” or “yours”	Prospective investors in this Issue

Company Related Terms

Term	Description
Addwaya Chemicals	Our subsidiary, Addwaya Chemicals Private Limited incorporated in India under the Companies Act, 2013 having its registered office at 400, 4 Floor Arihant Plaza, Udaipur – 313 001, Rajasthan, India
AoA / Articles of Association / Articles	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as described in " Our Management " on page 179.
Auditor / Statutory Auditor / Peer Review Auditor	The statutory auditors of our Company, being M/s A Bafna & Co., Chartered Accountants.
Board / Board of Directors	Unless otherwise specified the board of directors of our Company as duly constituted from time to time, including any committees thereof, as described in " Our Management ", on page 179.
Banker to our Company	HDFC Bank Limited
Corporate Identification Number/ CIN	U74999RJ2016PLC056284
Corporate Office	Corporate office of our Company situated at Khasta No. 1106 – 1109,

Term	Description
	Revenue Village Bhilwada, Kukdeshwar Mahadev Road, Udaipur – 313 001, Rajasthan, India
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Section 135 and other applicable provisions of the Companies Act, 2013, and as described in " Our Management " on page 179.
Chief Financial Officer / CFO	Chief financial officer of our Company, Prakash Manghani. For details, see " Our Management " on page 179.
Companies Act / Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable.
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Anjali Pandey. For details, see " Our Management " on page 179.
DIN	Directors identification Number
Director(s)	The Director(s) on the Board of our Company as described in " Our Management " on page 179.
Equity Shares	The equity shares of our Company of face value of ₹10 each
Equity Shareholders	The holders of Equity Shares of our Company from time to time
Executive Director(s)	Executive directors on our Board of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term 'group companies' includes companies (other than our Subsidiaries) with which there were related party transactions in accordance with Ind AS 18 as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and such other companies as considered material by our Board in accordance with the Materiality Policy, and as identified in " Our Group Companies " on page 200.
Haique Inc.	Our foreign subsidiary, a stock corporation incorporated under the laws of the State of Delaware, situated at 8, the Green, STE A, Dover, Kent - 19901 in the United States of America namely, Haique Stones Inc.
HSPL / Haique India	Our wholly-owned subsidiary, Haique Stones Private Limited incorporated in India under the Companies Act, 2013 having its registered office at, Khasra No 1106-1109, Village-Bhilwada Lakhawali, Udaipur - 313011, Rajasthan, India
Indian GAAP	Generally Accepted Accounting Principles in India.
Independent Director(s)	Independent directors on the Board, who are eligible to be appointed as an independent director under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please refer to the chapter titled " Our Management " on page 179.
ISIN	International Securities Identification Number, being INE0SBP01018
Joint-Managing Director	The Joint-managing director of our Company, being, Nitin Gattani
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in " Our Management " on page 179.
Managing Director / MD	The managing director of our Company, being, Sunilkumar Lunawath
Manufacturing Facilities	Collectively, the Manufacturing Facility I, Manufacturing Facility II, Manufacturing Facility III and Manufacturing Facility IV
Manufacturing Facility I	Our factory premises situated at Khasra no. 1106-1109, Revenue village Bhilwara, Kukdeshwar Mahadev Road, Udaipur – 313 001, Rajasthan
Manufacturing Facility II	Our factory premises situated at 1096, Near Gssadkaliya, Behind Pawan Nursery, Kapurawato Ka Bada, Adkaliya, Salumber, Udaipur – 313 027, Rajasthan
Manufacturing Facility III	The factory premises of Addwaya Chemicals situated at 1953/11, 2080/10, 2082/11, Village Rathujana, Negdiya, Rajsamand – 313 202, Rajasthan,

Term	Description
	India
Manufacturing Facility IV	The factory premises of HSPL situated at Arajai No. 2085 Village-Rathujana Nagdiya ahead of Negadia Toll Plaza, Negdiya, Delwara, Rajsamand- 313 202. Rajasthan
Material Subsidiaries	Material subsidiaries of our Company in terms of Regulation 16(1)I of the SEBI Listing Regulations, namely, HSPL, Addwaya Chemicals and Haique Inc.
Materiality Policy	The policy adopted by our Board on February 6, 2024 for identification of material Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MoA / Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations as described in “ <i>Our Management</i> ” beginning on page 179.
Non-Executive Director(s)	The non-executive Director(s) of our Company.
Promoters	The promoters of our Company, being Sunilkumar Lunawath, Nitin Gattani, Pradeepkumar Lunawath, Sangeeta Gattani, Anushree Lunawath and Siddhanth Lunawath as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 192.
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 192.
Registered Office	The registered office of our Company situated at SP1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan – 313 004, India
Registrar of Companies or RoC	The Registrar of Companies, Rajasthan at Jaipur
Restated Consolidated Financial Information / Restated Consolidated Financial Statements / Restated Financial Information / Restated Financial Information	The Restated Financial Statements of our Company and in the period applicable its Subsidiaries included in this Prospectus comprises of the Restated Consolidated Balance Sheet as at and for the financial years ended March 31, 2024 March 31, 2023 and March 31, 2022 and the Restated Consolidated Statement of Profit & Loss and Restated Consolidated Cash Flow Statement financial for years ended March 31, 2024 March 31, 2023 and March 31, 2022 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in accordance with Indian GAAP, and the requirements of Section 26 of the Companies Act, restated in accordance with the SEBI ICDR Regulations, and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI, together with the schedules, notes and annexure thereto as amended from time to time. For details, see “ <i>Financial Information</i> ” on page 205.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as described in “ <i>Our Management</i> ” on page 179.
Subsidiaries	The subsidiaries of our Company, being Addwaya Chemicals Private Limited, Haique Stones Private Limited and Haique Stone Inc. For further details, see “ <i>History and Certain Corporate Matters</i> ” on page 174
Senior Personnel/SMP	Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” on page 179.
Stock Exchange	Unless the context requires otherwise, refers to, the Emerge Platform of

Term	Description
	NSE
Whole-time Director(s)	Director(s) in the whole-time employment of our Company

Issue Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The acknowledgement slips or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form
Allot / Allotment / Allotted /Allotment of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allottee(s)	A successful Applicant to whom the Equity Shares were allotted
Applicant / Investor	Any prospective investor who made an application for Equity Shares of our Company in terms of the Prospectus and the Application Form.
Application Amount	The amount at which the Applicant made an application for Equity Shares of our Company in terms of the Prospectus
Application Supported Blocked Amount/ ASBA	by An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account maintained with such SCSB.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant which was considered as the application for Allotment in terms of this Prospectus.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Prospectus and who had Bid for an amount of at least ₹ 200 lakhs
Anchor Investor Allocation Price	The price at which Equity Shares was allocated to the Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors were submitted and allocation to the Anchor Investors were completed
Anchor Investor Issue Price	The final price, in this case being ₹ 87 per equity share at which the Equity Shares were Allotted to the Anchor Investors in terms of the Red Herring Prospectus and this Prospectus. The Anchor Investor Issue Price was decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which were allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR

Term	Description
	Regulations. One-third of the Anchor Investor Portion were reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Banker to the Issue / Refund Banker / Public Issue Bank	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be. In this case, being, Kotak Mahindra Bank Limited.
Bankers to the Issue Agreement	Banker to the Issue Agreement entered on July 18, 2024 amongst our Company, Book Running Lead Managers, the Registrar to the Issue and Banker to the Issue / Sponsor Bank for collection of the Application Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares were Allotted to successful Applicants under the Issue, described in the chapter titled “ <i>Issue Procedure</i> ” on page 317.
Bid Amount	<p>The highest value of optional Bids indicated in the Bid cum Application Form and paid by the Bidder and in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and paid by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Issue, as applicable.</p> <p>However, Eligible Employees who applied in the Employee Reservation Portion were allowed to apply at the Cut-off Price and the Bid Amount was the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee were not allowed to exceed ₹ 5 lakhs (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion were not allowed to exceed ₹ 2 lakhs (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion would have been Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 2 lakhs (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹ 5 lakhs (net of Employee Discount)</p>
Bid Lot	The Market lot and Trading lot for the Equity Share is 1600 and in multiples of 1600 thereafter; subject to a minimum allotment of 1600 Equity Shares to the successful applicants.
Business Day	Any day on which commercial banks are open for the business.
Bidding Centers	The centers at which the Designated Intermediaries accepted the ASBA Forms to a Registered Broker, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bidder/ Investor	Any prospective investor who made a bid for Equity Shares in terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bid Amount	The amount at which the bidder made a bid for the Equity Shares of our Company in terms of the Red Herring Prospectus

Term	Description
Bid cum Application Form / Application Form	The form in terms of which the bidder made a bid, including ASBA Form, and which were considered as the bid for the Allotment pursuant to the terms of the Red Herring Prospectus
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue was being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Issue namely Choice Capital Advisors Private Limited and Srujan Alpha Capital Advisors LLP
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address are available on the respective websites of the Stock Exchange at www.nseindia.com as updated from time to time
CareEdge Research	CARE Analytics & Advisory Private Limited
CareEdge Research Report	Company commissioned “Industry Research Report – Engineering Stones Industry” dated February 9, 2024 prepared and released by CareEdge Research
CAN / Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band being ₹ 87 per equity share
Choice Capital	Choice Capital Advisors Private Limited
Client ID	Client Identification Number of the Beneficiary Account.
Collecting Depository Participant / CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collecting Registrar and Share Transfer Agent / CRTAs	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Applications under the Issue with the BRLMs, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/ DP	A depository participant registered with SEBI under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms were available on the website of the Stock Exchange.
Designated Date	The date on which amounts blocked by the SCSBs were transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and this Prospectus, following which the Board may Allot

Term	Description
	Equity Shares to successful Bidders in the Issue.
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Designated Market Maker	Choice Equity Broking Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the Stock Exchange.
Designated SCSB Branches	Such Branches of the SCSBs which collect the ASBA Forms used by the applicant, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 .
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated February 15, 2024 issued in accordance with the SEBI ICDR Regulations.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible Employee(s)	Permanent employees of our Company or of our Subsidiaries, as may be decided (excluding such employees not eligible to invest in the Issue 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 or our Subsidiaries, as applicable, 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, but not including (i) our Promoters; (ii) persons belonging to our Promoter Group; or (iii) Directors who either 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 could not exceed ₹ 5 lakhs (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion could not exceed ₹ 2 lakhs. Only in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion were to be made available for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 2 lakhs subject to the total Allotment to an Eligible Employee not exceeding ₹ 5 lakhs (net of Employee Discount)
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as

Term	Description
Employee Reservation Portion	FPIs under SEBI FPI Regulations. The portion of the Issue being 1,28,000 Equity Shares, aggregating to ₹ 104.96 lakhs, which does not exceed 0.58 % of the post-Issue Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name appeared as the first holder of the beneficiary account held in joint names or in any revisions thereof
Floor Price	The lower end of the Price Band being ₹ 82 and below which no Bids were accepted
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under 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
General Information Document/ GID	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, notified by SEBI, suitably modified and included in the chapter titled “ Issue Procedure ” beginning on page 317
Issue / Issue Size / Public Issue / IPO	Initial Public Issue of 57,95,200 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹ 87 per Equity Share (including a securities premium of ₹ 77 per Equity Share) aggregating to ₹ 5,035.42 Lakhs.
Issue Agreement	The agreement dated February 9, 2024 between our Company and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	Tuesday, July 30, 2024, which was published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper (Hindi being the regional language of Rajasthan, where our Registered Office and Corporate Office are located), each with wide circulation.
Issue Opening Date	Friday, July 26, 2024, which was published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper (Hindi being the regional language of Rajasthan, where our Registered Office and Corporate Office are located), each with wide circulation
Issue Price	₹87 per Equity Share, being the final price within the Price Band, at which Equity Shares were Allotted to ASBA Bidders in terms of the Red Herring Prospectus and this Prospectus. Equity Shares were Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus and this Prospectus. The Issue Price was decided by our Company in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building

Term	Description
	Process and in terms of the Red Herring Prospectus and this Prospectus.
	A discount of 5.75% on the Issue Price (equivalent of ₹ 5 per Equity Share) was offered to Eligible Employees bidding in the Employee Reservation Portion.
Issue Proceeds	The proceeds from the Issue based on the total number of Equity Shares allotted under the issue.
Listing Agreement	The Listing Agreement to be signed between our Company and NSE Emerge
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Making Agreement	The Market Making Agreement dated July 18, 2024 between our Company, the Book Running Lead Managers and Market Maker.
Market Maker	The market maker of our Company being Choice Equity Broking Private Limited
Market Maker Reservation Portion	The reserved portion of 2,91,200 Equity Shares of face value of ₹10.00 each fully paid-up for cash at a price of ₹ 87 per Equity Share aggregating to ₹ 253.34 Lakhs for the Market Maker in this Issue.
MSME	Micro Small and Medium Enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion and the Employee Reservation Portion) of 53,76,000 Equity Shares of face value ₹10.00 each fully paid-up of our Company for cash at a price of ₹ 87 per Equity Share aggregating up to ₹ 4,677.12 Lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 107.
Non-Institutional Bidders /Non-Institutional Investor / NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
NRIs / Non-Resident Indian	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
NSE Emerge / EMERGE	The Emerge Platform of National Stock Exchange of India Limited for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations.
Overseas Corporate Body/ OCB	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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require.
Prospectus	This Prospectus dated July 31, 2024 to be filed with the RoC for this Issue in accordance with Sections 26 and 32 of the Companies Act, 2013 and

Term	Description
	the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information including any addenda or corrigenda thereto.
Public Issue Account	The account opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
Public Issue Bank	The bank(s) which is a clearing member and registered with SEBI as a banker to an issue with which the Public Issue Account(s) is opened for collection of Application Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being Kotak Mahindra Bank Limited
Price Band	Price Band of a minimum price (Floor Price) of ₹ 82 and the maximum price (Cap Price) of ₹ 87.
Pricing Date	The date on which our Company, in consultation with the BRLMs, finalised the Issue Price.
QIBs/ Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 26,88,000 Equity Shares aggregating to ₹ 2,338.56 lakhs which were Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation were to 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 Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Refund Account	Account to which Application monies are to be refunded to the Bidders.
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable.
Refund Bank / Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Kotak Mahindra Bank Limited.
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012.
Registrar Agreement	The agreement dated February 9, 2024 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Issue/ Registrar Resident Indian	Registrar to the Issue being Link Intime India Private Limited. A person resident in India, as defined under FEMA
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2 lakhs.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s).

Term	Description
	QIB Applicant and Non-Institutional Applicant were not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders and Eligible Employees were able to revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date.
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue consisting of 18,81,600 Equity Shares which were made available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which was not less than the minimum Bid Lot subject to availability in the Retail Portion and remaining Equity Shares to be allotted on a proportionate basis
Red Herring Prospectus / RHP	The Red Herring Prospectus dated July 19, 2024 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares were Issued and the size of the Issue, including any addenda or corrigenda thereto
SACA	Srujan Alpha Capital Advisors LLP
SME	Small and medium sized enterprises
SME Exchange	SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge
Self-Certified Bank(s) / SCSBs	Syndicate A bank registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Sponsor Bank	Sponsor Bank being Kotak Mahindra Bank Limited being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Stock Exchange	SME Platform of National Stock Exchange of India Limited
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
Underwriter	Choice Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated July 18, 2024 among the Underwriter and our Company to be entered prior to filing of the Prospectus with RoC.
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non- Institutional Bidders with an application size of up to ₹5,00,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.
	Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5,00,000 were required to use UPI and were required to provide their UPI ID in the application form

Term	Description
	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 websites of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/ dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, 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, SEBI master circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to theUPI Mechanism), SEBI master circular with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI
UPI PIN	Password to authenticate UPI transaction
UPI Mandate Request	<p>A request (intimating the UPI Investors by way of a notification on the UPI application and by way of a SMS directing the UPI Investors to such UPI mobile application) to the UPI Investors initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5,00,000 were required to use UPI and were required to provide their UPI ID in the 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)</p>
UPI Mechanism	The bidding mechanism used by UPI Investors in accordance with the UPI Circulars to make an ASBA Bid in the Issue
U.S Securities Act	U.S Securities Act of 1933, as amended

Term	Description
Wilful Defaulter	An entity or a person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	Working Day shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in city as mentioned in the Red Herring Prospectus are open for business and in case of the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Industry Related Terms or Abbreviations

Term	Description
AD	Anti-Dumping Duty
CMSPA	Coal Mines (Special Provisions) Act 2015
CPI	Consumer Price Index
CVD	Countervailing Duty
Engineered Stones	Composite material formed out of crushed stone that is held together by an adhesive
EV	Electric Vehicle
FRP	Fiberglass-Reinforced Plastics
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GNDI	Gross National Disposable Income
GNI	Gross National Income
GST	Goods and Services Tax
GVA	Gross Value Added
IIP	The Index of Industrial Production
IMD	India Meteorological Department
IMF	International Monetary Fund
LAF	Liquidity Adjustment Facility
LPG	Liquefied Petroleum Gas
MCR	Mineral Concession Rules
MMDR	Mines and Minerals Development and Regulation
MOSPI	Ministry of Statistics and Programme Implementation
MSF	Marginal Standing Facility
OSH	Occupational Safety, Health and Working Conditions Code 2020
PFCE	Private Final Consumption Expenditure
PLI	Production-linked Incentive
PPP	Purchasing Power Parity
RBI	Reserve Bank of India
RCS	Respirable Crystalline Silica

Term	Description
SDF	Standing Deposit Facility
Unsaturated Polyester Resin	A polymer type widely used in the manufacturing of various products, particularly in the field of composite materials
UPR	Unsaturated Polyester Resin
USITC	United States International Trade Commission
WTO	World Trade Organization

Conventional Terms / General Terms / Abbreviations

Term	Description
AGM	Annual General Meeting
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended
Alternative Investment Funds / AIFs	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
Arbitration Act	The Arbitration and Conciliation Act, 1996
AS or Accounting Standards	Accounting Standards as notified by Companies (Accounting Standards) Rules, 2016
CAGR	Compound Annual Growth Rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CIT	Commissioner of Income Tax
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
Companies Act, 2013 or Companies Act	The Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	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
COPRA	The Consumer Protection Act, 1986
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation.
CSR	Corporate Social Responsibility
DDP	Delivered Duty Paid
Demat	Dematerialised

Term	Description
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI
DP or Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESI Act	The Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and the regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI
FOB	Free On Board
Financial Year(s) or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
EMI	Equated Monthly Investment
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI	Central Government / Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEC	Importer Exporter Code
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP/ IGAAP	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 in so far as they apply to our Company, as amended

Term	Description
INR/ Indian Rupee/ ₹	Indian Rupee, the official currency of the Republic of India
India	Republic of India
IPR	Intellectual Property Rights
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
Listing Agreement	The agreement to be entered into between our Company and Stock Exchange in relation to listing of the Equity Shares on such Stock Exchange
MCA/ Ministry of Corporate Affairs	Ministry of Corporate Affairs, GoI
Mn/mn	Million
MSME	Micro, Small and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NAV	Net asset value
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRE	Non-Resident External Accounts
NRO	Non-Resident Ordinary Accounts
NSDL	National Securities Depository Limited
MIM	Multi Investment Manager
P&L	Profit and loss account
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PFRDA	Pension Fund Regulatory and Development Authority
PIO	Person of India Origin
Q&A	Questions & answers
RBI	The Reserve Bank of India

Term	Description
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RoW	Rest of the World
RTGS	Real Time Gross Settlement
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Sq. ft. / sq. ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The Government of a State of India
STT	Securities Transaction Tax
Supreme Court	The Supreme Court of India
TAN	Tax Deduction and Collection Account Number
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TDS	Tax deducted at source
Trademarks Act	Trade Marks Act, 1999, as amended

Term	Description
UPI	Unified Payments Interface
USA / United States of America / US	The United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
UK	United Kingdom
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Year/ calendar year	Unless context otherwise required, shall mean the twelve-month period ending December 31

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable. All references in this Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

Unless otherwise specified, any time mentioned in this Prospectus is in Indian Standard Time (“IST”).

Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

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

Financial Data

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Prospectus to the terms Fiscal or Fiscal Year of Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

Unless the context otherwise requires or indicates, the financial information, financial ratios and any percentages amounts, as set forth in “*Risk Factor*”, “*Our Business*”, “*Objects of the Issue*”, “*Basis of Issue Price*” and “*Management’s Discussion and Analysis of the Financial Condition and Results of Operations*” beginning on page 39, 147, 107, 122 and 251, respectively, and elsewhere in this Prospectus is derived from our Restated Consolidated Financial Statements. The Restated Consolidated Financial Statements of our Company and in the period applicable its Subsidiaries included in this Prospectus comprises of the Restated Consolidated Balance Sheet as at the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Consolidated Statement of Profit & Loss and Restated Consolidated Cash Flow Statement for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in accordance with Indian GAAP, and the requirements of Section 26 of the Companies Act, restated in accordance with the SEBI (ICDR) Regulations, and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI, together with the schedules, notes and annexure thereto as amended from time to time.

For further details on our Company’s financial information see “*Restated Financial Information*” beginning on page 205.

The degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Prospectus should be limited. There are significant differences between Indian GAAP, U.S.GAAP and IFRS. Our Company does not provide conciliation of its financial statements with IFRS or U.S.GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data.

In this Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal place including percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry*

Overview” and *Our Business*” on pages 39, 135 and 147, respectively, and accordingly there may be consequential changes in this Prospectus.

Currency and Units of Presentation

All references to “₹” or “Rupees” or “Rs” “INR” are to Indian Rupee, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “\$” are to United States Dollars, the official currency of the United States of America.

In this Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs, except where specifically indicated. One lakh represents 1,00,000. One million represents 10,00,000 and one crore represents 1,00,00,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Prospectus expressed in such denominations as provided in such respective sources.

In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”.

Industry and Market Data

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Industry Research Report – Engineering Stones Industry” dated February, 2024 (the “**CareEdge Research Report**”) prepared and issued by CARE Analytics & Advisory Private Limited (“**CareEdge Research**”), appointed by us on January 3, 2024, and exclusively commissioned and paid for by us in connection with the Issue. CareEdge Research is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the CareEdge Research 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 Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CareEdge Research Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the CareEdge Research Report is available on the website of our Company at www.espristones.com until the Bid/Issue Closing Date.

CareEdge Research Report Disclaimer

CareEdge Research in the CareEdge Research Report has also provided certain disclaimer which is reproduced herein below;

“This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research’s proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

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In accordance with SEBI (ICDR) Regulations, 2018 the chapter titled “*Basis of Issue Price*” beginning on page 122 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Book Running Lead Managers, have independently verified 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*” beginning on page 39. Accordingly, investment decisions should not be based solely on such information.

Exchange Rates

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

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

(in ₹)			
Currency ⁽¹⁾	Exchange rate as on March 31, 2024	Exchange rate as on March 31, 2023	Exchange rate as on March 31, 2022
1 USD	83.37	82.22	75.81
1 EUR	90.22	89.61	84.66

Source: www.fbil.org.in

(1) The reference rates are rounded off to two decimal places.

In case of a public holiday, the previous working day not being a public holiday has been considered.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “*aim*”, “*anticipate*”, “*are likely*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*likely to*”, “*objective*”, “*plan*”, “*project*”, “*propose*”, “*will*”, “*seek to*”, “*will continue*”, “*will pursue*” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Prospectus that are not statements of historical fact constitute ‘forward-looking statements’. All statements regarding our expected financial conditions and results of operations, business plans and objectives, strategies and goals and prospects are forward looking statements.

These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its 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, changes in the incidence of any natural calamities and/ or violence, regulations and taxes and changes in competition in the industries in which we operate.

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

- Our Manufacturing Facilities are concentrated in the Udaipur, Rajasthan. Any disruption, breakdown or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition, results of operations and cash flow.
- Under-utilisation of our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.
- Our manufacturing activity is subject to availability of raw material and the costs of the raw materials. Any shortage in availability or fluctuations in raw material prices, may have a material adverse effect on our business, financial condition, results of operations and cash flows.
- Inability to comply with and changes in, safety, health, environmental and labour laws and other applicable regulations;
- Our indebtedness and the conditions and restrictions imposed on us by our financing agreements;
- Exposure to regulatory and other geography specific risks such as weather and natural occurrences as well as regulatory, economic, demographic and other changes in Rajasthan and other states where we undertake our business activities;

For further details regarding factors that could cause actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 39, 147 and 251, 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to Applicants that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Applicants are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as on the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based

on currently available information. Although we believe the assumptions upon which these forward-looking statements are based 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 Promoters, our Directors, the Book Running Lead Managers 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 the SEBI ICDR Regulations, our Company and the Book Running Lead Managers will ensure that the Applicants in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity shares pursuant to the Issue.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this 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 Prospectus, including “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*”, “*Management’s Discussion and Statements*”, “*Restated Financial Statements*”, “*Outstanding Litigation and Material Developments*”, “*Issue Procedure*”, and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 39, 72, 93, 107, 135, 147, 251, 205, 271, 317 and 353, respectively.

Summary of Business

We are primarily engaged in the manufacturing of Engineered Stones such as: (i) engineered quartz surfaces; and (ii) engineered marble surfaces. Our Company majorly manufactures engineered quartz surfaces and through our Subsidiary, HSPL, we manufacture engineered marble surfaces. We are one of the key Engineered Stone players in India. (Source: CARE Report). Engineered Stone is a composite material formed out of crushed stone that is held together by an adhesive. Engineered Stone’s non-porous characteristics, offer superior scratch, stain and heat resistance, making them extremely durable and therefore get an edge over competing products such as laminate and other manufactured solid surfaces. The strength, consistency, durability and appearance of our Engineered Stones, as well as their low maintenance makes it ideal for its application for vanities & bathroom surfaces, kitchen countertops, floors and wall cladding furniture, and other interior surfaces that are used in a variety of residential and non-residential applications. Through our innovative design and manufacturing processes, we are able to offer our product in wide variety of colours, styles, designs and textures.

For further details, see “*Our Business*” on page 147.

Summary of Industry

The Indian engineered stone market is estimated to be valued at \$3,643 million in 2022. The industry is expected to grow at a CAGR of 7-8% in the projected years between 2022 to 2027. By the year 2032, the Indian engineered stone market is expected to reach \$ 7,355 million.

The outlook for the natural segment is stable with a positive upside in the medium term. Like natural stones, the engineered stone industry is also linked to commercial and residential real estate industries. Going forward, with hybrid working environment, design specifications for homes are likely to be altered as there will be higher demand for flexible homes that are capable of functioning as offices and classrooms if required. This would result in increased penetration of engineered stones to be used in interior designing. Under commercial real estate, the hospitality segment is expected to register a gradual pick-up over the coming years as the sector recovers from the effects of the pandemic. This would turn out well for engineered stones as they are widely used in swimming pools, food facilities, walls, canteens, kitchen countertops, etc.

For further details, see “*Industry Overview*” on page 135.

Names of our Promoters

As on the date of this Prospectus, Sunilkumar Lunawath, Nitin Gattani, Pradeepkumar Lunawath, Sangeeta Gattani, Anushree Lunawath and Siddhanth Lunawath are the Promoters of our Company. For further details, see “*Our Promoter and Promoter Group*” beginning on page 192.

Issue Size

The Issue comprises fresh issue of 57,95,200[^] Equity Shares aggregating upto ₹ 5,035.42 lakhs and there is no offer for sale. For further details, see “*The Issue*”, “*Issue Structure*”, and “*Issue Procedure*” on page 72, 312 and 317.

[^]Subject to finalization of Basis of Allotment

The Net Proceeds are proposed to be utilized towards funding the following objects:

			(₹ in Lakhs)
Sr. No.	Objects	Amount	
1.	Funding working capital requirements of our Company		1,400.00
2.	Investment in our Subsidiary, Haique Stones Private Limited (“HSPL”), for repayment and / or prepayment in part or full of its outstanding borrowings		1,950.00
3.	Investment in our Subsidiary, HSPL for funding its Working Capital Requirement		650.00
4.	General corporate purposes ⁽¹⁾		445.27
Total			4,445.27

⁽¹⁾ The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, see “*Objects of the Issue*” on page 107.

Aggregate pre-Issue Shareholding of our Promoters and Promoter Group

The aggregate pre-Issue shareholding of our Promoter and Promoter Group as a percentage of the pre-Issue paid-up equity share capital of our Company is set out below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%) [*]	Percentage of the Post-Issue Equity Share capital (%)
Promoters				
1.	Sunilkumar Lunawath	22,10,000	13.68	10.07
2.	Nitin Gattani	45,39,000	28.11	20.68
3.	Pradeepkumar Lunawath	14,00,205	8.67	6.38
4.	Sangeeta Gattani	28,09,250	17.39	12.80
5.	Anushree Lunawath	4,82,205	2.99	2.20
Sub-total (A)		1,14,40,660	70.84	52.13
Promoter Group				
1.	Mangi Lal Lunawath	13,98,590	8.66	6.37
2.	Sayar Kumari Mangilal	12,92,000	8.00	5.89
3.	Vijay Shree Lunawath	12,92,000	8.00	5.89
4.	Shubh Gattani	7,26,750	4.50	3.31
Sub-total (B)		47,09,340	29.16	21.46
Total (A + B)		1,61,50,000	100.00	73.59

^{*}Rounded off to the closest decimal

Summary of Restated Consolidated Financial Information

A summary of the financial information of our Company as derived from the Restated Financial Statements for Financial Years ended on March 31, 2024 and March 31, 2023 and March 31, 2022 are as follows:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Share Capital	1,615.00	950.00	950.00
Net worth	7,238.80	6,227.81	5,893.32
Revenue from Operations	27,289.02	17,441.09	18,645.65
Profit/(loss) after tax	1,031.73	355.72	1,850.53
Earnings per share (basic) (in ₹)	6.29	2.13	11.46
Earnings per share (diluted) (in ₹)	6.29	2.13	11.46

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Asset Value per Equity Share	44.82	38.56	36.49
Total Borrowings	12,541.91	11,879.55	5,799.76

1. Net Worth is calculated as the sum of equity share capital and reserves and surplus of the Company;
2. Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year
3. Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year.
4. Net Asset Value per equity share = Net worth attributable to the owners of the company divided by weighted average no. of equity shares outstanding during the year.
5. Total borrowings is the sum of long term borrowings and short term borrowings and lease liabilities.

For further details, see “**Financial Information**” beginning on page 205.

Qualifications of the Statutory Auditors

There are no qualifications by the Statutory Auditors which have not been given effect in the Restated Financial Statements. For further details, see “**Financial Information**” beginning on page 205.

Summary of outstanding litigation

A summary of outstanding litigation proceedings as on the date of this Prospectus as disclosed in the section titled “**Outstanding Litigations and Material Development**” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Nature of Cases	Number of outstanding cases	Amount Involved	
		(₹ in lakhs)	
Litigation involving our Company			
Criminal proceedings against our Company	Nil	Nil	
Criminal proceedings by our Company	1	34.51	
Material civil litigation against our Company	Nil	Nil	
Material civil litigation by our Company	Nil	Nil	
Actions by statutory or regulatory Authorities	Nil	Nil	
Direct and indirect tax proceedings	10	393.52	
Litigation involving our Directors (other than Promoters)			
Criminal proceedings against our Directors (other than Promoters)	Nil	Nil	
Criminal proceedings by our Directors (other than Promoters)	Nil	Nil	
Material civil litigation against our Director (other than Promoters)	Nil	Nil	
Material civil litigation by our Director (other than Promoters)	Nil	Nil	
Actions by statutory or regulatory authorities (other than Promoters)	1	Not Ascertainable	
Direct and indirect tax proceedings	1	0.10	
Litigation involving our Promoter			
Criminal proceedings against our Promoter	Nil	Nil	
Criminal proceedings by our Promoter	Nil	Nil	
Material civil litigation against our Promoter	Nil	Nil	
Material civil litigation by our Promoter	Nil	Nil	
Actions by statutory or regulatory authorities	Nil	Nil	
Direct and indirect tax proceedings	11	2.60	
Litigation involving our Subsidiaries			
Criminal proceedings against our Subsidiaries	Nil	Nil	
Criminal proceedings by our Subsidiaries	Nil	Nil	
Material civil litigation against our Subsidiaries	Nil	Nil	

Nature of Cases	Number of outstanding cases	Amount Involved (in Rs. Lakhs)*
Material civil litigation by our Subsidiaries	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	3	0.04

*To the extent quantifiable.

For further details on the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” and “*Risk Factors*” beginning on page 271 and page 39 respectively.

Risk factors

For further details, see “*Risk Factors*” beginning on page 39.

Summary of contingent liabilities

The following table sets forth our contingent liabilities as Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022 as per the Restated Consolidated Financial Information:

Particulars	(₹ in Lakhs)		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Letter of credits outstanding	313.82	246.45	578.21
(ii) GST Related Matters for which company preferred appeal*	362.88	-	-
(iii) GST Related Matters for which company will prefer appeal#	21.63		
Total	698.33	246.45	578.21

*The Company has received orders dated 30 October 2023 from Central Goods and Service Tax (CGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 181.44 lakhs for financial year 2018-19, 2019-20 and 2020-21 plus an equal amount of penalty. The Company has filed appeal against these order with the Honorable Appellate Authority CGST, Jodhpur on 25 January 2024 and the management believes that basis of ground of appeals, the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority CGST, accordingly, no liability has been provided.

#The Company has received orders dated 24 April 2024 from State Goods and Service Tax (SGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 11.08 lakhs for the financial year 2018-19 plus INR 10.55 lakhs for interest and others. The Company will file appeal against these order within due date with the Honorable Appellate Authority and the management believes that basis of ground of appeals, and the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority, accordingly, no liability has been provided.

For details, see “*Restated Financial Statements*” beginning on page 205.

Summary of Related Party Transactions

Following is the summary of the related party transactions entered by the Company (based on the Restated Financial Statements) for Financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

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For the year ended March 31, 2024

S r N o	Transa ction	Issue of share s	Loans taken/ (grante d)	Loans (repaid)/ receiv ed back	Interes t on Loans receiv ed/ (paid)	Reven ue Incom e (Sales etc.)	Salari es	Other revenu e expens es (Purch ases etc.)	Capit al Recei pts/ Sale of Invest ments	Capit al Expen ses/ Invest ments	Expens es Reimb ursed/ (on behalf)	Balances at year end (Payable)/ Receivable
1	Mangil al Lunaw ath	-	67.45	(44.63)	-	-	-	-	-	-	-	(380.00)
2	Pradee pkumar Lunaw ath	-	85.00	(80.17)	-	1.77	19.50	-	-	-	-	(286.98)
3	Sunilkumar Lunaw ath	-	137.00	(90.50)	-	-	19.50	-	-	-	-	(71.50)
4	Nitin Gattani	-	356.00	(36.50)	-	-	19.50	-	-	-	-	(688.50)
5	Rajendra Om Prakash Jain	-	95.00	(35.00)	(19.68)	-	-	-	-	-	-	(241.73)
6	Sumeet Gattani	-	-	-	-	-	18.60	-	-	-	-	-
7	Pranav Banthia	-	-	-	(10.63)	-	-	18.00	-	-	-	(115.54)
8	Krishna Gopal Gattani	-	-	-	-	-	-	-	-	-	-	-
9	Saumya Gattani	-	-	-	-	-	15.60	-	-	-	-	-
10	Shubh Gattani	-	-	-	-	-	13.00	-	-	-	-	-
11	Sayar Kumari Lunaw ath	-	20.00	-	-	-	-	-	-	-	-	(80.00)
12	Anushree Lunaw ath	-	25.00	(146.98)	-	-	-	-	-	-	-	(103.00)
13	Siddhant Lunaw ath	-	-	-	-	-	31.85	-	-	-	0.41	(0.01)
14	Arnav Lunaw ath	-	24.55	-	-	-	40.60	-	-	-	-	(25.24)
15	Seema Banthia	-	225.50	(100.00)	(8.55)	-	-	-	-	-	-	(133.19)
16	Vijay Shree Lunaw ath	-	90.00	(183.00)	-	-	-	-	-	-	-	-
17	Sangeeta Gattani	-	228.00	-	-	-	12.00	-	-	-	-	(228.69)

18	Tanushree Gattani	-	-	-	-	8.50	-	-	-	-	-
19	Prakash Manghani	-	-	-	-	4.39	-	-	-	-	-
20	Anjali Pandey	-	-	-	-	0.65	-	-	-	-	-
21	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	-	38.37	-	9.00	-	-	5.04
22	Rose Marble Private Limited	-	-	-	-	14.48	-	60.27	-	-	(0.11)
23	Mahaveer Trading Company	-	-	-	-	7.41	-	0.78	-	-	1.53
24	Gattani Resorts Private Limited	-	-	-	-	-	-	9.54	-	-	(1.01)
25	Shreya Petrochem Private Limited	-	-	-	-	3.17	-	87.29	-	-	-
26	Esprit Ventures Private Limited	-	-	-	-	-	-	-	-	-	-
27	Rajasthan Packaging Company Private Limited	-	-	-	-	-	-	-	-	-	-
28	Pranav Marbles	-	-	-	-	12.65	-	2,019.82	-	-	(555.30)
29	Aravali Quartz Alask Stones S O and Co. K K Enterprises	-	-	-	-	15.00	-	4.89	-	-	82.68
30		-	-	-	-	-	-	-	-	-	-
31		-	-	-	-	2.27	-	38.65	-	-	(0.90)
32		-	-	-	-	-	-	1,444.34	-	-	(0.80)

3	Quality	-	-	-	-	-	-	29.13	-	-	-	(21.07)
3	Suitings	-	-	-	-	-	-	-	-	-	-	-
	Private Limited											
3	Saumya	-	-	-	-	-	-	51.64	-	-	-	-
4	Energy											
	Private Limited											

For the year ended March 31, 2023

For the year ended 31 March 2023												31 March 2023
S r N o	Transaction	Issue of shares	Loans taken/ (grant ed)	Loans (repai d)/ receiv ed/ back	Intere st on Loans receiv ed/ (paid)	Reven ue Incom e (Sales etc.)	Salari es	Other revenu e expens es (Purch ases etc.)	Capita l Receip ts/ Sale of Invest ments	Capita l Expens es/ Invest ments	Expens es Reimb ursed/ (on behalf)	Balanc es at year end (Paya ble)/ Receiv able
1	Mangilal Lunawath	-	357.18	-	-	-	-	-	-	-	-	(357.17)
2	Pradeep Lunawath	-	173.32	-	-	3.02	19.35	-	-	-	-	(282.15)
3	Sunilkumar Lunawath	-	25.00	-	-	-	19.35	-	-	-	-	(23.00)
4	Nitin Gattani	-	245.00	(1.00)	-	-	19.35	-	-	-	-	(369.00)
5	Rajendra Om Prakash Jain	-	106.50	-	(8.51)	-	-	-	-	-	-	(164.01)
6	Sumeet Gattani	-	-	-	-	-	17.08	-	-	-	-	(1.49)
7	Pranav Banthia	-	50.00	-	(6.97)	-	-	-	-	-	-	(105.97)
8	Krishna Gopal Gattani	-	-	-	-	-	-	-	-	-	-	-
9	Saumya Gattani	-	-	-	-	-	15.60	-	-	-	-	-
10	Shubh Gattani	-	-	-	-	-	12.98	-	-	-	-	-

For the year ended 31 March 2023												31 March 2023
S r N o	Transaction	Issue of shares	Loans taken/ (grant ed)	Loans (repai d)/ receiv ed/ back	Intere st on Loans receiv ed/ (paid)	Reven ue Incom e (Sales etc.)	Salari es	Other revenu e expens es (Purch ases etc.)	Capita l Receip ts/ Sale of Invest ments	Capita l Expens es/ Invest ments	Expens es Reimb ursed/ (on behalf)	Balanc es at year end (Paya ble)/ Receiv able
1 1	Sayar Kumari Lunawath	-	60.00	-	-	-	-	-	-	-	-	(60.00)
1 2	Anushree Lunawath	-	224.97	-	-	-	-	-	-	-	-	(224.9 8)
1 3	Siddhanth Lunawath	-	-	-	-	-	31.54	-	-	-	-	(0.01)
1 4	Arnav Lunawath	-	-	-	-	-	34.30	-	-	-	-	(2.90)
1 5	Seema Banthia	-	-	-	-	-	-	-	-	-	-	-
1 6	Vijay Shree Lunawath	-	93.00	-	-	-	-	-	-	-	-	(93.00)
1 7	Sangeeta Gattani	-	-	-	-	-	6.00	-	-	-	-	(3.90)
1 8	Tanushree Gattani	-	-	-	-	-	7.08	-	-	-	-	-
1 9	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	-	94.78	-	1.48	-	-	-	(7.81)
2 0	Rose Marble Private Limited	-	-	-	-	944.77	-	18.58	-	7.00	-	707.49
2 1	Mahaveer Trading Company	-	-	-	-	23.19	-	5.85	-	-	-	14.47
2 2	Gattani Resorts Private Limited	-	-	-	-	-	-	6.19	-	-	-	(1.04)
2 3	Shreya Petrochem Private Limited	-	-	-	(11.69)	-	-	903.35	-	-	-	(577.0 1)
2 4	Esprit Ventures	-	-	-	-	-	-	-	-	-	-	-

For the year ended 31 March 2023												31 March 2023
S r N o	Transaction	Issue of shares	Loans taken/ (grant ed)	Loans (repai d)/ receiv ed/ back	Intere st on Loans receiv ed/ (paid)	Reven ue Incom e (Sales etc.)	Salari es	Other revenu e expens es (Purch ases etc.)	Capita l Receip ts/ Sale of Invest ments	Capita l Expen ses/ Invest ments	Expens es Reimb ursed/ (on behalf)	Balanc es at year end (Paya ble)/ Receiv able
	Private Limited											
2 5	Rajasthan Packaging Company Private Limited	-	-	-	-	-	-	12.19	-	-	-	(2.45)
2 6	Pranav Marbles	-	-	-	-	0.22	-	1,021. 90	-	-	-	(317.9 3)
2 7	Aravali Quartz	-	-	-	-	9.00	-	15.21	-	-	-	50.22
2 8	Alask Stones	-	-	-	-	-	-	18.16	-	-	-	(0.75)
2 9	S O and Co.	-	-	-	-	-	-	40.68	-	-	-	(12.09)
3 0	K K Enterprises	-	-	-	(0.30)	-	-	60.26	-	-	-	(60.56)

For the year ended March 31, 2022

For the year ended 31 March 2022												31 Marc h 2022
S r N o	Transaction	Issue of shares	Loans taken/ (grant ed)	Loans (repai d)/ receiv ed/ back	Intere st on Loans receiv ed/ (paid)	Reven ue Incom e (Sales etc.)	Salari es	Other revenu e expens es (Purch ases etc.)	Capita l Receip ts/ Sale of Invest ments	Capita l Expen ses/ Invest ments	Expens es Reimb ursed/ (on behalf)	Balanc es at year end (Paya ble)/ Receiv able
1	Mangilal Lunawath	-	-	(2.00)	-	-	-	-	-	-	-	-
2	Pradeep Lunawath	-	-	(90.39)	(5.56)	-	17.06	-	-	-	-	(111.8 5)
3	Sunilkumar Lunawath	-	-	(5.00)	-	-	17.06	-	-	-	0.28	-

4	Nitin Gattani	-	-	(98.49)	(6.80)	-	17.06	-	-	-	-	(125.00)
5	Rajendra Om Prakash Jain	-	32.43	-	-	-	-	-	-	-	-	(49.00)
6	Sumeet Gattani	-	-	-	-	-	15.26	-	-	-	-	(0.05)
7	Pranav Banthia	-	32.06	-	-	-	-	-	-	-	-	(49.00)
8	Krishna Gopal Gattani	-	-	-	-	-	-	0.41	-	-	-	-
9	Saumya Gattani	-	-	-	-	-	15.55	-	-	-	-	-
10	Shubh Gattani	-	-	-	-	-	12.15	-	-	-	-	-
11	Sayar Kumari Lunawath	-	-	(1.00)	-	-	-	-	-	-	-	-
12	Anushree Lunawath	-	-	(2.00)	-	-	-	-	-	-	-	-
13	Siddhanth Lunawath	-	-	-	-	-	26.80	-	-	-	-	(0.01)
14	Arnav Lunawath	-	-	-	-	-	22.80	-	-	-	-	-
15	Seema Banthia	-	-	-	-	-	-	-	-	-	-	-
16	Vijay Shree Lunawath	-	-	-	-	-	-	-	-	-	-	-
17	Sangeeta Gattani	-	-	-	-	-	-	-	-	-	-	-
18	Tanushree Gattani	-	-	-	-	-	-	-	-	-	-	-
19	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	-	68.91	-	3.78	-	-	-	21.24
20	Rose Marble Private Limited	-	-	-	-	790.65	-	21.08	-	-	-	468.69
21	Mahaveer Trading Company	-	-	-	-	-	-	18.26	-	-	-	-

2	Gattani												
2	Resorts	-	-	-	-	-	-	2.81	-	-	-	-	0.48
	Private Limited												
2	Shreya												
3	Petrochem	-	-	-	-	-	-	-	-	-	-	-	-
	Private Limited												
2	Esprit												
4	Ventures	-	-	535.68	25.17	-	-	-	-	-	-	-	-
	Private Limited												
2	Rajasthan												
5	Packaging	-	-	-	-	-	-	37.69	-	-	-	-	-
	Company Private Limited												
2	Pranav												
6	Marbles	-	-	-	-	-	-	1,202.90	-	-	-	-	(231.45)
2	Aravali												
7	Quartz	-	-	-	-	15.00	-	73.26	-	-	-	-	12.43
2	Alask Stones												
8		-	-	-	-	-	-	-	-	-	-	-	-
2	S O and Co.												
9		-	-	-	-	-	-	-	-	-	-	-	-
3	K K												
0	Enterprises	-	-	-	-	-	-	-	-	-	-	-	-

Intra group eliminated transactions

Sr. No.	Particulars	March 31, 2024	March 31, 2023	March 31, 2022
1	Revenue from operations			
	of Esprit Stones Limited from Addwaya Chemicals Private Limited	36.64	181.05	-
	of Esprit Stones Limited from Haique Stones Private Limited	100.80	169.83	-
	of Esprit Stones Limited from Haique Stones Inc., USA	8,155.56	1,241.58	-
	of Haique Stones Private Limited from Esprit Stones Limited	100.90	-	-
	of Haique Stones Private Limited from Haique Stones Inc., USA	-	2,114.93	-
	of Addwaya Chemicals Private Limited from Esprit Stones Limited	3,294.21	2,146.56	-
	of Addwaya Chemicals Private Limited from Haique Stones Private Limited	50.19	520.28	-
2	Interest & other income earned on advances and guarantee			

	of Esprit Stones Limited from Addwaya Chemicals Private Limited	92.28	25.98	5.78
	of Esprit Stones Limited from Haique Stones Private Limited	100.58	79.41	14.95
3	Other income			
	of Haique Stones Private Limited from Addwaya Chemicals Private Limited	1.01	0.51	-
	of Haique Stones Private Limited from Esprit Stones Limited	0.06	-	-
	of Esprit Stones Limited from Haique Stones Private Limited	2.21	-	-
	of Esprit Stones Limited from Haique Stones Inc.	58.85	-	-
4	Investments in subsidiaries			
	by Esprit Stones Limited in Addwaya Chemicals Private Limited	-	-	-
	by Esprit Stones Limited in Haique Stones Private Limited	-	-	1.00
	by Esprit Stones Limited in Haique Stones Inc., USA	0.19	8.00	-
5	Inter-corporate loans and advances given / (received back)			
	by Esprit Stones Limited to Addwaya Chemicals Private Limited	146.50	86.80	244.06
	by Esprit Stones Limited to Haique Stones Private Limited	519.95	(374.00)	814.50
	by Esprit Stones Limited to Haique Stones Inc., USA	-	-	-

Intra group eliminated balances

Sr. No.	Particulars	March 31, 2024	March 31, 2023	March 31, 2022
1	For Esprit Stones Limited			
	Trade payables			
	Addwaya Chemicals Private Limited	1,783.40	1,063.06	-
	Haique Stones Private Limited	0.05	-	-
	Other current liabilities			
	Haique Stones Inc.	-	8.00	-
	Trade receivables			
	Haique Stones Inc.	927.54	314.88	-
	Haique Stones Private Limited	20.62	2.33	-

	Addwaya Chemicals Private Limited	38.49	-	-
	Investment in subsidiaries			
	Haique Stones Inc.	8.19	8.00	-
	Haique Stones Private Limited	1.00	1.00	1.00
	Addwaya Chemicals Private Limited	7.65	7.65	7.65
	Intercorporate loans			
	Haique Stones Private Limited	960.45	440.50	814.50
	Addwaya Chemicals Private Limited	561.50	370.00	283.20
	Interest accrued on inter-corporate loans			
	Haique Stones Private Limited	121.20	72.68	13.46
	Addwaya Chemicals Private Limited	61.29	23.99	5.20
2	For Haique Stones Private Limited			
	Trade payables			
	Addwaya Chemicals Private Limited	54.42	32.03	-
	Trade receivables			
	Haique Stones Inc.	-	302.50	-

Financing Arrangements

There have been no financing arrangements whereby our Promoter, member of Promoter Group, Directors of our Company and their relatives have financed the purchase of any securities of our Company by any other person during a period of six (6) months immediately preceding the date of this Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters in the one year preceding the date of this Prospectus

Name of the Promoters	Number of equity shares acquired in the one year preceding the date of this Prospectus	Weighted average price per Equity Share (₹)
Sunilkumar Lunawath	9,10,000	Nil*
Nitin Gattani	18,69,000	Nil*
Pradeepkumar Lunawath	7,14,000	Nil*
Sangeeta Gattani	18,09,250	Nil**
Anushree Lunawath	4,82,205	Nil^

Name of the Promoters	Number of equity shares acquired in the one year preceding the date of this Prospectus	Weighted average price per Equity Share (₹)
Siddhanth Lunawath	Nil	Nil

*Represents cost of Bonus Shares which are issued at nil consideration

^ Transfer of shares by way of gift

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

Average Cost of Acquisition of Equity Shares by our Promoters

Name of the Promoters	Number of equity shares acquired in the one year preceding the date of this Prospectus	Average cost price per Equity Share (₹)
Sunilkumar Lunawath	22,10,000	5.88
Nitin Gattani	45,39,000	5.88
Pradeepkumar Lunawath	14,00,205	7.28
Sangeeta Gattani	28,09,250	3.56
Anushree Lunawath	4,82,205	Nil [^]
Siddhanth Lunawath	Nil	Nil

[^]Transfer by way of gift

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

Weighted average cost of acquisition of all shares transacted[^] in (i) last one (1) year; (iii) last eighteen (18) months and (iii) last three (3) years preceding the date of this Prospectus

Period	Weighted average cost of acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition**	Range of acquisition price: lowest price – highest price (in ₹)
Last one (1) year preceding the date of this Prospectus	Nil [^]	N.A.*	N.A.*
Last eighteen (18) months preceding the date of this Prospectus	Nil [^]	N.A.*	N.A.*
Last three (3) years preceding the date of this Prospectus	Nil [^]	N.A.*	N.A.*

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

[^]Represents cost of Bonus Shares and cost of transfer by way of gift which were transacted at nil consideration

*N.A. since weighted average cost of acquisition is nil.

For further details, see “*Capital Structure*” beginning on page 93.

Details of Pre-IPO Placement

Our Company is not proposing to undertake any pre-IPO placement.

Issue of Equity Shares for consideration other than cash in the last one year or by way of bonus

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
December 29, 2023	66,50,000	10	-	Bonus issue in the ratio of seven (7) bonus Equity Shares for every ten (10) Equity Share held in the Company	Capitalization of reserves

For further details pertaining to Issue of Equity Shares for consideration other than cash or by way of bonus, kindly refer to the chapter titled “*Capital Structure*” beginning on page 93.

Split/ Consolidation of equity shares in the last one year

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year as on the date of this Prospectus.

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

Our Company has not taken any exemption from complying with any provisions of the Securities Law from SEBI as on the date of filing of this Prospectus.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this Section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or any other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or any part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company and Subsidiaries used in this Section is derived from our Restated Consolidated Financial Statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this Section in conjunction with “**Our Business**” on page 147, “**Industry Overview**” on page 135 and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 251 as well as other financial information contained herein. For capitalized terms used but not defined herein, see “**Definitions and Abbreviation**” on page 1.*

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some risks may not be material individually but may be material when considered collectively;*
- *Some risks may have an impact which is qualitative though not quantitative;*
- *Some risks may not be material at present but may have a material impact in the future.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further details, see “**Forward-Looking Statements**” on page 22.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “**Industry Research Report – Engineering Stones Industry**” dated February, 2024” (the “**CARE Report**”) prepared and issued by CARE Analytics and Advisory Private Limited (“**CAAPL**”) and exclusively commissioned and paid by us in connection with the Issue. CAAPL is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the CARE Report is available on the website of our Company at www.espristones.com until the Bid/Issue Closing Date.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this Section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you

of an investment in our Equity Shares.

In this Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

Unless the context otherwise requires, in this section, references to “we”, “us” and “our” or “our Company” refers to Esprit Stones Limited and its Subsidiaries.

The risk factors are classified as under for the sake of better clarity and increased understanding:

INTERNAL RISK FACTORS:

BUSINESS RELATED RISKS

- 1. Our Manufacturing Facilities are concentrated in the Udaipur, Rajasthan. Any disruption, breakdown or shutdown of our Manufacturing Facilities may have a material adverse effect on our business, financial condition, results of operations and cash flow.***

We have four Manufacturing Facilities which are located within the periphery of Udaipur, Rajasthan. We are dependent on our Manufacturing Facilities for the production of our products. Our Manufacturing Facilities are located in Rajasthan and events impacting state of Rajasthan may disrupt our production and operations. Further, our Manufacturing Facilities are subject to operating risks, such as the breakdown or failure of equipment, disruption in power supply or processes, severe weather conditions, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents, infectious diseases (such as COVID-19 pandemic), political instability, the need to comply with the directives of relevant government authorities and the requirement to obtain certain material approvals to operate our Manufacturing Facilities. Historically, we have not experienced any disruption, breakdown or shutdown of our Manufacturing Facilities due to any breakdown or failure of equipment, disruption in power supply or processes, severe weather conditions, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and political instability. However, our Manufacturing Facilities operations were adversely affected due to compliance with the COVID-19 lockdown orders issued by the Government of India in the year 2020. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. While we seek to ensure a continuous supply of our products to our customers, our customer relationships, business and financial results may be adversely affected by any disruption of operations of our pressing and polishing lines and our major equipment.

- 2. We do not own some of the business premises where our Registered office, branch office, storage facilities are located.***

Our premises on which our Manufacturing Facilities are situated are owned by us. However, some of the premises used by our Company for our business purposes such as our Registered Office and other premises being used for office purpose, storage facilities are taken on lease/rent basis. For more details on properties taken on lease by our Company, see “**Our Business**” on page 147. If any such lease/rent agreements under which we occupy the premises are not renewed on terms and conditions that are favourable to us, or at all, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations. While we have not experienced any issue in renewing the lease arrangement in the past, there can be no assurance that renewal of lease/rent agreements with the owner will be entered into. In the event of non-renewal of lease/rent arrangements, we may be required to shift our business premises to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

3. Our manufacturing activity is subject to availability of raw material and the costs of the raw materials. Any shortage in availability or fluctuations in raw material prices, may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our operations are dependent upon the price and availability of the raw materials that we require for the production of our products. Our primary raw materials for Engineered Quartz and Engineered Marble Surfaces include quartz grit and powder, marble grit, calcite powder, resin, other chemicals and pigments and for Polyester Resin are phthalic anhydride, styrene monomer and ethylene glycol.

For the Financial Years 2022, 2023 and 2024, the cost of raw materials consumed represented 58.51%, 60.98% and 58.66% respectively, of our revenue from operations. We source majority of our raw materials from third party local suppliers. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. The success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. We generally do not enter into long term supply agreement and the absence of such long-term supply contracts subjects us to risks such as price volatility caused by various factors such as commodity market fluctuations, production and transportation cost, changes in government policies, regulatory changes, etc.

One of the key raw material, polyester resin is a crude oil derivate and hence its price moves in tandem with crude oil prices which makes us susceptible to the risks arising out of crude oil price fluctuation as well as foreign exchange rate fluctuations which could result in a decline in our operating margins.

Although, in order to cater the need of our primary raw material and to reduce our dependence on third-party raw material supplier of (i) quartz grit and quartz powder; and (ii) polyester resins, we commissioned our Manufacturing Facility II and Manufacturing Facility IV respectively. However, the Manufacturing Facility II and Manufacturing Facility IV have been in commissioned recently and therefore we are in process of gradually increasing their capacity utilisation.

While, we have not experienced any significant disruption in supply or fluctuation in the prices of raw material in the past, there can be no assurance that we will not face such situation in future. Any disruption in supply of our raw material or increase in the cost of inputs to our production could lead to higher costs for our products. If we increase the prices of our products to offset the impact of higher costs, this may cause certain of our customers to cancel orders or refrain from purchasing our products, which may materially and adversely reduce the demand for our products, and thus, negatively impact our operating results. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price fluctuations, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

4. A significant majority of our revenues from operations are derived from a limited number of customers.

During the Financial Year 2024, Financial Year 2023 and Financial Year 2022, the contribution towards revenue from sale of products from our top 5 and top 10 customers is as follows:

(in ₹ Lakhs)

Sr. No.	Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
		Revenue	%	Revenue	%	Revenue	%
1	Revenue from Top 5 customers	13,954.48	51.66	8705.77	51.16	13445.29	72.66
2	Revenue from Top 10 customers	16,833.20	62.32	10879.39	63.94	15477.20	83.64

However, the composition of revenue generated from these customers might change as we continue to add new customers in the normal course of business. Our revenues may be adversely affected if there is an adverse development with such customer, including as a result of a dispute with or our disqualification by such major customers, which may result in significant reduction in our orders from such customers, and thereby decline in our revenue, cash flows and liquidity. Further, if our customers are able to fulfil their requirements through captive or in house manufacturing or any of our existing or new competitors providing products with better quality, or cheaper cost, we may lose significant portion of our business and revenue.

Additionally, consolidation of any of our customers may also adversely affect our existing relationships and arrangements with such customers, and any of our customers who are acquired may cease to continue the businesses that require products manufactured by us or may resort to our competitors for their supply requirements. Further, in the event our customers face any form of adverse effect due to exigent circumstances, resulting in a sustained decline in the demand for their products, including due to macroeconomic factors affecting the economy in general could prompt them to reduce their production volumes, in turn affecting their demand for our products. For instance, the COVID-19 pandemic has impacted the sale of our products. Our business from our customers is dependent on our continuing relationship with such customers, the quality of our products, competitive pricing and our ability to timely deliver their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all.

Further, we generally do not enter into long term purchase agreements with our customers and instead rely on purchase orders to govern the volume and other terms of our sales. While we believe that we have maintained good and long-standing relationships with our customers, however, there can be no assurance that we will continue to have such long-term relationship with them. Significant dependence on a select and small group of clients may increase the potential volatility of our results of operations.

We typically have credit terms of 30 to 90 days for our domestic customers and our credit term extends to 30 to 90 days for our export customers. As on date, our export sales are not backed by letter of credit and export receivables are not insured. Although, we have not experienced any material bad debts during the Financial Year 2024, 2023 and 2022, any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations.

Our business is dependent on the decisions and actions of our customers which is determined by our ability to maintain and strengthen our relationships and arrangements with existing customers. Further, during the Fiscals 2024, 2023 and 2022, we derived 59.87%, 72.75% and 92.44% of our sales from exports, respectively. Further, out of our total exports, 94.43%, 97.51% and 96.47% are exported to USA during the Fiscals 2024, 2023 and 2022 respectively. Further during Fiscal 2024 and Fiscal 2023 the Company made 64.43% and 25.73% of our export sales to USA through our Subsidiary, Haique Stones Inc.. Our relationship with our customers is dependent to a large extent on our ability to regularly meet their requirements, including by introducing products with greater marketability, price competitiveness, efficient and timely product deliveries and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers. Any loss of any of our significant customers, a decrease in the volume of products our customers demand from us may materially and adversely affect our business, operations, financial condition, results of operations and prospects.

5. ***We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, any failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which are either received or applied for. Many of these approvals are subject to periodical renewal. Any failure to renew the approvals that may expire, or to apply for the required approvals, licences,

registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

Further, in order to comply with various applicable local laws, we have made a few applications for obtaining requisite approvals. For example, our Subsidiary Addwaya Chemical had initially made an application dated June 7, 2022 to obtain the consent to operate for Manufacturing Facility III. However, the Rajasthan State Pollution Control Board (“**RPCB**”) issued a Show Cause Notice as to why the application dated June 7, 2022 should not be refused on grounds of not obtaining environmental clearance required under the Ministry of Environment, Forest and Climate Change of India (“**MOEFCCI**”) notification dated September 14, 2006 applicable on production of unsaturated polyester resin. Accordingly, Addwaya has made an application February 2, 2023 bearing number SW/120978/2023 to the MOEFCCI for which public hearing was conducted on December 27, 2023 by Rajasthan Pollution Control Board. Once Addwaya Chemicals receives the environmental clearance, it will again approach the RPCB to obtain the consent to operate for our Manufacturing Facility III. Although, the State Government of Rajasthan has passed The Rajasthan Micro, Small & Medium Enterprise (Facilitation of establishment and Operation) Act, 2019 which provides exemptions to small and medium enterprises established post 2019 from obtaining approval and licenses for a period of five years from the date of obtaining valid acknowledgment certificate under section 6 of The Rajasthan Micro, Small & Medium Enterprise (Facilitation of establishment and Operation) Act, 2019 (“**Rajasthan MSME Act**”). Addwaya Chemicals has obtained the said acknowledgment certificate and therefore in light of the Rajasthan MSME Act, Addwaya Chemical is exempted from obtaining approvals and licenses required under various state and central legislation including approval from Rajasthan state pollution control board for period of five years till August 8, 2028.

In the event Addwaya Chemical fails to receive environmental clearance and consequentially the consent to operate for its Manufacturing Facility III, it shall still enjoy the exemption granted under the Rajasthan MSME Act till August 8, 2028. Thereafter, if the Company is still unable to obtain the environmental clearance and the consent to operate for its Manufacturing Facility III, it may have to cease its operations in the Manufacturing Facility III and it may divert the attention of our management and consume our corporate resources and we may have to incur significant expenses in identifying alternative land parcels for setting up of a new alternative manufacturing facility and shift our manufacturing operations from Manufacturing Facility III to the new alternative manufacturing facility.

In case our Company fails to cease its operations after expiry of the exemption granted under the Rajasthan MSME Act, it may be liable to certain penalties under the Air Act and the Water Act. For further details, see “**Government and Other Statutory Approvals**” on pages 276.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals which may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, see “**Key Industry Regulations and Policies**” and “**Government and Other Statutory Approvals**” for permits/licenses required for the business on pages 167 and 276 respectively.

6. ***Major portion of our revenues are derived from exports to the United States of America and any adverse developments in this market or restrained economic or political relations of India with the United States of America could adversely affect our business.***

We have historically derived a significant portion of our revenues from exports to the United States of America. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the government in the USA could adversely affect our manufacturing and distribution activities, result in modification of our business strategy or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition, results of operations and cash flows. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, the outbreak of an infectious disease such as COVID-19, anti-dumping/ trade policies or geopolitical tensions. For instance, sales of engineered quartz surface products from India are presently subject to antidumping and countervailing duties which has ultimately resulted in lower export of our engineered quartz surfaces to the USA market. As on date, there is no substantial antidumping duty on export of engineered quartz surfaces to USA.

Further, during the Fiscals 2024, 2023 and 2022, we derived 59.87%, 72.75% and 92.44% of our sales from exports, respectively. Further, out of our total exports, 94.43%, 97.51% and 96.47% are exported to USA during the Fiscals 2024, 2023 and 2022 respectively. Further during the Fiscal 2024 and 2023 the Company made 64.43% and 25.73% of our export sales to USA through our Subsidiary, Haique Stones Inc. Therefore, any adverse developments in the USA economy could have an impact on our sales from exports. Our failure to effectively react to adverse situations could affect our business, prospects, results of operations, financial condition and cash flows.

7. *Our business is capital intensive. We require substantial financing for our business operations. Our indebtedness and the conditions and restrictions imposed on by our financing arrangements could adversely affect our ability to conduct our business.*

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase of raw materials and collection of receivables post sales to customers. This requires us to obtain financing through various means. As on May 31, 2024, our total borrowings stood at ₹ 12,109.51 lakhs. We may incur additional indebtedness in the future. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and investors interest in the Company, and could adversely impact our Equity Share price.

Furthermore, the objects of the Issue include funding working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, see “*Objects of the Issue*” on page 107. Our working capital requirements may be affected due to factors beyond our control including force majeure conditions, delay or default of payment by our clients, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

During last three (3) financial years, we have been able to raise funding from bank as and when the need has arisen and has not delayed and defaulted our financial commitments. However, any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

8. *Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.*

The cost and availability of capital, amongst other factors, is also dependent on our credit ratings. In December 2023, CRISIL Rating Limited has assigned us CRISIL BB/Stable for long term borrowing and CRISIL A4+ for short term borrowing. We have been assigned the following credit ratings in the last three years:

Particulars	December 1, 2023	August 28, 2023	May 31, 2022
Long Term Rating	CRISIL BB	CRISIL BB+ INC	CRISIL BBB
Short Term Rating	CRISIL A4+	CRISIL A4+ INC	CRISIL A3+
Outlook	Stable	Stable	Stable

Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position, and ability to meet our obligations. In December 2023, our ratings was downgraded as compared to August 28, 2023. Any adverse change in credit ratings assigned to our Company or our borrowing limits in the future may impact our ability to raise additional funds and/or the interest cost at which we borrow additional funds and could have an adverse effect on our business and results of operations.

9. *We have availed unsecured loans which are repayable on demand. Any demand for repayment of such unsecured loans, may adversely affect our cash flows.*

As on May 31, 2024, we have unsecured loans amounting to ₹2,356.01 lakhs which are repayable on demand to the relevant lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, see "**Financial Indebtedness**" on page 243.

10. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. The total amount outstanding and payable by us as secured loans was ₹ 9,753.49 lakhs, as on May 31, 2024. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be subject to forfeiture by lenders, which in turn could have significant adverse effect on our business, financial condition or results of operations. For further details of the secured loans availed by us, see "**Financial Indebtedness**" on page 243.

11. *Our Company, our Subsidiaries, our Promoters and Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.*

Our Company, our Subsidiaries, our Promoters and Directors are party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and legal forums. A summary of outstanding litigation proceedings involving our Company, Subsidiaries, our Promoters, and our Directors, as on the date of this Prospectus as disclosed in "**Outstanding Litigations and Material Developments**" on page 271, in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Nature of Cases	Number of outstanding cases	Amount Involved (in Rs. Lakhs)*
<i>Litigation involving our Company</i>		

Nature of Cases	Number of outstanding cases	Amount Involved (in Rs. Lakhs)*
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	1	34.51
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	10	393.52
<i>Litigation involving our Directors (other than Promoters)</i>		
Criminal proceedings against our Directors (other than Promoters)	Nil	Nil
Criminal proceedings by our Directors (other than Promoters)	Nil	Nil
Material civil litigation against our Director (other than Promoters)	Nil	Nil
Material civil litigation by our Director (other than Promoters)	Nil	Nil
Actions by statutory or regulatory authorities (other than Promoters)	1	Not Ascertainable
Direct and indirect tax proceedings	1	0.10
<i>Litigation involving our Promoter</i>		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	11	2.60
<i>Litigation involving our Subsidiaries</i>		
Criminal proceedings against our Subsidiaries	Nil	Nil
Criminal proceedings by our Subsidiaries	Nil	Nil
Material civil litigation against our Subsidiaries	Nil	Nil
Material civil litigation by our Subsidiaries	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	3	0.04

Additionally, a member of our Promoter Group, Mangi Lal Lunawath, had received a summon wherein he was requested to furnish certain information with respect to buying, selling or dealing in shares of Alka Securities Limited. The said details were furnished to SEBI on March 11, 2010. Post furnishing of requisitioned details, Mangi Lal Lunawath did not receive any further order or regulatory letters or follow up since then. It has been more around 14 years, Mangi Lal Lunawath has not received any further communication from SEBI.

There can be no assurance that litigations involving our Company, our Subsidiaries, our Promoters and

Directors will be decided in favour of our Company, Subsidiaries, Promoters and Directors and consequently it may divert the attention of our management and Promoters and consume our corporate resources and we may incur significant expenses in such proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against Company, our Subsidiaries, our Promoters and Directors, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation. For further details, pertaining to material pending outstanding litigations involving our Company, our Subsidiary, our Promoters and Directors, see “**Outstanding Litigations and Material Developments**” on page 271.

- 12. *We are in the process of expanding our operations and establishing a network of customers/distributors, particularly for engineered marble surfaces, in regions where we do not have a significant presence or prior experience. Any failure to expand into these new regions could adversely affect our sales, financial condition, result of operations and cash flow.***

In order to cater to the growing market demand for our products, specifically for engineered marble surfaces, and expand our presence in new regions, we are in the process of deepening our presence in regions where we do not have a significant presence or prior experience. We may not possess the same level of familiarity with the economic condition, customer network, end-customer base and commercial operations in the new regions we propose to enter into and therefore, we will be initially exposed to a degree of risk in realization and volume of sales. There can be no assurance that our expansion plans in these new regions will be successful, as our competitors may have a more established reputation, more experience in trends and deeper relationships with customers in these regions. Further, having limited or no presence in such new regions as compared to some of our competitors, may lead to lower product pricing due to lack of presence and higher expenditure on reputation building. As a result, it may be more expensive for us to distribute engineered marble surfaces in these new regions and it may take longer to reach the expected sales and profit levels than anticipated, which could affect the viability or our overall profitability. There can be no assurance that our products will gain market acceptance or meet the particular requirements of customers in these new markets and regions. If we do not successfully establish, reputation and image in these new markets and regions, our sales, financial condition, results of operations and cash flows could be materially and adversely affected.

- 13. *We derive a major portion of our revenue from export and thus are susceptible to exchange rate fluctuations***

We have historically derived a significant portion of our revenues from exports and are involved in foreign currency transactions for sale of our products. We therefore are exposed to foreign exchange risk between the Indian Rupee and U.S. Dollars and other foreign currencies, if applicable. During the Fiscals 2024, 2023 and 2022, we derived 59.87%, 72.75% and 92.44% of our sales from exports, respectively. In addition, because our financial statements are presented in Indian Rupees, we are subject to translation risk, which is the risk that our financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of other currencies, against the Indian Rupee. The exchange rate between the Indian Rupee and other foreign currencies has changed considerably in recent years and may further fluctuate in the future. Such fluctuations in currency exchange rates may impact our results of operations. Based on our overseas business operations, we primarily deal in USD. We have not adopted foreign exchange risk mitigation measures and we bear the complete risk of currency exchange rate fluctuations. We are affected by fluctuations in exchange rates and we cannot assure you whether future

hedging or other risk management strategies will be effective. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, may have a material impact on our results of operations, cash flows and financial condition.

14. *Our Statutory Auditors have issued modified opinion on consolidated financial statements of the Group for the year ended March 31, 2023 in their Audit Report.*

Our Statutory Auditors had issued modified opinion on consolidated financial statements of the Group for the year ended March 31 2023 vide their Audit Report dated September 29, 2023. Following modified opinion was given:

“We did not audit the financial statements of wholly owned subsidiary Haique Stone Inc. which is incorporated in USA and their governing law, whose financial statements reflect total assets of Rs 1,426.44 lakhs as at 31 March 2023, total revenues of Rs. 3,106.49 lakhs and net cash inflows amounting to Rs -2.6 lakhs for the year ended on that date as considered in the consolidated financial statements in respect of this subsidiary, whose financial statements have not been audited by us. These financial statements are unaudited and have been prepared by the management and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Sub section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, these financial statements are material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management. In the absence of audited financials, effect of the same (if any) on consolidated financial statements cannot be ascertained.”

However, subsequent to the audit report as referred above, the auditor had conducted special purpose audit of Haique Stones Inc for the year ended March 31, 2023 and have issued unmodified opinion on the same vide their report dated February 6, 2024.

There can be no assurance that any similar issued modified opinion on financial statements of the Group will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.’

15. *Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs for any of our business activity, may adversely affect the pricing and supply of our products and may have an adverse effect on our business, results of operations and financial condition.*

We are dependent on third party suppliers for the supply of our raw materials. Discontinuation of production by such suppliers or the failure of the suppliers to adhere to the delivery schedule or the required quality or quantity could hamper our production schedule and therefore affect our business and results of operations. Our cost of purchase amounts to ₹17,363.49 Lakhs, ₹11,591.65 Lakhs and ₹ 11,548.79 Lakhs for Financial Years 2024, 2023 and 2022 respectively. Further our top 10 suppliers contribute to 47.44 %, 51.01% and 78.58%, towards our total expenditure for procurement of raw materials for Financial Year 2024, 2023 and 2022 respectively. This dependence may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition.

There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in shortages or delays in their supply of raw materials to us. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure similar raw materials from other sources at comparable costs and of comparable quality in a timely manner, we would be unable to meet our production schedules for some of our key products and

to deliver such products to our customers in timely manner, which would adversely affect our sales, margins, reputation and customer relations.

We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits.

16. *We may not be able to successfully manage the growth of our operations and execute our growth strategies which may have an adverse effect on our business, financial condition, results of operations and future prospects.*

As we continue to grow, we must continue to improve our managerial, technical and operational knowledge and allocation of resources, and implement an effective management information system. In order to fund our ongoing operations and future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources, including debt or equity. Further, we will be required to manage relationships with a greater number of clients, suppliers, distributors, service providers, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we will be able to comply with our legal and contractual obligations and minimize our operational and compliance risks. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business and operations and training an increasing number of personnel to manage and operate the expanded business. There can be no assurance that we will be able to successfully manage our growth, strategies or that our expansion plans will not adversely affect our existing operations and thereby have an adverse effect on our business, financial condition, results of operations and prospects.

Further, we could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, unavailability of human and capital resources, inability to develop adequate systems, infrastructure and technologies, delayed payments or non-payments by clients, failure to correctly identify market trends, increase in cost of raw material, fuel, labour etc. There can be no assurance that we will be able to execute our growth strategy on time and within the estimated costs, or that we will meet the expectations of our clients.

17. *We are dependent upon the business experience and skill of our promoters, key managerial personnel and senior management personnel. Loss of our Senior Management or our inability to attract or retain such qualified personnel, could adversely affect our business, results of operations and financial condition.*

We believe that our Promoters have played a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. Our Promoters namely Sunilkumar Lunawath, Nitin Gattani and Pradeepkumar Lunawath have strong operational knowledge, and good relationships with our clients. In addition to our Promoters, our key management and senior management team includes qualified, experienced and skilled professionals who possess requisite experience across various division of our business. We believe the stability of our management team and the industry experience brought on by our individual Promoters enables us to continue to take advantage of future market opportunities. We believe that our senior management team is well qualified to leverage our market position with their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The loss of the services of our key personnel or our inability to recruit or train 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. We have not faced any attrition of key managerial personnel and senior management personnel during the last three (3) financial years. However, we cannot assure that there will be no attrition of our senior management personnel in the future.

If we are unable to hire additional qualified personnel or retain them, our ability to expand our business may be impacted. Our Company's profitability, financial condition and results of operations may also be impacted due to lack of experienced and talented workforce. Senior management attrition may also result in our Company incurring higher costs, including the cost of recruiting and costs associated with onboarding. As we intend to continue to expand our operations, we will be required to continue to attract and retain experienced personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees.

18. *We have in past entered into related party transactions and we may continue to do so in the future*

As of March 31, 2024, we have entered into several related party transactions with our Promoter and individuals and entities forming a part of our Promoter Group. In addition, we have in the past also entered into transactions with other related parties. We confirm that the transactions with Related Parties entered into by our Company in the preceding three years have been carried out at arms' length price and are in compliance with the provisions of Companies Act, 2013 and other applicable laws. Further, we confirm that the transactions are not prejudicial to the interest of our Company. A summary of the related party transactions during the Financial Years 2024, 2023 and 2022 as per applicable Ind GAAP is derived from our Restated Financial Statements. For further details, see "**Restated Financial Information**" on page 205.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

19. *Under-utilisation of our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.*

As on date of this Prospectus, we have four (4) Manufacturing Facilities located within the periphery of Udaipur, Rajasthan. Our Company has unutilised capacity at our Manufacturing Facilities. The following table sets forth the installed production capacity and the capacity utilization rate at our Manufacturing Facilities for Financial Year 2024, 2023 and 2022 and 2021;

Sr No.	Manufacturing Facility	Location	Product Manufactures	Capacity Utilised of total installed capacity (%) for period ended FY 2024*	Capacity Utilised of total installed capacity (%) for period ended FY 2023*	Capacity Utilised of total installed capacity (%) for period ended FY 2022*
1.	Manufacturing Facility I	Our factory premises situated at Khasra no. 1106-1109, Revenue village Bhilwara, Kukdeshwar Mahadev Road, Udaipur – 313 001, Rajasthan	Engineered quartz surfaces	56.99	44.96	80.80

Sr No.	Manufacturing Facility	Location	Product Manufactures	Capacity Utilised of total installed capacity (%) for period ended FY 2024*	Capacity Utilised of total installed capacity (%) for period ended FY 2023*	Capacity Utilised of total installed capacity (%) for period ended FY 2022*
2.	Manufacturing Facility II	Our factory premises situated at 1096, Near Gssadkaliya, Behind Pawan Nursery, Kapurawato Ka Bada, Adkaliya, Salumber, Udaipur – 313 027, Rajasthan	Quartz grit	44.67	54.69	68.67
3.	Manufacturing Facility III	The factory premises of Addwaya Chemicals situated at 1953/11, 2080/10, 2082/11, Village Rathujana, Negdiya, Rajsamand – 313 202, Rajasthan, India	Unsaturated polyester resins	61.55	33.21	NA
4.	Manufacturing Facility IV	The factory premises of HSPL situated at Araji No. 2085 Village-Rathujana Nagadiya ahead of Negadia Toll Plaza, Negadiya, Delwara, Rajsamand, Rajasthan, 313202	Engineered marble surfaces	11.78	5.66	NA

**As certified by the Chartered Engineer, vide certificate dated June 26, 2024.*

During Financial Year 2023, our Manufacturing Facility I was not operating at historical level due to lower production of engineered quartz surfaces resulting from lower export to USA, on account of anticipation of increased antidumping duties on quartz surfaces imported from India to USA by importers in the USA. Our major export sales are contributed by USA Market, as evident from the fact that during Fiscals 2024, 2023 and 2022, we derived 59.87%, 72.75% and 92.44% of our sales from exports, respectively and out of our total exports, 94.43%, 97.51% and 96.47% were exported to USA during the Fiscals 2024, 2023 and 2022 respectively. Further during Fiscal 2024 and 2023 the Company made 64.43% and 25.73% of our export sales to USA through our Subsidiary, Haique Stones Inc. However, as on date, the antidumping duty is 0% for our Company. In the event; (i) the antidumping duties are increased to the extent it becomes unviable for our customers to buy from us; or (ii) we are not able to

mitigate the increased cost by increasing the selling price of our engineered quartz surfaces in USA market; or (iii) we are unable to lower down the cost of production and overhead through economies of scale and production efficiencies; or (iv) shift our export sales to countries other than USA; (v) increase sale of our engineered quartz surfaces in domestic market, we may not be able to continue production at desired capacity utilisation of our Manufacturing Facility I which could have a material adverse effect on our business, financial condition, future prospects, and future financial performance. For further details, see "**Risk Factor - Major portion of our revenues are derived from exports to the United States of America and any adverse developments in this market or restrained economic or political relations of India with the United States of America could adversely affect our business.**" on page 43.

Further, our Manufacturing Facility II, Manufacturing Facility III and Manufacturing Facility IV have been recently commissioned and thus we are in process of gradually increasing their capacity utilisation. For further details, see "**Our Business**" on page 147. Under-utilisation of our manufacturing capacities over extended periods, or significant underutilisation in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

Information relating to the historical installed capacity and estimated capacity utilization of our Manufacturing Facilities included in this Prospectus is based on various assumptions and estimates of our management and an independent chartered engineer. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our Manufacturing Facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing Manufacturing Facilities included in this Prospectus.

20. We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.

As on date of this Prospectus, we have registered the trademark "ELEVATED LIVING", "PREMIUM QUARTZ", "HAIQU", "HAIQUE", **haique** and ESPRIT STONES each under class 19. Our Company has also made applications for registration of the logo of the Company which is objected as on date and trade name and logo of Addwaya Chemicals which is accepted & advertised and pending for registration as on date. For further details, see "**Government and Other Statutory Approvals**" on page 276. We cannot assure you that we will be able to obtain registration against the application made or remove objection raised for the logo of the Company. If we are unable to renew or register our trademarks for various reasons including our inability to remove objections to any trademark application, or if any of our unregistered trademark are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill in India and abroad. Apart from this, any failure to register or renew registration of our registered trademark may affect our right to use such trademark in future. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third-party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy our registered brand name in India and abroad which has been registered by us in India. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

Further, if do not maintain our brand name and identity, which we believe is one of the factors that differentiates us from our competitors, we may not be able to maintain our competitive edge in India and abroad. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand name is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source in India and abroad. Any

damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position in India and abroad.

21. We are vulnerable to cyclical in the end-user industry.

We are primarily engaged in the manufacturing of Engineered Stone such as: (i) engineered quartz surfaces; and (ii) engineered marble surfaces which finds application in construction business, such as real estate, hotel, infrastructure and other related industries etc. Real estate is a highly cyclical industry and could impact the business risk profile of our Company. Adverse conditions in or uncertainty about these markets or the economy could adversely impact our end-customers' confidence or financial condition, causing them to determine not to invest in real estate or delay purchasing or payment for real estate.

22. Some of our Group Companies have incurred losses in the previous Fiscals.

One of our Group Company namely Esprit Ventures Private Limited has suffered a loss of ₹36.20 lakhs in Financial Year 2023. Financial losses by our Group Company may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect our credibility and business operations

23. We have certain contingent liabilities as stated in the Restated Consolidated Financial Statement, and in the event, they materialize it could adversely affect our financial condition.

The following table sets forth our contingent liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 as per the Restated Consolidated Financial Information:

Particulars	₹ In Lakhs		
	March 31, 2024	March 31, 2023	March 31, 2022
(i) Letter of credits outstanding	313.82	246.45	578.21
(ii) GST Related Matters for which company preferred appeal	362.88	-	-
(iii) GST Related Matters for which company will prefer appeal	21.63	-*	-
Total	698.33	246.45	578.21

* For the Financial Year March 31, 2023 and 2024, our Subsidiary Haique Stones Inc. may be subject to certain custom duties on import of quartz surfaces in USA which is not quantified as on date. For further details, see "Restated Financial Information- Note 27- Contingent Liabilities" on page 229.

The Company has received orders dated October 30, 2023 from Central Goods and Service Tax (CGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 181.44 lakhs for Financial Year 2018-19, 2019-20 and 2020-21 plus an equal amount of penalty. The Company has filed appeal against these order with the Hon'ble Appellate Authority CGST, Jodhpur on January 25, 2024 and the management believes that basis of ground of appeals, the chances of quashing the order are higher than confirmation of order by the Hon'ble Appellate Authority CGST, accordingly, no liability has been provided.

The Company has received orders dated 24 April 2024 from State Goods and Service Tax (SGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 11.08 lakhs for the financial year 2018-19 plus INR 10.55 lakhs for interest and others. The Company will file appeal against these order within due date with the Honorable Appellate Authority and the management believes that basis of ground of appeals, and the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority, accordingly, no liability has been provided.

We cannot assure you that these contingent liabilities will not become established as liabilities. In the

event any of these contingent liabilities become established as liabilities, it may have an adverse effect on our financial condition and results of operations.

24. ***We have experienced negative cash flows from operating activities and may do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

The Company has reported negative cash flow from operating activities in Financial year 2023 as per the Restated Consolidated Financial Information as given below:

(₹ In Lakhs)

Particulars	For year ended March 31, 2024	For year ended March 31, 2023	For year ended March 31, 2022
Net cash flow generated from/ (utilized in) operating activities (A)	1,422.79	(2,851.54)	2,038.63

(Figures in brackets are negative)

For details, see “***Restated Financial Information – Restated Cashflow Statement***” on page 214.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Since our Company is in a growth phase, our working capital requirement has increased in tandem and this has resulted in negative cash flow from operations in the Financial Year ended March 31, 2023. We may continue to have negative operating cash flows in future. If our Company is not able to generate sufficient operating cash flows, it may adversely affect our business and financial operations. For further details, see “***Restated Financial Statement***” on page 205.

25. ***Our Company is dependent on third parties for transportation and export of our finished products and any disruption in their operations or a decrease in the quality of their services could have an adverse impact on our business, financial condition, cash flows and results of operations.***

Our ability to manufacture, transport, and sell our products is critical to our success. Our Company is dependent on third party transportation for movement of our products from our Manufacturing Facilities the port and thereafter export through sea. Any disputes with our transporters, including disputes regarding pricing or performance, could adversely affect our ability to supply products to our customers on timely basis and could materially and adversely affect our product sales, financial condition, and results of operations. For the Financial Years March 31, 2024, March 31, 2023 and March 31, 2022 the expenses incurred by our Company on ocean freight, transportation and clearing expenses was ₹ 1587.04 lakhs, ₹ 1,190.91 lakhs and ₹ 868.20 lakhs comprising of 6.09%, 6.97% and 5.22% respectively, of the total expenses incurred by our Company.

During lock-down imposed under the COVID-19 pandemic, our Company encountered challenges in availability of transportation for supply of its products. Although, we generally obtain insurance against transportation of our products, occurrence of any disruption to our third-party transportation services availed by us, due to weather, natural disaster, fire or explosion, terrorism, pandemics, strikes, government action, or other reasons beyond our control or the control of our transporters, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of such events or to effectively manage such events if they occur could adversely affect our business. The occurrence of any of these factors could result in a significant decrease in the sales volume of our products and therefore adversely affect our financial condition, cash flows and results of operations.

26. ***Any inability to maintain or manage our workforce could have an impact on our profitability. Further, wage pressures and increases in operating costs may reduce our profit margins.***

We are dependent on our workforce and our equipment and machineries for the operation of our projects. As on May 31, 2024, we had 295 employees. For further details, see “*Our Business – Human Resource*” on page 163. We maintain a workforce based upon our current and anticipated workloads. The details of attrition rate of employees (excluding Directors and SMP) for the last three (3) financial years are as follows:

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Average number of employees*	244	240	204
Number of Employees left/retired	117	135	90
Attrition rate (%)	47.95	56.25	44.23

*Employees include production staff and trainees

We may also be required to increase our levels of employee compensation, more particularly unskilled employees or production workers, more frequently than in the past to remain competitive in attracting employees that our business requires. Failure to motivate unskilled employees or production workers properly may have resulted in an increased employee attrition rate. If we are unable to retain talent required for our business, or hire employees with similar talents and experience in the same cost, we may incur additional costs or we may face difficulties in our operations and performance due to lack of skilled and experienced workforce which could have a material adverse effect on our profitability, financial condition and results of operations.

Further, we also engage contractual labour, which provides us with readily available labours as per the requirements. The number of contract labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labour may result insignificant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods. Further, although, we do not employ such contract labour directly, we may be held responsible for any wage payments to be made to such contract labour in the event of default by the third-party agencies, who employ them. If we are required to pay the wages of the independent contract labour, our results of operations and financial condition could be adversely affected. Further, we could be held liable for the acts committed by, or omission on the part of, personnel engaged by us on a contract basis.

Expense incurred on salaries and wages to factory staff by our Company for last three (3) financial years constitutes 3.97%, 5.14% and 5.47% of our total expenses. Wage and operating expense increase in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Further, the Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government. This may impact our wage structure and may lead to increased wage payments to our employees. Additionally, the cost of operating expenses is also increasing as India continues to grow. Compensation increases manifest a hike in operational costs which may result in a material adverse effect on our business and financial condition and result of operations.

27. ***Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment.***

We intend to use Net Proceeds from the Issue towards (a) funding working capital requirements of our Company; (b) investment in our Subsidiary, HSPL, for repayment and / or prepayment in part or full of its outstanding borrowings; (c) investment in our Subsidiary HSPL for funding its Working Capital Requirement; and (d) general corporate purposes. For details of the objects of the Issue, see “**Objects of the Issue**” on page 107. Our management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our management regarding the application of the Net Proceeds. Moreover, we cannot undertake any material deviation in the utilisation of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in its business.

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

We propose to utilize the Net Proceeds as stated under “**Objects of the Issue**” on page 107. However, our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised.

As per section 27 of the Companies Act, the objects of utilization of the Net Proceeds from the fresh issue as disclosed in this Prospectus can only be varied after obtaining the shareholders’ approval vide a special resolution. In the event, the Company wishes to vary the objects for which the net proceeds from the fresh issue are required to be varied, our Company 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. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our ability to respond to any change in our business or financial condition, and thus, adversely affecting our business and results of 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 Issue 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 our 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 or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

29. ***Some of our Group Company is engaged in activities which is similar to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations***

Some of our Group Companies namely, Rose Marbles Private Limited, Rajasthan Packing Co Private Limited and Aravali Minerals and Chemicals Industries Private Limited has some objects similar to that of our business. Accordingly, such Group Companies may compete with us or our Subsidiaries, like any other third-party competitor. While necessary procedures and practices may be adopted as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner. There can be no assurance

that our Promoters or our Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition. Thus, in future conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies and member of Promoter Group. In cases of conflict, our Promoters may favour other companies or ventures in which our Promoters have interest.

30. ***We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

The Engineered Stone industry is highly competitive, both in India and overseas. We expect that competition will continue to intensify both through the entry of new players and consolidation of existing players. Our competitors, especially overseas competitors, may have greater financial resources, better distribution network, technical and marketing resources and generate greater revenues, and therefore may be able to respond better to market changes than we can. The industry in which we operate have low entry barriers and therefore we cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide or adapt more quickly than we do to changing consumer preferences and market requirements, at prices equal to or lower than those of our products. Increased competition may result in our inability to differentiate our products from those of our competitors, which may lead to a loss of market share. Our ability to compete also depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable products and the extent of our competitor's responsiveness to customer needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, prospects, financial condition and results of operations.

31. ***Certain sections of this Prospectus disclose information from the CARE Analytics and Advisory Private Limited which have been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

Certain sections of this Prospectus include information based on, or derived from, the report titled "***Industry Research Report – Engineering Stones Industry***" dated February 2024" (the "***CARE Report***") prepared and issued by CARE Analytics and Advisory Private Limited ("***CAAPL***"), prepared exclusively for the Issue and commissioned and paid by our Company in connection with the Issue. Further, CARE Report are prepared based on information as of specific dates and may no longer be current or reflect current trends. Certain information in the CARE Report is subject to limitations and is also based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. CARE Report uses certain methodologies for market sizing and forecasting, and is subject to certain disclaimers set out in "***Certain Conventions, Presentation of Financial, Industry and Market Data***" on page 19. Furthermore, the CARE Report is not a recommendation to invest/ disinvest in any company covered in the CARE Report. Accordingly, Investors should not place undue reliance on, or base their investment decision solely on this information. For the disclaimer regarding these reports, see "***Certain Conventions, Presentation of Financial, Industry and Market Data***" on page 19.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Prospectus based on, or derived from, the CARE Report. You should consult your own advisors and undertake an independent assessment of information in this Prospectus based on, or derived from, the CARE Report before making any investment decision regarding the Issue. For further details, see "***Industry Overview***" on page 135.

32. ***We may not be able to identify or effectively respond to evolving preferences, expectations or trends in a timely manner and a failure to derive the desired benefits from our product development efforts may impact our competitiveness and profitability.***

The success of our business depends in part on our ability to anticipate, identify and respond promptly to evolving trends in demographics and preferences, customer expectations, needs and demands, and develop new products to meet these requirements. Our success is dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and end- customer preferences in a variety of our stones categories.

We cannot assure you that our future product development initiatives will be successful or be completed within the anticipated period or budget, or that our newly developed or improvised products will achieve wide market acceptance from our customers. Even if these products have been successfully developed, there is no guarantee that they will be accepted by our customers and achieve anticipated sales targets in a profitable manner, which may affect our ability to grow our network of customers and gain market share. In addition, there can be no guarantee that the time and effort that we spend in developing these products would be beneficial to our Company.

This could also adversely affect our ability to pursue our growth strategy of continuing to develop niche and products to grow our market share. Further, we cannot assure you that our existing or potential competitors will not develop products that are similar or superior to our products. It is often difficult to estimate the time to market new products and there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we fail in our product launching efforts, our business, prospects, financial condition, results of operations and cash flows may be materially and adversely affected.

Further, as we continue to grow our business by expanding our products, offerings and our geographic reach, maintaining quality and consistency may be more difficult and there can be no assurance that the customers' confidence in our products will not diminish. Failure or any delay on our part to identify such trends, to align our business successfully and maintain quality could negatively affect our image, our relationship with our customers, the rate of growth of our business, our market share and our prospects.

33. ***Any inability on our part to collect amounts owed to us or to pay amounts owed by us could result in the reduction of our profits***

We provide our customers with credit periods as part of our standard payment terms. For information on our trade receivables, see "***Restated Consolidated Financial Statement***" on page 205. The table below sets forth our trade receivables and debtor turnover ratio for the last three Fiscals:

Particulars	For Financial Year 2023-24	For Financial Year 2022-23	For Financial Year 2021-22
Trade receivables (₹ in lakhs)	7,247.62	4,138.70	2,485.35
Debtor turnover ratio (in days outstanding)	76	69	40
Provisions made/Write-off (₹ in lakhs)	137.88	-	-

For details, see "***Restated Financial Statement***" on page 205.

Our business depends on our ability to successfully obtain payments from our customers for services provided. We typically raise our invoice and maintain provisions against receivables and unbilled services. Actual losses on customer balances could differ from those that we currently anticipate and as

a result we may need to adjust our provisions. Financial difficulties including insolvency or bankruptcy experienced by our customers could cause delays in payments to us, and customers could default on their payment obligations to us or request modifications to their payment arrangements that could increase our receivables or affect our working capital requirements.

We cannot assure you that we would be able to accurately assess the creditworthiness of our customers. Further, macroeconomic conditions, which are beyond our control, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Our customers may delay payment, request modifications to their payment terms, or default on their payment obligations to us, all of which could increase our trade receivables and/or write-offs of trade receivables. While we have not experienced any significant write-off of our receivables in the past, we cannot assure you that we will not face default of our receivables. If we are unable to meet our contractual requirements, we may experience delays in collection of and/ or be unable to collect our payments altogether on account of termination of such contracts. An increase in bad debts or in defaults by clients may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows

34. *Stringent environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.*

Our operations are subject to environmental, health and safety and other regulatory and statutory requirements in the jurisdictions in which we operate. We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India. Non-compliance with these laws and regulations could expose us to civil penalties, criminal sanctions and revocation of key business licenses. Environmental laws and regulations in India are becoming more stringent and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management.

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

35. *Our Promoters and some of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses.*

Some of Promoters and our Directors are interested in our Company to the extent of their respective shareholding in our Company as well as to the extent of any dividends, bonus or other distributions on such Equity Shares. We cannot assure you that our Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Promoters holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 179 and 192, respectively

36. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

37. ***We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Any defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition.***

We have entered into agreements for secured short term and long-term borrowings with certain lenders. As on May 31, 2024 an aggregate of ₹9279.55 lakhs, on a consolidated basis, was outstanding towards loans availed from banks. The credit facilities availed by us are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and corporate guarantees. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered. This could severely affect our operations and financial condition. Our financing agreements include certain covenants that require us to obtain lender consents prior to carrying out certain corporate activities and entering into certain transactions, such as, incurring any additional borrowings, undertaking capital expenditure, effect any change in shareholding pattern and management control of the Company amongst others. In addition, any breach of financial or non-financial covenant may qualify as an event of default under financing agreements.

We cannot assure you that the lenders will not seek to enforce their rights in respect of any breach by us under our financing agreements. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lenders or is not otherwise cured by us, may lead to a termination of our credit facilities and/or acceleration of all amounts due under the relevant credit facility. Further, if the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under the financing documents, thereby reducing the availability of cash for our operations. In addition, the lenders may enforce their security interest in certain of our assets. Moreover, during the period in which we are in default, we may face difficulties in raising further loans. Any future inability to comply with the covenants under our financing agreements or to obtain the necessary consents required thereunder may lead to termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such financing agreements and enforcement of any security provided. Any of these circumstances may have an adversely affect our business, results of operation and financial condition. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lenders refuse to renew / enhance the credit facilities and/or cancel / suspend / reduce the said credit facilities and/or alter the terms and conditions to the derogation of our Company, then our existing operations as well as our future business prospects and financial condition may be severely affected.

38. ***There have been past instances of delays by the Company in filing of certain GST returns and making payments under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Any future instances of such delays may result in levy of penalties on the Company.***

There were certain instances of delays in filing of GSTR3B returns and making of payments under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. However, our Company has made the requisite filings with payment of additional fees to the GST authorities and also made the requisite EPF payments.

In most of the instances, the delays in filing the GST returns had occurred as the Company was not able to get 100% claim of Input credit on or before due date of filing of returns and therefore the Company had to wait for its vendors to complete their filing so that Company can get inputs in its account, on account of technical issues with GST portal on various occasions, due to administrative difficulties and due to the difficulties during the COVID 19 pandemic. To address such delays, the Company has taken corrective steps to mitigate the delays and a separate software is taken for auto reconciliation.

Further, delays in making EPF payments had occurred due to technical issues with EPF portal on various occasions, administrative difficulties and difficulties during the COVID 19 pandemic. To address such delays, the Company has taken corrective steps to mitigate the delays including appointment of professionals.

The following table provides the number of delays we have made for financial years ended March 31, 2024, 2023 and 2022:

Name of the Entity	Governing Tax law	Form Type	Number of cases		
			2023-24	2022-23	2021-22
Esprit Stones Limited	Goods and Service Tax	GSTR1	-	-	-
	Goods and Service Tax	GSTR3B	2	4	4
	Provident Fund	Monthly Contribution	-	1	1
	Employees State Insurance	Monthly Contribution	-	2	1
Addwaya Chemicals Private Limited	Goods and Service Tax	GSTR1	-	-	1
	Goods and Service Tax	GSTR3B	1	1	-
	Provident Fund	Monthly Contribution	-	-	-
	Employees State Insurance	Monthly Contribution	1	-	-
Haique Stones Private Limited	Goods and Service Tax	GSTR1	-	-	-
	Goods and Service Tax	GSTR3B	-	1	-
	Provident Fund	Monthly Contribution	-	-	-
	Employees State Insurance	Monthly Contribution	-	-	-

While we have not been subject to any penalties by regulatory authorities, there can be no assurance that we would not be subject to such penalties or fines in the future. Further, there can be no assurance that there will be no delays or non-compliances with the filing of certain documents in the future.

39. We are dependent on our Promoters/Directors for the functioning of our business and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our Promoters and Directors. For details, see “*Our Management*” and “*Our Promoters and Promoter Group*” on pages 179 and 192, respectively. We believe that the inputs and experience of our Promoters/Directors are valuable for the growth and

development of business and operations and the strategic directions taken by our Company. Our business and operations are led by our Promoters/ Directors, who possess vast experience in the industry, the loss of whose services may adversely affect our business operations.

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

The Competition Act, 2002 (“**Competition Act**”) seeks to prevent business practices that have an Appreciable Adverse Effect on Competition (“**AAEC**”) 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 AAEC in India is void and attracts substantial monetary penalties. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require that the acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by CCI. However, the applicability or impact of the provisions of the Competition Act on any future acquisition or arrangement entered into by us cannot be predicted with certainty at this stage.

41. *Inability to protect, strengthen and enhance our existing reputation could adversely affect our business prospects and financial performance.*

Our business reputation is critical to the success of our business. While we have been making consistent efforts to strengthen our image, various factors, some of which are beyond our control, are critical for maintaining and enhancing our reputation and if not managed properly, may negatively affect our brand and reputation. These include our ability to effectively manage the quality of our products, increase brand awareness among existing and potential customers, adapt our advertising and promotion efforts to emerging industry standards and protect the intellectual property related to our brand.

Our reputation could be negatively impacted if we fail to maintain our established standards of service, or if our products fail to meet the expectation of our customers. Any allegations of deterioration in product quality even when false or unfounded, could tarnish our image and may cause our customers to choose other competing products. Any negative publicity regarding us, our reputation, our products or the stones industry generally could adversely affect our business and our results of operations. Other risks associated with our industry include improper disclosure of proprietary information, negative comments about our brands or standard of service, exposure of personally identifiable information, fraud, hoaxes or malicious exposure of false information. The inappropriate use of social media by our customers, employees, suppliers or other third parties could also harm our reputation thereby increasing our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition. In addition, counterfeit products, product defects and ineffective promotional activities are all potential threats to the image and potency of our brand. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of customers and in turn adversely affect our reputation, business, financial condition, results of operations and cash flows.

42. *We are subject to operational risks on account of obsolescence, destruction, breakdown of our equipment or failure to repair or maintain such equipment. Further, if we do not continually enhance our business with the most recent equipment and technology, our ability to maintain and expand our markets may be adversely affected.*

Our Manufacturing Facilities, are subject to the normal risks of industrial production, including equipment breakdowns, labour stoppages or disputes, shortage of skilled labour, natural disasters, directives from government agencies, water shortages, power interruptions, performance below expected levels of output or efficiency, obsolescence, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry. In past, we have experienced an occurrence of an accident in our Manufacturing Facility I in year 2024, which caused

bodily injury to a worker. The Company is taking due care of the medical and other requirement of the said worker in due compliance with the applicable laws.

Further, any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same.

43. ***Our business is dependent on the delivery of adequate and uninterrupted supply of electrical power and water at a reasonable cost and any shortage, disruption or non-availability of power and water may adversely affect our entire processing requirements and have an adverse impact on our business, results of operations and financial condition.***

Adequate and cost-effective supply of electrical power and water is critical to our operations. The power requirement for our Manufacturing Facilities is sourced from the state power grids. We maintain power back-ups through DG Sets to ensure unhindered production, in case of power cuts by the local electricity providers. We have also installed solar power plant with an aggregate installed capacity of 1,706 KW at our Manufacturing Facilities which enable us to reduce our power costs. Further we have installed ground mounted solar generation plant of 1,300 KW at Gajner, Rajasthan and have long term open access agreement with state power grids for transmission of electricity which further reduces our utility costs as we get the credit benefit of such transmission in our power bill. For details, see “***Our Business***” on page 147. However, an interruption in or limited supply of electricity may result in suspension of our operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. Further, if the per unit cost of electricity is increased by state electricity boards, our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins

Our operations and facilities are especially dependent on a steady and stable supply of water which we source from third party water tank. Any irregular or interrupted supply of water could adversely affect our daily operations. For details, see “***Our Business***” on page 147. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. We cannot assure you that we will always have access to sufficient supply of power and water in the future to accommodate our requirements and planned growth. Accordingly, any increase in power costs and water costs could adversely affect our profitability.

44. ***Changes in technology may affect our business by making our processing facilities or equipment less competitive or obsolete.***

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Modernization and technology upgradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. The development and implementation of such technology and machinery entails technical and business risks. Further, the costs in upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. Changes in technology and high-power costs may make newer facilities or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facility. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

45. ***Our Promoters and members of the Promoter Group will continue jointly to retain majority control***

over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

After completion of the Issue, our Promoters and Promoter Group will collectively own a majority of the Equity Shares of our Company. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

46. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “***Dividend Policy***” on page 204.

47. ***If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, 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 ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares.

48. ***The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue Price.***

Our Promoter’s average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price. For further details regarding average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares by our Promoter in our Company, please refer to the chapters “***Capital Structure***” beginning on page 93.

49. ***Land measuring 5,000 sq. mt. adjacent to our Manufacturing facility I is pending for conversion for industrial use.***

Our Company has purchased land measuring 5,000 sq. mt. adjacent to its Manufacturing facility I located at Araji Number: 8923/1105 and 8925/1104, Lakhawali, Udaipur, Rajasthan. Although, the said land does not form a part of the Manufacturing Facility I, the same is used for the purpose of garden, parking and internal road from factory gate to office building. We have applied to the Secretary, Urban Improvement Trust, Udaipur, Rajasthan for conversion of land for industrial use. The application is currently under process with Urban Improvement Trust, Udaipur. If the application for land conversion for industrial purposes is not approved, there will be no penalties or negative effects on the Company's business. However, we will be unable to use the land for parking and internal road purposes, specifically for the route from the factory gate to the office building. This may cause difficulties for our employees in terms of vehicle parking, and we may need to consider alternative routes from the factory gate to the office building.

ISSUE SPECIFIC RISKS

50. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process in accordance with the SEBI ICDR Regulations 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 be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

51. ***The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares will be determined by the book-building method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. For details, see “***Basis for Issue Price***” on page 122. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

52. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Any sale of our Equity Shares by our Promoters or major shareholders or future equity issuances, by us may adversely affect the trading price of our 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. We cannot assure you 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.

53. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, 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 equity shareholders. For example, the exchange rate between the 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 trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

54. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

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.

55. ***QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within 3 Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit

the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

EXTERNAL RISK FACTORS:

56. *Our business and results of operations could be adversely affected by disruptions in global economic and geo political conditions.*

As we derive majority of our revenue from export sales, our financial performance and growth are necessarily dependent on economic conditions prevalent globally. The global economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax including antidumping duties and countervailing duties, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in debt rating; and adverse global economic conditions due to various reasons such as, effect of COVID Pandemic, ongoing dispute between Russia and Ukraine, recent turmoil in the Red Sea trade route and the Suez Canal, etc. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past due to global economic and geo political conditions. The Indian economy in particular could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, recent initiatives by the Indian government and other factors. Unfavourable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

57. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in India is evolving and subject to change. Such changes in applicable law and policy in India, including the instances described below, may adversely affect our business, financial condition, results of operations, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

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

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted

59. ***Investors may not be able to enforce judgments obtained in foreign courts against us.***

We are a public limited company under the laws of India. All of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “Civil Code”). 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 favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the Reserve Bank of India to repatriate any amount recovered pursuant to the execution of the judgment.

60. ***We are a public limited company under the laws of India. Many of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the industry in which we operate, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, and our business, prospects, financial condition and results of operations, in particular.

61. ***We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on the Emerge platform of NSE, subject to the receipt of the final listing and trading approvals from the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- political instability, terrorism, military conflict, epidemic or public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Instability in financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- changes in India's tax, trade, fiscal or monetary policies; and
- other significant regulatory or economic developments in or affecting India or its logistics sector.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

62. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Continued high rates of inflation may increase our expenses related to costs of raw material, rent, salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

63. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) 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 the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

64. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

65. ***Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

66. ***The occurrence of natural or man-made disasters may adversely affect our business, financial condition, results of operations and cash flows.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war such as Russia's invasion of Ukraine, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

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. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

67. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

68. *Rights of shareholders under Indian laws may be different from laws of other jurisdictions.*

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 face challenges in asserting their rights as our shareholder than as a shareholder of an entity in another jurisdiction.

SECTION III – INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS	
Issue of Equity Shares by our Company ⁽¹⁾⁽²⁾	57,95,200* Equity Shares of face value of ₹10 each fully paid up of our company at a price of ₹ 87 per Equity share aggregating to ₹ 5,035.42 Lakhs.
The Issue consists of:	
Market Maker Reservation Portion	2,91,200 Equity Shares of face value of ₹ 10 each fully paid up of our company at a price of ₹ 87 per Equity share aggregating to ₹ 253.34 Lakhs.
Employee Reservation Portion ⁽³⁾	1,28,000 Equity Shares of face value of ₹ 10 each fully paid up of our company at a price of ₹ 82 per Equity share (net of discount of ₹ 5 per Equity share) aggregating to ₹ 104.96 Lakhs.
Net Issue to the Public ⁽⁴⁾	53,76,000 Equity Shares of face value of ₹ 10 each fully paid up of our company at a price of ₹ 87 per Equity share aggregating to ₹ 4,677.12 Lakhs.
Out of which*	
A. QIB Portion ⁽⁵⁾⁽⁶⁾	Not more than 26,88,000 Equity Shares aggregating up to ₹ 2,338.56 Lakhs
Of which	
i. Anchor Investor Portion	16,12,800 Equity Shares aggregating up to ₹ 1,403.14 Lakhs
ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	10,75,200 Equity Shares aggregating up to ₹ 935.42 Lakhs
Of which	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	54,400 Equity Shares aggregating up to ₹ 47.33 Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	10,20,800 Equity Shares aggregating up to ₹ 888.10 Lakhs
B. Non-Institutional Portion	Not less than 8,06,400 Equity Shares aggregating up to ₹ 701.57 Lakhs
C. Retail Portion	Not less than 18,81,600 Equity Shares aggregating up to ₹ 1,636.99 Lakhs
Pre and Post – Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,61,50,000 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	2,19,45,200 Equity Shares of face value ₹10 each
Use of Net Proceeds by our Company	Please see the chapter titled “ Objects of the Issue ” on page 107.

* Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

Notes:

- The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- The present Issue has been authorized pursuant to a resolution by our Board of Directors at its meeting held

on February 5, 2024 and by the Shareholders of our company, vide a special resolution passed pursuant to Section 62 (1) I of the Companies Act, 2013 at their Extra ordinary general meeting held on February 6, 2024.

3. *The initial Allotment to an Eligible Employee in the Employee Reservation Portion has not exceeded ₹ 2 lakhs (net of Employee Discount), however, an Eligible Employee could have submitted a Bid for a maximum Bid Amount of ₹ 5 lakhs under the Employee Reservation Portion. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion were to be Allotted, proportionately to all Eligible Employees who had made a Bid in excess of ₹ 2 lakhs, subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹ 5 lakhs (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ 5 lakhs as applicable, net of Employee Discount), were added to the Net Issue. Further, an Eligible Employee Bidding in the Employee Reservation Portion could have also Bid under the Net Issue and such Bids were not treated as multiple Bids. The Employee Reservation Portion did not exceed 5% of our post-Issue paid-up Equity Share capital. Our Company, in consultation with the BRLMs, offered a discount of 5.75% on the Issue Price (equivalent of ₹ 5 per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which was announced two Working Days prior to the Bid/Issue Opening Date. For further details, see the section titled “Issue Structure ” on page 312.*
4. *The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue were available for allocation to Non-institutional bidders.*
5. *Our Company may, in consultation with the Book Running Lead Manager, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion were reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares were added to the QIB Portion. Further, 5% of the Net QIB Portion were available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion were 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 Issue Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion were made available to be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.*
6. *In the event of over-subscription, allotment were to be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, were made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor were not less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, were available to be allocated on a proportionate basis.*

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5 lakhs, shall use UPI. Individual investors bidding under the Non- Institutional Portion bidding for more than ₹ 2 lakhs and up to ₹ 5 lakhs, using the UPI Mechanism, were required to provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat

and bank account (3 in 1 type accounts), provided by certain brokers.

*For details, including grounds for rejection of Bids, refer to “**Issue Structure**” and “**Issue Procedure**” beginning on pages 312 and 317, respectively. For details of the terms of the Issue, see “**Terms of the Issue**” on page 305.*

SUMMARY FINANCIAL STATEMENTS

*The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022. The Restated Consolidated Financial Information referred to above is presented under the section titled “**Financial Information**” beginning on page 205. The summary of financial information presented below should be read in conjunction with the Restated Consolidated Financial Information, the notes thereto and the chapters titled “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” beginning on pages 205 and 251.*

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RESTATED CONSOLIDATED BALANCE SHEET

(Amount in ₹ lakhs)

Sl No.	Particulars	As at the year ended March 31, 2024	As at the year ended March 31, 2023	As at the year ended March 31, 2022
I.	EQUITY AND LIABILITIES			
1	SHAREHOLDERS' FUND			
(a)	Share Capital	1,615.00	950.00	950.00
(b)	Reserves and Surplus	5,623.80	5,277.81	4,943.32
2	Minority Interest	35.63	19.67	7.27
3	NON - CURRENT LIABILITIES			
(a)	Long-Term Borrowings	5,111.71	5,694.56	2,727.49
(b)	Deferred Tax Liabilities (net)	453.68	464.30	395.21
(c)	Long-Term Provisions	54.92	37.39	23.15
4	CURRENT LIABILITIES			
(a)	Short-Term Borrowings	7,430.20	6,184.99	3,072.27
(b)	Trade Payables			
	- Total outstanding dues to micro and small enterprises	235.12	1,279.00	973.00
	- Total outstanding dues of other than micro and small enterprises	4,847.03	2,566.28	3,346.37
(c)	Other Current Liabilities	1,862.84	1,305.34	1,631.66
(d)	Short Term Provisions	189.42	22.90	-
	TOTAL	27,459.35	23,802.24	18,069.74
II.	ASSETS			
1	NON - CURRENT ASSETS			
(a)	Property, Plant and Equipment and Intangible Assets			
(i)	Property, Plant and Equipment	11,041.40	11,652.92	6,617.90
(ii)	Intangible Assets	4.50	6.37	0.06
(iii)	Capital Work-In-Progress	756.35	-	2,235.50
(b)	Long-Term Loans and Advances	398.58	461.88	898.94
2	CURRENT ASSETS			
(a)	Inventories	6,135.32	5,308.33	3,497.63
(b)	Trade Receivables	7,247.62	4,138.70	2,485.35
(c)	Cash and Bank Balances	324.51	289.80	1,209.00
(d)	Short-Term Loans and Advances	1,532.10	1,935.98	1,016.13
(e)	Other Current Assets	18.97	8.26	109.23
	TOTAL	27,459.35	23,802.24	18,069.74

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended, March 2023	For the year ended March 31, 2022
REVENUE			
Revenue From Operations	27,289.02	17,441.09	18,645.65
Other Income	188.80	165.43	356.95
TOTAL INCOME	27,477.82	17,606.52	19,002.60
EXPENSES			
Cost of Materials Consumed	16,007.31	10,634.87	10,908.75
Purchases of Stock-In-Trade	1,332.16	721.85	363.61
Changes in Inventories of Finished Goods, Work-In- Progress and Stock-In-Trade	(725.19)	(1,513.21)	(1,289.72)
Employee Benefits Expenses	1,816.69	1,585.39	1,353.77
Finance Costs	997.11	634.24	325.43
Depreciation and Amortisation Expenses	913.29	733.11	625.09
Other Expenses	5,726.77	4,279.03	4,348.33
TOTAL EXPENSES	26,068.14	17,075.28	16,635.26
PROFIT/(LOSS) BEFORE TAX	1,409.68	531.24	2,367.34
Current Tax	(386.11)	(106.46)	(557.93)
Deferred Tax Expenses	10.62	(69.09)	41.76
Prior year(s)	(2.46)	0.03	(0.64)
PROFIT/(LOSS) FOR THE PERIOD/YEAR	1,031.73	355.72	1,850.53
PROFIT/(LOSS) Attributable to			
(i) Owners of the company	1,015.77	343.32	1,850.61
(ii) Minority Interest	15.96	12.40	(0.08)
Earning per Equity Share			
Basic (₹ per Share)	6.29	2.13	11.46
Diluted (₹ per Share)	6.29	2.13	11.46

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(Amount in ₹ lakhs)

Particulars	For the period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
B. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax	1,409.68	531.24	2,367.34
Adjusted for:			
Depreciation & Amortization Expenses	913.29	733.11	625.09
Finance costs	997.11	634.24	325.43
Interest Income	(20.91)	(42.30)	(95.60)
Unrealised foreign exchange (gain)/loss	8.13	(37.38)	(35.03)
Provision for doubtful debts	133.33	-	-
Net loss/ (gain) on disposal of property, plant and equipment	-	-	(1.93)
Operating Profit before Working Capital Changes	3,440.63	1,818.91	3,185.30
Changes in working capital and other provisions:			
Increase/(Decrease) in Long-Term Provision	17.53	14.24	10.34
Increase/(Decrease) in Trade Payables	1,236.87	(474.67)	949.62
Increase/(Decrease) in Other Current Liabilities	606.59	263.36	301.97
(Increase)/ Decrease in Long-Term Loans and Advances	(54.54)	(57.04)	(6.55)
(Increase)/ Decrease in Inventories	(826.99)	(1,810.70)	(1,601.62)
(Increase)/ Decrease in Trade Receivables	(3,174.35)	(1,595.85)	(845.41)
(Increase)/ Decrease/ in Short-Term Loans and Advances	294.06	(882.04)	659.05
(Increase)/ Decrease in Other Current Assets	-	2.42	0.09
Impact of receivables and payables due to translation from foreign currency	(4.78)	(8.83)	-
Cash generated from operations	1,535.02	(2,730.20)	2,652.79
Income tax paid (net)	(112.23)	(121.34)	(614.16)
Net Cash Flow from/(used in) Operating Activities	1,422.79	(2,851.54)	2,038.63
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets & Changes in Capital Work-in-Progress	(1,059.23)	(3,636.19)	(3,097.98)

Particulars	For the period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Investments in Fixed Deposits	(296.50)	(216.44)	(1,070.74)
Proceeds from Maturity of Fixed Deposits	216.44	1070.74	1056.15
Loans & Advances to Other Corporates	-	-	540.68
Interest Income	10.20	140.85	44.06
Net Cash used in Investing Activities	(1,129.09)	(2,641.04)	(2,527.83)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Shares	-	-	-
Proceeds/(Repayment) of Long-Term Borrowings from Banks	(1,061.25)	1999.36	362.24
Proceeds/(Repayment) of Long-Term Borrowings from Others	671.69	1349.47	107.47
Proceeds/(Repayment) of Short-Term Borrowings from Banks	1,051.92	2711.42	396.72
Interest expenses paid	(1,001.41)	(632.57)	(314.29)
Net Cash from/(used in) Financing Activities	(339.05)	5427.68	552.14
Net increase/ (decrease) in cash and cash equivalents	(45.35)	(64.90)	62.94
Add: Cash and cash equivalents at the beginning of the year	73.36	138.26	75.32
Cash and cash equivalents at the end of the year	28.01	73.36	138.26

GENERAL INFORMATION

Our Company was originally incorporated as ‘Esprit Stones Private Limited’, a private limited company under Companies Act, 2013, pursuant to a certificate of incorporation dated October 19, 2016 issued by the Central Registration Centre. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an Extra-ordinary General meeting held on January 12, 2024 and a fresh certificate of incorporation dated February 5, 2024 was issued by the Registrar of Companies, Jaipur at Rajasthan consequent upon conversion, recording the change in name of our Company from ‘Esprit Stones Private Limited’ to ‘Esprit Stones Limited’.

Corporate Identity Number: U74999RJ2016PLC056284

Registration Number: 056284

Registered Office of our Company

SP1, Udyog Vihar,
Sukher Industrial Area,
Udaipur, Rajasthan – 313 004, India
Telephone: +91 91166 52582
Website: www.espritstones.com

For details of change in our Registered office, see “*History and Certain Corporate Matters*” on page 174.

Corporate Office of our Company

Kh No. 1106 -1109, Revenue Village Bhilwada
Lakhawali, Udaipur – 313 001
Rajasthan, India

Registrar of Companies

Our Company is registered with the Registrar of Companies, Rajasthan situated at Jaipur at the following address:

Registrar of Companies, Rajasthan at Jaipur

C/6-7, 1st Floor,
Residency Area, Civil Lines,
Jaipur, Rajasthan – 302 001, India

Board of Directors of our Company

The following table sets out the details of our Board as on the date of this Prospectus:

Name And Designation	DIN	Address
Sunilkumar Lunawath <i>Managing Director</i>	01105117	L3/53, Jay Shree Colony, Nr. Dhulkot Chouraha, Girwa, Shastri Circle, Udaipur, Rajasthan – 313 003, India.
Nitin Gattani <i>Joint-Managing Director</i>	00173258	Shree Niketan, 380, near Ayad Puliya, Ashok Nagar, Shree Niketan, Udaipur, Rajasthan – 313 001, India.
Pradeepkumar Lunawath <i>Executive Director</i>	01105096	L3/53, Jay Shree Colony, Nr. Dhulkot Chouraha, Girwa, Shastri Circle, Udaipur, Rajasthan – 313 003, India.
Sunil Gattani <i>Non-executive Director</i>	02409338	303, Char Bangla Road, Orbit Complex, Govind Pura, Girwa, Udaipur, Rajasthan – 313 001, India.

Name And Designation	DIN	Address
Neelam Tater <i>Independent Director</i>	07653773	C-502, SP Ring Road , Near Zydus Corporate Park, Khoaraj, Chandlodiya, Ahmedabad, Gujarat – 382 481
Narendra Sharma <i>Independent Director</i>	01380061	11, Modern Complex, Bhuwana, Udaipur – 313 001, Rajasthan, India

For further details of our Board of Directors, see “*Our Management*” beginning on page 179.

Company Secretary and Compliance Officer

Anjali Pandey
Address: SP1, Udyog Vihar,
 Sukher Industrial Area,
 Udaipur, Rajasthan – 313 004, India
Telephone: +91 91166 52582
E-mail id: legal@espritstones.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Issue in case of any pre- Issue or post- Issue 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.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue 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 Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

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

Book Running Lead Managers

Choice Capital Advisors Private Limited

Sunil Pataodia Tower, Plot No.156-158 J.B. Nagar
 Andheri (East), Mumbai – 400 099, Maharashtra, India
Telephone: +91 22 6707 9999 / 7919

E-mail: esl.ipo@choiceindia.com

Website: www.choiceindia.com/merchant-investment-banking

Investor Grievance E-mail: regulator_advisors@choiceindia.com

Contact Person: Nimisha Joshi / Anuj Killa

SEBI Registration No.: INM000011872

Srujan Alpha Capital Advisors LLP

Registered Address: 112A, 1st floor, Arun Bazar
S.V. Road, beside Bank of India
Malad (West), Mumbai – 400 064

Correspondence Address: 824 & 825, Corporate Avenue
Sonawala Rd, opposite Atlanta Centre, Sonawala Industry Estate
Goregaon, Mumbai – 400 063

Telephone: +91 022 - 4603 0709

E-mail: jinesh@srujanalpha.com

Website: www.srujanalpha.com

Investor Grievance E-mail: partners@srujanalpha.com / jinesh@srujanalpha.com

Contact Person: Jinesh Doshi

SEBI Registration Number: INM000012829

Syndicate Member

Choice Equity Broking Private Limited

Sunil Patodia Tower Plot No 156-158,
J.B. Nagar, Andheri (East), Mumbai, 400099,
Maharashtra, India

Telephone: +91 22 6707 9999

Email: ipo@choiceindia.com

Website: <https://choiceindia.com/>

Contact Person: Mr. Pawan Khemka

SEBI Registration Number: INZ000160131

Statement of responsibilities of the Book Running Lead Managers

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of our Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	Choice Capital and SACA	Choice Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Red Herring Prospectus, and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalization of RHP, Prospectus, Issuer Agreement, Syndicate and Underwriting Agreements and RoC filing	Choice Capital and SACA	Choice Capital
3.	Drafting and approval of statutory advertisements.	Choice Capital	Choice Capital
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, application form, abridged	Choice Capital and SACA	Choice Capital

Sr. No.	Activity	Responsibility	Co-ordination
	prospectus, etc. and filing of media compliance report.		
5.	Appointment of intermediaries – Bankers to the Issue, Registrar to the Issue, advertising agency, printers, Syndicate Members, Monitoring agency and other intermediaries including co-ordination for agreements with such intermediaries	Choice Capital	Choice Capital
6.	Preparation of road show marketing presentation and frequently asked questions	Choice Capital and SACA	Choice Capital
7.	Institutional marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule 	Choice Capital	Choice Capital
8.	Retail marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> • Finalising media, marketing, public relations strategy and publicity • budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow – up on distribution of publicity; and • Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material 	Choice Capital	Choice Capital
9.	Non-Institutional marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> • Finalising media, marketing and public relations strategy; and • Formulating strategies for marketing to Non – Institutional Investors. 	Choice Capital	Choice Capital
10.	Managing the book and finalization of pricing in consultation with our Company	Choice Capital and SACA	Choice Capital
11.	Coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange	Choice Capital	Choice Capital
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Issue, intimation of allocation and dispatch of refund to bidders, etc. Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable.	Choice Capital	Choice Capital

Sr. No.	Activity	Responsibility	Co-ordination
	Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post-Issue reports including the Initial and final post-Issue report to SEBI		

Legal Counsel to the Company as to Indian Law

Vidhigya Associates, Advocates

501, 5th Floor, Jeevan Sahakar Building
Sir P M Road, Homji Street Fort
Mumbai – 400 001, Maharashtra, India

Telephone: +91 84240 30160

Email: rahul@vidhigyaassociates.com

Website: www.vidhigyaassociates.com

Contact Person: Rahul Pandey

Registrar to the Issue

Link Intime India Private Limited

Address: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083 Maharashtra, India

Tel: +91 8108 114949

E-mail: espritstones.ipo@linkintime.co.in

Investor grievance email: espritstones.ipo@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No: INR000004058

Bankers to the Issue / Refund Bank / Sponsor Bank

Kotak Mahindra Bank

Address: Kotak Infinity, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK
Vaidya Marg, Malad (East). Mumbai – 400 097 Maharashtra, India.

Telephone: 022-66056603

Email Address: cmsipo@kotak.com; mansi.sata@kotak.com

Contact Person: Siddhesh Shirodkar

Bankers to the Company

HDFC Bank Limited

Address: 16-C, 3rd Floor, Bank Street,
Madhuban, Opp. Darshan Jewellers,
Udaipur – 313 001, Rajasthan, India

Telephone: +91 9529791101

E-mail: mahendra.koli@hdfcbank.com

Contact Person: Mahendra Koli

Escrow Collection Bank(s), Public Issue Account Bank, Refund Bank and Sponsor Bank

Kotak Mahindra Bank

Address: Kotak Infinity, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK
Vaidya Marg, Malad (East). Mumbai – 400 097 Maharashtra, India.

Telephone: 022-66056603

Email Address: cmsipo@kotak.com; mansi.sata@kotak.com

Contact Person: Siddhesh Shirodkar

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> on the website of SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or 87 through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of the SEBI (<https://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>) respectively, and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as

their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/Rtadp.aspx? and www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, respectively, as updated from time to time.

Statutory Auditor to our Company

M/s A Bafna & Co., Chartered Accountants

Address: Raj Apartments, K-2, Keshav path, C-Scheme, Jaipur – 302 001, Rajasthan, India

Tel: 0141 - 2372 572

E-mail: vivekguptafca@gmail.com

ICAI Firm Registration Number: 003660C

Peer Review Number: 016548

Changes in Auditors

Except as stated below, there have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Prospectus.

Name of Auditor	Address and E-mail	Date of Appointment/ Cessation	Reason
M/s A Bafna & Co., Chartered Accountants <i>Firm Registration Number: 003660C</i>	Raj Apartments, K-2, Keshav path, C-Scheme, Jaipur – 302 001, Rajasthan, India <i>Email: vivekguptafca@gmail.com</i>	November 30, 2021	Appointment as Statutory Auditor
<i>Peer Review Number: 016548</i>			
M/s Pallavi Mehta & Associates <i>Firm Registration Number: 016194C</i>	207, Arihant Plaza, Behind Bank of Maharashtra, City Station road, Udaipole, Udaipur – 313 001. Rajasthan, India	November 1, 2021	Resignation due to pre-occupation

Grading of the Issue

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

Expert

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

Our Company has received written consent dated February 15, 2024 from, M/s A Bafna & Co., Chartered Accountants to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this 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 Auditor, and in respect of Examination Report dated July 05, 2024 on our Restated Consolidated Financial Information and such consent has not been withdrawn as on the date of filing of this Prospectus.

Our Company has received written consent dated February 14, 2024 from, M/s A P Sanzgiri & Co., Independent Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them in their capacity as Independent Chartered

Accountants to our Company and such consent has not been withdrawn as on the date of filing of this Prospectus.

Our Company has received written consent dated June 26, 2024 from Priyal Kothari, Independent Chartered Engineer to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and their capacity as independent chartered engineer in respect of details in relation to capacity and capacity utilization of manufacturing units of our Company and such consent has not been withdrawn as on the date of this Prospectus.

However, the term “expert” and the consent thereof shall not be construed to mean an “expert” or consent within the meaning under the U.S. Securities Act, as amended (the “**U.S. Securities Act**”).

Monitoring Agency

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹10,000.00 Lakhs. Since the size of the Issue does not exceed one hundred crore rupees, we are not required to appoint monitoring agency.

Our Company has not appointed any monitoring agency for this Issue. However, pursuant to Regulation 32(3) of the SEBI LODR Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company’s balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI LODR Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

Appraising Entity

Our Company has not appointed any appraising agency.

Credit Rating

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

Green Shoe Option

No green shoe option is contemplated under the Issue.

Debenture trustees

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

Filing of Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus

The Draft Red Herring Prospectus was filed with National Stock Exchange India Limited, Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India.

The Draft Red Herring Prospectus was not required to be filed with SEBI, nor SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI ICDR Regulations, 2018. Pursuant to Regulation 246(5)

of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus was filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> and a copy of this Prospectus will also be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus, along with the material contracts documents was filed under Section 26 & 32 of the Companies Act, 2013 with the Registrar of Companies and a copy of this Prospectus will be filed under Section 26 of the Companies Act, 2013 with the Registrar of Companies through the electronic portal at <http://www.mca.gov.in>.

Book Building process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which was decided by our Company, in consultation with the Book Running Lead Managers in accordance with the Book Building Process, and was advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper (Hindi being the regional language of Rajasthan, where our Registered Office and Corporate Office are located), at least two working days prior to the Bid/Issue Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price was determined by our Company, in consultation with the Book Running Lead Managers in accordance with Book Building process after the Bid/Issue Closing Date. For further details, see “*Issue Procedure*” on page 317.

The SEBI ICDR Regulations have permitted the offer of securities to the public through the book building process, wherein allocation to the public shall be made as per Regulation 253(1) of the SEBI ICDR Regulations.

The Issue is being made through the book building process wherein not more than 50% of the Net Issue was made available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs allocated upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the “**Anchor Investor Portion**”), out of which one third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. At least 5% of the QIB Portion were made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion were available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15% of the Net Issue were available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue were available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders were able to participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders were mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, were allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

All Bidders, other than Anchor Investors, were required to only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount were blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors were not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion were not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion

(subject to the Bid Amount being up to ₹200,000) and Eligible Employees Bidding in the Employees Reservation Portion were allowed to revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors were not allowed to revise and withdraw their Bids after the Anchor Investor Bid/Issue Period. Except for Allocation to RIBs, Non-Institutional Investors and the Anchor Investors, Allocation in the Issue were made on a proportionate basis. Allocation to the Anchor Investors were made on a discretionary basis.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process are subject to change from time to time and Bidders were advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

Bidders should note that the Issue is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Issue Closing Date or such other time period as prescribed under applicable law.

For further details on the method and procedure for Bidding, see “*Issue Structure*” and “*Issue Procedure*” on pages 312 and 317, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company have appointed the Book Running Lead Manager to manage this Issue and procure Bids for this Issue.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “*Terms of the Issue*” and “*Issue Procedure*” on pages 305 and 317, respectively.

Underwriting Agreement

Our Company and Book Running Lead Managers to the Issue hereby confirm that the Issue is 100% underwritten. The underwriting agreement is dated July 18, 2024 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Details of the Underwriter	No. of Shares Underwritten*	Amount Underwritten (Amount in ₹ lakhs)	% of the total Issue Size Underwritten
Choice Capital Advisors Private Limited	57,95,200	5,035.42	100.00%

*Includes 2,91,200 Equity shares of Rs. 10.00 each for the cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated July 18, 2024 in order to comply with the requirements of Regulation 261 of the SEBI ICDR Regulations.

In terms of Regulation 260(1) of the SEBI ICDR Regulations, the initial public offer shall be underwritten for hundred per cent (100%) of the Issue and shall not be restricted up to the minimum subscription level. As per Regulation 260(2) of SEBI ICDR Regulations, the Book Running Lead Manager - Choice Capital Advisors Private Limited has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account which has been complied with.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriter is registered with SEBI or registered as brokers with the Stock Exchange(s).

Details of Market Making Arrangement

Our Company and the Book Running Lead Managers have entered into Market Making Agreement dated July 18, 2024 with the following Market Maker to fulfill the obligations of market making for this Issue:

Name	Choice Equity Broking Private Limited
Address	Sunil Patodia Tower Plot No 156-158, J.B. Nagar, Andheri (East), Mumbai, 400099, Maharashtra, India
Telephone	+91 22 6707 9999
E-mail	ipo@choiceindia.com
Contact Person	Mr. Pawan Khemka
Market Maker Registration No.	INB231377335

Choice Equity Broking Private Limited, registered with NSE Emerge will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI ICDR Regulations as amended from time to time.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by the NSE Emerge and SEBI in this matter from time to time.

In terms of Regulation 261(1) of SEBI ICDR Regulations, the market making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the NSE Emerge and SEBI regarding this matter from time to time.

In terms of Regulation 261(2) of SEBI ICDR Regulations, the Market Maker or Issuer, in consultation with the Book Running Lead Managers may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the NSE Emerge.

In terms of regulation 261(3) of SEBI ICDR Regulations, flowing is a summary of the key details pertaining to the Market Making arrangement:

The Market Maker “Choice Equity Broking Private Limited”, shall be required to provide a two-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

The prices quoted by Market Maker shall be in compliance with the market maker spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.

The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE Emerge may intimate the same to SEBI after due verification.

The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on NSE Emerge platform of National Stock Exchange of India Limited (in this case currently the minimum trading lot size is 1600 Equity Shares; however, the same may be changed by the NSE Emerge platform of National Stock Exchange of India Limited from time to time).

The shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on the NSE Emerge and market maker will remain present as per the guidelines mentioned under the Designated Stock Exchange and SEBI circulars.

The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the SEBI. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.

In terms of regulation 261(6) of SEBI ICDR Regulations, Market Maker shall not buy the Equity Shares from the Promoters or persons belonging to Promoter Group of the Company or any person who has acquired equity shares from such Promoters or person belonging to Promoter Group, during the compulsory market making period.

In terms of regulation 261(7) of SEBI ICDR Regulations, the Promoters' holding of the Company shall not be eligible for offering to the Market Maker during the compulsory market making period. However, the promoters' holding of our Company which is not locked-in as per the SEBI ICDR Regulations, can be traded with prior permission of the NSE Emerge, in the manner specified by SEBI from time to time.

The Book Running Lead Managers may be represented on the Board of the Issuer Company in compliance with Regulation 261 (8) of SEBI ICDR Regulations.

The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of our Company via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

Risk containment measures and monitoring for Market Maker: The NSE Emerge platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. The NSE Emerge can impose any other margins as deemed necessary from time-to-time.

Punitive Action in case of default by Market Maker: The NSE Emerge platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines /suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time. The Market Maker shall have the right to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Book Running Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above-mentioned market making agreement prior to the completion of the compulsory market making period, it shall be the responsibility of the Book Running Lead Managers to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI ICDR Regulations. Further the Company and the Book Running Lead

Managers reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the relevant laws and regulations applicable at that particular point of time.

On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Issue price.

Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Issue size)	Re-entry threshold for buy quote (Including mandatory initial inventory of 5% of the Issue size)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE Emerge platform of National Stock Exchange of India Limited from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within 2 (Two) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Book Running Lead Managers, through the Registrar to the Issue, shall notify the SCSBs (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within 1 (One) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

CAPITAL STRUCTURE

Details of the share capital of our Company, as on the date of this Prospectus and after giving effect to the Issue, are set forth below.

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price *
A.	AUTHORIZED SHARE CAPITAL**		
	2,50,00,000 Equity Shares of face value of ₹10 each	25,00,00,000	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	1,61,50,000 Equity Shares of face value of ₹10 each	16,15,00,000	-
C.	PRESENT ISSUE IN TERMS OF PROSPECTUS#		
	Fresh Issue of up to 57,95,200 Equity Shares* of face value of ₹10 each	5,79,52,000	50,35,42,400
	<i>Which comprises of:</i>		
	Market Maker Reservation Portion of up to 2,91,200 Equity Shares of face value of ₹10 each	29,12,000	2,53,34,400
	Employee Reservation Portion of up to 1,28,000 Equity Shares of face value of ₹10 each###	12,80,000	1,04,96,000
	Net Issue of up to 53,76,000 Equity Shares of face value of ₹10 each	5,37,60,000###	46,77,12,000
D.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE		
	2,19,45,200 Equity Shares of face value ₹10 each	21,94,52,000##	-
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		-
	After the Issue##		44,55,90,400

* Subject to finalization Basis of Allotment.

** For details in relation to the changes in the authorized share capital of our Company, see “**History and Certain Corporate Matters – Amendments to our Memorandum of Association**” on page 174.

The Issue has been authorized by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated February 5, 2024 and February 6, 2024, respectively.

Eligible Employees bidding in the Employee Reservation Portion were required to ensure that the maximum Bid Amount does not exceed ₹5.00 lakhs (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion were not to exceed ₹2.00 lakhs (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion were allowed to be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹2.00 lakhs (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹5.00 lakhs (net of Employee Discount). The unsubscribed portion, if any in the Employee Reservation Portion (after allocation up to ₹5.00 lakhs), were to be added to the Net Issue. Our Company, in consultation with the BRLMs, offered a discount of 5.75% on the Issue Price (equivalent of ₹ 5 per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which was announced two Working Days prior to the Bid/Issue Opening Date. For further details, see the section titled “**Issue Structure**” on page 312.

Notes to Capital Structure

I. Share Capital History of our Company

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹10 each. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on

the date of this Prospectus.

1. Equity Share capital

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
October 19, 2016	2,00,000	100	100	Cash	Subscription to MOA ⁽¹⁾	2,00,000	2,00,00,000
January 9, 2017	1,50,000	100	100	Cash	Rights Issue in the ratio of 3 Equity Shares for every 4 Equity Shares held ⁽²⁾	3,50,000	3,50,00,000
February 4, 2017	50,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 7 Equity Shares held ⁽³⁾	4,00,000	4,00,00,000
February 25, 2017	50,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 8 Equity Shares held ⁽⁴⁾	4,50,000	4,50,00,000
March 31, 2017	50,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 9 Equity Shares held ⁽⁵⁾	5,00,000	5,00,00,000
November 18, 2017	1,00,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 5 Equity Shares held ⁽⁶⁾	6,00,000	6,00,00,000
March 28, 2018	1,50,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 4 Equity Shares held ⁽⁷⁾	7,50,000	7,50,00,000
August 11, 2018	2,00,000	100	100	Cash	Rights Issue in the ratio of 20 Equity Shares for every 75 Equity Shares held ⁽⁸⁾	9,50,000	9,50,00,000
November 30, 2021	Pursuant to shareholders' resolution dated November 30, 2021, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore the issued, paid-up and subscribed share capital of our Company was sub-divided from ₹9,50,00,000 divided into 9,50,000 Equity Shares of ₹100 each into ₹9,50,00,000 divided into 95,00,000 Equity Shares of ₹10 each						
December 29, 2023	66,50,000	10	-	Nil	Bonus issue in the ratio of seven (7) Equity Shares for every ten (10) Equity Shares held ⁽⁹⁾	1,61,50,000	16,15,00,000

(1) Allotment of 40,000 Equity Shares to Mangi Lal Lunawath, 30,000 Equity Shares to Sunilkumar Lunawath, 30,000 Equity Shares to Pradeepkumar Lunawath, 50,000 Equity Shares to Sunil Gattani and 50,000 Equity Shares to Nittin Gattani.

(2) Allotment of 27,000 Equity Shares to Sunilkumar Lunawath, 6,000 Equity Shares to Pradeepkumar Lunawath, 42,000 Equity Shares to Mangi Lal Lunawath, 25,000 Equity Shares to Nitin Gattani, 25,000 Equity Shares to Krishan Gopal Gattani and

- 25,000 Equity Shares to Gattani Resorts Private Limited.
- (3) Allotment of 8,000 Equity Shares to Sunilkumar Lunawath, 4,000 Equity Shares to Pradeepkumar Lunawath, 13,000 Equity Shares to Mangi Lal Lunawath and 25,000 Equity Shares to Krishan Gopal Gattani.
 - (4) Allotment of 7,000 Equity Shares to Sunilkumar Lunawath, 2,000 Equity Shares to Pradeepkumar Lunawath, 16,000 Equity Shares to Mangi Lal Lunawath and 25,000 Equity Shares to Nitin Gattani.
 - (5) Allotment of 1,000 Equity Shares to Sunilkumar Lunawath, 24,000 Equity Shares to Pradeepkumar Lunawath and 25,000 Equity Shares to Nitin Gattani.
 - (6) Allotment of 50,000 Equity Shares to Nitin Gattani, 10,000 Equity Shares to Pradeepkumar Lunawath, 20,000 Equity Shares to Sunilkumar Lunawath and 20,000 Equity Shares to Mangi Lal Lunawath,.
 - (7) Allotment of 27,000 Equity Shares to Sunilkumar Lunawath, 16,000 Equity Shares to Pradeepkumar Lunawath, 32,000 Equity Shares to Mangi Lal Lunawath, 17,000 Equity Shares to Nitin Gattani and 58,000 Equity Shares to Kaushalya Gattani.
 - (8) Allotment of 10,000 Equity Shares to Sunilkumar Lunawath, 10,000 Equity Shares to Pradeepkumar Lunawath, 69,000 Equity Shares to Mangi Lal Lunawath, 50,000 Equity Shares to Nitin Gattani, 50,000 Equity Shares to Sangeeta Gattani and 11,000 Equity Shares to Sayar Kumari Magilal.
 - (9) Allotment of 16,24,000 Equity Shares Mangi Lal Lunawath, 9,10,000 Equity Shares to Sunilkumar Lunawath, 7,14,000 Equity Shares to Pradeepkumar Lunawath, 18,69,000 Equity Shares to Nitin Gattani, 7,00,000 Equity Shares to Sangeeta Gattani, 77,000 Equity Shares to Sayar Kumari Mangilal and 7,56,000 Equity Shares to Shubh Gattani.

2. Preference Share Capital

As on the date of this Prospectus, our Company does not have any preference share capital.

II. Issue of shares for consideration other than cash or out of revaluation of reserves or by way of bonus

Except as set out below, our Company has not issued any Equity Shares for consideration other than cash or out of revaluation of reserves or by way of bonus at any time since incorporation.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
December 29, 2023	66,50,000	10		- Bonus issue in the ratio of seven (7) Equity Shares for every ten (10) Equity Shares held in the Company ⁽⁴⁾	Capitalization of reserves

(1) Allotment of 16,24,000 Equity Shares, 9,10,000 Equity Shares to Sunilkumar Lunawath, 7,14,000 Equity Shares to Pradeepkumar Lunawath, 18,69,000 Equity Shares to Nitin Gattani, 7,00,000 Equity Shares to Sangeeta Gattani, 77,000 Equity Shares to Sayar Kumari Mangilal and 7,56,000 Equity Shares to Shubh Gattani.

III. Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

IV. Issue or transfer of Equity Shares under employee stock option schemes

The Company does not have any employee stock option schemes under which any equity shares of the Company is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

V. Issue of shares at a price lower than the Issue Price in the last year

The Issue Price for the Equity Shares is ₹ 87 per equity share. Except for the bonus issue of shares, our Company has not issued any shares in the last year. For details of the allotments made in the last one year, see “*Capital Structure – Share Capital History of Our Company – Equity Share capital*”

beginning on page 93.

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Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of underlying Depository Receipts (VI)	Number of shares (VII)	Total number of shares held = (IV)+(V)+(VI) (VIII)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)	Number of Voting Rights Total (X)	Number of shares Underlying Outstanding convertible securities (X)	Shareholding, as a % assuming full conversion of convertible securities (XI) = (VII)+(X) As a % of (A+B+C2)	Number of shares locked in (XII)	Number of Shares pledged or otherwise encumbered (XIII)	Number of Equity Shares held in dematerialized form (XIV)	
(A)	Promoters and Promoter Group	9	1,61,50,000	-	-	1,61,50,000	100	1,61,50,000	1,61,50,000	100	-	-	-	-	-	1,61,50,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Non Promoter-Non Public Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	9	1,61,50,000	-	-	1,61,50,000	100	1,61,50,000	1,61,50,000	100	-	-	-	-	-	1,61,50,000

Other details of shareholding of our Company

As on the date of the filing of this Prospectus, our Company has 9 Shareholders.

Set forth below are the details of the build-up of our Promoters' shareholding in our Company since incorporation:

Date of allotment/ acquisition/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price/Consideration on per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*	% of Post-Issue capital (₹)
Sunilkumar Lunawath								
October 19, 2016	30,000	100	100	Cash	Subscription to MOA	30,000	1.86	1.37
January 9, 2017	27,000	100	100	Cash	Rights Issue in the ratio of 3 Equity Shares for every 4 Equity Shares held	57,000	3.53	2.60
February 4, 2017	8,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 7 Equity Shares held	65,000	4.02	2.96
February 25, 2017	7,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 8 Equity Shares held	72,000	4.46	3.28
March 31, 2017	1,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 9 Equity Shares held	73,000	4.52	3.33
November 18, 2017	20,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 5 Equity Shares held	93,000	5.76	4.24
March 28, 2018	27,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 4 Equity Shares held	1,20,000	7.43	5.47
August 11, 2018	10,000	100	100	Cash	Rights Issue in the ratio of 20 Equity Shares for every 75 Equity Shares held	1,30,000	8.05	5.92
November 30, 2021	Pursuant to its shareholders' resolution dated November 30, 2021, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the 1,30,000 Equity Shares held by Sunilkumar Lunawath of face value ₹100 each were sub-divided into 13,00,000 Equity Shares of ₹10 each							
December 29, 2023	9,10,000	10	-	Nil	Bonus Issue in the ratio of seven (7) Equity Shares	22,10,000	13.68	10.71

Date of allotment/ acquisition/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price/Co nsiderati on per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre- Issue capital (₹)*	% of Post- Issue capital (₹)
for every ten (10)								
Sub-total (A)	22,10,000						13.68	10.71
Nitin Gattani								
October 19, 2016	50,000	100	100	Cash	Subscription to MOA	50,000	3.10	2.28
January 9, 2017	25,000	100	100	Cash	Rights Issue in the ratio of 3 Equity Shares for every 4 Equity Shares held	75,000	4.64	3.42
February 25, 2017	25,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 8 Equity Shares held	1,00,000	6.19	4.56
March 31, 2017	25,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 9 Equity Shares held	1,25,000	7.74	5.70
November 18, 2017	50,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 5 Equity Shares held	1,75,000	10.84	7.97
March 28, 2018	17,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 4 Equity Shares held	1,92,000	11.89	8.75
August 11, 2018	50,000	100	100	Cash	Rights Issue in the ratio of 20 Equity Shares for every 75 Equity Shares held	2,42,000	14.98	11.03
April 1, 2019	25,000	100	100	Cash	Transfer of Equity Shares from Gattani Resorts Private Limited	2,67,000	16.53	12.17
November 30, 2021	Pursuant to its shareholders' resolution dated November 30, 2021, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the 2,67,000 Equity Shares held by Nitin Gattani of face value ₹100 each were sub-divided into 26,70,000 Equity Shares of ₹10 each							
December 29, 2023	18,69,000	10	-	Nil	Bonus Issue in the ratio of seven (7) Equity Shares for every ten (10)	45,39,000	28.11	20.68
Sub-total (B)	45,39,000						28.11	20.68
Pradeepkumar Lunawath								

Date of allotment/acquisition/transfer	Number of Equity Shares allotted/transferred	Face value per Equity Share (₹)	Issue Price/Consideration per Equity Share (₹)	Nature of consideration	Nature of allotment/transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*	% of Post-Issue capital (₹)
October 19, 2016	30,000	100	100	Cash	Subscription to MOA	30,000	1.86	1.37
January 9, 2017	6,000	100	100	Cash	Rights Issue in the ratio of 3 Equity Shares for every 4 Equity Shares held	36,000	2.23	1.64
February 4, 2017	4,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 7 Equity Shares held	40,000	2.48	1.82
February 25, 2017	2,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 8 Equity Shares held	42,000	2.60	1.91
March 31, 2017	24,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 9 Equity Shares held	66,000	4.09	3.01
November 18, 2017	10,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 5 Equity Shares held	76,000	4.71	3.46
March 28, 2018	16,000	100	100	Cash	Rights Issue in the ratio of 1 Equity Shares for every 4 Equity Shares held	92,000	5.70	4.19
August 11, 2018	10,000	100	100	Cash	Rights Issue in the ratio of 20 Equity Shares for every 75 Equity Shares held	1,02,000	6.32	4.65
November 30, 2021	Pursuant to its shareholders' resolution dated November 30, 2021, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the 1,02,000 Equity Shares held by Pradeepkumar Lunawath of face value ₹100 each were sub-divided into 10,20,000 Equity Shares of ₹10 each							
December 29, 2023	7,14,000	10	-	Nil	Bonus Issue in the ratio of seven (7) Equity Shares for every ten (10)	17,34,000	10.74	7.90
January 29, 2024	(3,33,795)	10	Nil	Gift	Transfer of Equity Shares to Vijayshree Lunawath	14,00,205	8.67	6.38
Sub-total (C)	14,00,205						8.67	6.38
Sangeeta Gattani								

Date of allotment/ acquisition/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price/Consideration on per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*	% of Post-Issue capital (₹)	
August 10, 2018	50,000	100	Nil	Gift	Transfer of Equity Shares from Sunil Gattani	50,000	3.10	2.28	
August 11, 2018	50,000	100	100	Cash	Rights Issue in the ratio of 20 Equity Shares for every 75 Equity Shares held	1,00,000	6.19	4.56	
November 2021	30,	Pursuant to its shareholders' resolution dated November 30, 2021, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the 1,00,000 Equity Shares held by Sangeeta Gattani of face value ₹100 each were sub-divided into 10,00,000 Equity Shares of ₹10 each							
December 2023	29,	7,00,000	10	-	Nil	Bonus Issue in the ratio of seven (7) Equity Shares for every ten (10)	17,00,000	10.53	7.75
January 29, 2024	11,09,250	10	Nil	Gift	Transfer of Equity Shares from Shubh Gattani	28,09,250	17.39	12.80	
Sub-total (D)	28,09,250-						17.39	12.80	
Anushree Lunawath									
January 29, 2024	4,82,205	10	Nil	Gift	Transfer of Equity Shares from Mangi Lal Lunawath	4,82,205	2.99	2.20	
Sub-total E	4,82,205						2.99	2.20	
Siddhanth Lunawath									
-	Nil						-	-	
Sub-total (F)	Nil						-	-	
Total (A + B + C + D + E+F)	1,14,40,660						70.84	52.13	

*The figures in the row have been rounded-off to the closest decimal.

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as on the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Sunilkumar Lunawath	22,10,000	13.68
2.	Nitin Gattani	45,39,000	28.11
3.	Pradeepkumar Lunawath	14,00,205	8.67
4.	Sangeeta Gattani	28,09,250	17.39
5.	Anushree Lunawath	4,82,205	2.99
6.	Mangi Lal Lunawath	13,98,590	8.66
7.	Sayar Kumari Mangilal	12,92,000	8.00
8.	Vijayshree Lunawath	12,92,000	8.00
9.	Shubh Gattani	7,26,750	4.50

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) [*]
Total		1,61,50,000	100.00

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as of 10 days prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) [*]
1.	Sunilkumar Lunawath	22,10,000	13.68
2.	Nitin Gattani	45,39,000	28.11
3.	Pradeepkumar Lunawath	14,00,205	8.67
4.	Sangeeta Gattani	28,09,250	17.39
5.	Anushree Lunawath	4,82,205	2.99
6.	Mangi Lal Lunawath	13,98,590	8.66
7.	Sayar Kumari Mangilal	12,92,000	8.00
8.	Vijayshree Lunawath	12,92,000	8.00
9.	Shubh Gattani	7,26,750	4.50
Total		1,61,50,000	100.00

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) [*]
1.	Sunilkumar Lunawath	13,00,000	13.68
2.	Nitin Gattani	26,70,000	28.11
3.	Pradeepkumar Lunawath	10,20,000	10.74
4.	Sangeeta Gattani	10,00,000	10.53
5.	Mangi Lal Lunawath	23,20,000	24.42
6.	Sayar Kumari Mangilal	1,10,000	1.16
7.	Shubh Gattani	10,80,000	11.37
Total		95,00,000	100.00

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) [*]
1.	Sunilkumar Lunawath	13,00,000	13.68
2.	Nitin Gattani	26,70,000	28.11
3.	Pradeepkumar Lunawath	10,20,000	10.74
4.	Sangeeta Gattani	10,00,000	10.53
5.	Mangi Lal Lunawath	23,20,000	24.42
6.	Sayar Kumari Mangilal	1,10,000	1.16
7.	Shubh Gattani	10,80,000	11.37
Total		95,00,000	100.00

**Rounded off to the closest decimal*

The aggregate shareholding of the Promoters and Promoter group

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%)*	Percentage of the Post-Issue Equity Share capital (%)
Promoters				
1.	Sunilkumar Lunawath	22,10,000	13.68	10.07
2.	Nitin Gattani	45,39,000	28.11	20.68
3.	Pradeepkumar Lunawath	14,00,205	8.67	6.38
4.	Sangeeta Gattani	28,09,250	17.39	12.80
5.	Anushree Lunawath	4,82,205	2.99	2.20
6.	Siddhanth Lunawath	Nil	Nil	Nil
Sub-total (A)		1,14,40,660	70.84	52.13
Promoter Group				
1.	Mangi Lal Lunawath	13,98,590	8.66	6.37
2.	Sayar Kumari Mangilal	12,92,000	8.00	5.89
3.	Vijayshree Lunawath	12,92,000	8.00	5.89
4.	Shubh Gattani	7,26,750	4.50	3.31
Sub-total (B)		47,09,340	29.16	21.46
Total		1,61,50,000	100.00	73.59

*Rounded off to the closest decimal

The number of specified securities purchased or sold by the Promoter Group and/ or by the Directors of our Company and their relatives in the preceding six months.

There has been no purchase or sale of securities by our Promoters and Promoter Group or by the Directors of our Company and their relatives in the preceding six months from the date of this Prospectus. However, there were transfers by way of gift between the Promoters and Promoter Group in the preceding six months, the details of which are given below:

No.	Name of the Shareholder	Date of Purchase/ Sale	Number of Equity Shares	Percentage of the Post-Issue Equity Share capital (%)
Sold				
Shubh Gattani				
1.	Transfer of Equity Shares to Sangeeta Gattani	January 29, 2024	11,09,250	5.05
Mangi Lal Lunawath				
2.	Transfer of Equity Shares to Sayar Kumari Mangilal	January 29, 2024	11,05,000	5.04
3.	Transfer of Equity Shares to Anushree Lunawath	January 29, 2024	4,82,205	2.20
4.	Transfer of Equity Shares to Vijayshree Lunawath	January 29, 2024	9,58,205	4.37
Pradeepkumar Lunawath				
1.	Transfer of Equity Shares to Vijayshree Lunawath	January 29, 2024	3,33,795	1.52
Purchased				
Anushree Lunawath				
1.	Purchase of Equity Shares from Mangi Lal Lunawath	January 29, 2024	4,82,205	2.20
Sangeeta Gattani				
1.	Purchase of Equity Shares from Shubh Gattani	January 29, 2024	11,09,250	5.05

Details of lock-in

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue

Equity Share Capital held by our Promoter shall be considered as promoter’s contribution (“**Promoter’s Contribution**”) and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter’s Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Name of Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue / Acquisition price per Equity Share (₹)	Percentage of the pre-Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital (%)	Lock-in Period
Sunilkumar Lunawath	11,00,000	November 30, 2021	Allotment due to split of shares	10	10	6.81%	5.01	3 years
Nitin Gattani	11,00,000	November 30, 2021	Allotment due to split of shares	10	10	6.81%	5.01	3 years
Pradeep Lunawath	9,00,000	November 30, 2021	Allotment due to split of shares	10	10	5.57%	4.10	3 years
Pradeep Lunawath	2,00,000	December 29, 2023	Bonus Issue	10	Nil	1.24%	0.91	3 years
Sangeeta Gattani	9,00,000	November 11, 2021	Allotment due to split of shares	10	10	5.57%	4.10	3 years
Sangeeta Gattani	2,00,000	December 29, 2023	Bonus Issue	10	Nil	1.24%	0.91	3 years
Total	44,00,000					27.24%	20.05	

The shareholding of the Promoters in excess of 20% of the fully diluted Post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

All the Equity Shares held by our Promoters are in dematerialized form.

The Equity Shares held by shareholders other than promoter shall be locked-in for a period of one (1) year from the date of Allotment in the Issue except for any Equity Shares held by the eligible employees (whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees, the same may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

In this connection, please note that:

The Equity Shares issued for Promoter’s contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalization of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoter’s contribution.

The minimum Promoter’s contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being issued to the public in the Issue.

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

As on the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

In terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to the other Promoters or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Issue and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

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 filing of this Prospectus.

Except for the allotment of Equity Shares pursuant to the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.

Our Company, our Directors and the Book Running Lead Manager have no existing buy-back arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

All Equity Shares offered pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus.

As on the date of this Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

There are no outstanding convertible securities, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Prospectus.

Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of filing the draft offer documents with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

No person connected with the Issue, including, but not limited to, the Book Running Lead Manager, the members of the Syndicate, our Company and Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an Application.

There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

OBJECTS OF THE ISSUE

The Issue comprises of fresh Issue of 57,95,200* Equity Shares of our Company at an Issue Price of ₹ 87/-per Equity Share, aggregating ₹ 5,035.42 lakhs by our Company. The proceeds from the Issue after deducting Issue related expenses are estimated to be ₹ 4,445.27 lakhs (the “**Net proceeds**”).

**Subject to finalisation of basis of allotment*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE. It will also create a public trading market for the Equity Shares of our Company.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake our existing business activities and to undertake the activities for which the funds are being raised in the Issue.

The net proceeds of the Issue, i.e. gross proceeds of the Issue less the issue expenses to the extent applicable to the Issue (“**Net Proceeds**”) are proposed to be utilised for the following objects:

1. Funding Working Capital requirement of our Company
2. Investment in our Subsidiary, Haique Stones Private Limited (HSPL), for repayment and / or prepayment in part or full of its outstanding borrowings
3. Investment in our Subsidiary, Haique Stones Private Limited (HSPL) for funding its Working Capital Requirement
4. General Corporate Purpose

(Collectively, referred to herein as the “**Objects**”)

Net Proceeds

The details of the net proceeds of the Fresh Issue are summarised in the table below:

Particulars	Amount (₹ in lakhs)
Gross Proceeds	5,035.42
Less: Issue related expenses*	590.15
Net Proceeds**	4,445.27

** See “Issue Related Expenses” below*

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

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details set forth below:

Sr. No.	Particulars	Estimated amount (₹ in lakhs)
1.	Funding Working Capital requirements of our Company	1,400.00
2.	Investment in our Subsidiary, Haique Stones Private Limited (HSPL), for repayment and / or prepayment in part or full of its outstanding borrowings	1,950.00
3.	Investment in our Subsidiary, Haique Stones Private Limited (HSPL) for funding its Working Capital Requirement	650.00
4.	General corporate purposes *	445.27

** The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.*

Proposed schedule of Implementation and Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of Implementation and deployment of funds set forth in the table below.

Sr. No.	Particulars	Amount to be funded from Net Proceeds	Amount to be deployed from the net proceeds in Fiscal 2025
1.	Funding Working Capital Requirements of our Company	1,400.00	1,400.00
2.	Investment in our Subsidiary, HSPL, for repayment and / or prepayment in part or full of its outstanding borrowings	1,950.00	1,950.00
3.	Investment in our Subsidiary, HSPL, for funding its Working Capital Requirements	650.00	650.00
4.	General Corporate Purposes*	445.27	445.27
Total Net Proceeds		4,445.27	4,445.27

* The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.

Our fund requirements and proposed deployment of the Net Proceeds are based on our internal management estimates as per our business plan based on current circumstances of our business prevailing market conditions which are subject to change. Further, such fund requirements and proposed deployment of funds have not been appraised by any bank or financial institution or any other independent agency. We may need to revise our estimates from time to time in light of various factors such as changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, the economic conditions, changing regulatory policies, prevailing competitive environment, interest or exchange rate fluctuations, which may not be in our control. This may entail rescheduling the proposed utilisation of the Net Proceeds, excluding the Net Proceed to be utilized for general corporate purposes and changing the allocation of funds from our planned allocation at the discretion of our management, subject to compliance with applicable laws. In the event that the estimated utilization out of the Net Proceeds, excluding the Net Proceed to be utilized for general corporate purposes in a Fiscal is not met (in part or full), such unutilised amount shall be utilised in the succeeding Fiscal(s), as determined by our Company, in accordance with applicable law. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law.

Means of Finance

The fund requirements for all objects are proposed to be entirely out of the Net Proceeds and our internal accruals.

Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and through existing identifiable internal accruals as required under Regulation 230(1)(e) the SEBI ICDR Regulations.

1. FUNDING WORKING CAPITAL REQUIREMENT OF OUR COMPANY

With the growth in business, there will be need for additional working capital requirement in the Company. We fund a majority of our working capital requirements in the ordinary course of business from banks and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements. We intend to utilise ₹1,400 lakhs from the Net Proceeds to fund working capital requirements of our Company.

In the recent years, Company has increased its capacity by installing quartz pressing line and calibrating and polishing line due to increasing demand of quartz, majorly in export market. This led to high growth in the revenue from operations during Financial Year 2021 and Financial Year 2022. However, in

Financial Year 2023, the Company had a setback in its export sales due to publication of preliminary administrative review on Anti-dumping duty by US Department of Commerce on certain Quartz surfaces imported from India. Our customers in the USA held up their purchase orders in anticipation of higher duty on quartz surfaces imported in the USA from India. After the final results of the administrative review on the duties as aforesaid, the export business resumed its normal operations. However, there was change in sales strategy as importers in the USA expected DDP delivery terms instead of FOB due to which our order to cash cycle increased substantially. The Company has also increased its focus on domestic market by expanding the dealer distribution network, which by nature has a higher credit cycle. The above factors led to higher working capital requirement mainly in form of higher inventory and trade receivables.

To meet the higher working capital requirements, the Company increased its short-term borrowings to an extent and started procuring raw materials with higher credit period. The higher credit period of trade payables resulted in higher procurement cost of raw materials and consumables, which squeezed Company's profit margins. As the Company anticipates revenue growth in both export and domestic markets, it estimates that the working capital requirement will increase from ₹ 4,025.78 lakhs in Financial Year 2024 to ₹ 7,293.35 lakhs in Financial Year 2025. The incremental working capital in Financial Year 2025 is due to increase in inventory and trade receivables from ₹ 3,778.58 lakhs and ₹ 2,706.39 lakhs in Financial year 2024 to ₹ 3,928.13 lakhs and ₹ 4,331.78 lakhs in Financial Year 2025 respectively, as well as substantial reduction in trade payables from ₹ 3,197.36 lakhs in Financial Year 2024 to ₹ 1,778.10 lakhs Financial Year 2025. The reduction in trade payables will help in procuring raw materials and consumables at favourable terms such as reduction in prices and increase in vendor base.

The Company plans to fund the existing and estimated incremental working capital requirement through internal accruals and net proceeds from Issue.

Basis of estimation of working capital requirement

Existing Working Capital

The details of our Company's working capital as at March 31, 2024, March 31, 2023 and March 31, 2022, derived from the audited standalone financial information of our Company, and source of funding are provided in the table below:

Particulars	(₹ in lakhs)		
	As on March 31, 2024 (Actual)	As on March 31, 2023 (Actual)	As on March 31, 2022 (Actual)
<i>Current Assets</i>			
Inventories	3,778.58	3,654.49	3,497.63
Trade Receivables	2,706.39	2,642.78	2,485.35
Cash and Bank Balances	218.35	263.53	1,082.33
Short-Term Loans and Advances	1,039.48	1,221.69	906.06
Other Current Assets	200.35	104.88	125.47
<i>Total Current Assets (A)</i>	7,943.15	7,887.37	8,096.84
<i>Current Liabilities</i>			
Trade Payables	3,197.36	2,599.78	4,319.37
Other Current Liabilities and Provisions (excluding creditors for capital expenditure)	720.01	588.48	765.63
<i>Total Current Liabilities (B)</i>	3,917.37	3,188.26	5,085.00

Particulars	As on March 31, 2024 (Actual)	As on March 31, 2023 (Actual)	As on March 31, 2022 (Actual)
Total Working capital Requirement (A-B)	4,025.78	4,699.11	3,011.84
Funding Pattern			
Short term borrowings from banks and others	2,990.64	3,502.55	2,403.05
Internal Accruals and Equity	1,035.14	1,196.56	608.79

As certified by M/s A P Sangziri & Co., Independent Chartered Accountants, by way of their certificate dated July 18, 2024

Estimated Working Capital Requirement*

In light of the incremental business requirements, our Company requires additional working capital for funding its working capital requirements in the Financial Year 2025. On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated July 18, 2024 has approved the business plan for the Financial Year ending March 31, 2025 and the estimated funding of such working capital requirements as set forth below:

Particulars	(₹ in lakhs) Estimated Amount as on March 31, 2025
Current Assets	
Inventories	3,928.13
Trade Receivables	4,331.78
Cash and Bank Balances	344.54
Short-Term Loans and Advances	1,032.45
Other Current Assets	20.00
Total Current Assets (A)	9,656.90
Current Liabilities	
Trade Payables	1,778.10
Other Current Liabilities and Provisions (excluding creditors for capital expenditure)	585.45
Total Current Liabilities (B)	2,363.55
Total Working Capital Requirement (A-B)	7,293.35
Funding Pattern	
Short term borrowings from banks and others	3040.42
Internal Accruals	2,852.93
Net Proceeds from Fresh Issue	1400.00

As certified by M/s A P Sangziri & Co., Independent Chartered Accountants, by way of their certificate dated July 18, 2024, towards the working capital estimates and working capital projections, as approved by the Board of Directors of our Company pursuant to its resolution dated July 18, 2024.

Assumptions for Holding Levels*

Particulars	Holding Level for Financial Year ended March 31, 2022 (Actual)	Holding Level for Financial Year ended March 31, 2023 (Actual)	Holding Level for Financial Year ended March 31, 2024 (Actual)	Holding Level for Financial Year ended March 31, 2025 (Estimated)
Current Assets				
Inventories	53	99	85	73
Trade Receivables	40	71	61	67
Other Current Assets (excluding cash)	53	50	34	26
Current Liabilities				
Trade Payables	75	96	66	47
Other Current Liabilities	12	19	15	14

Justification for “Holding Period” levels

The justifications for the holding levels mentioned in the table above are provided below:

Inventories	<p>Inventories primarily include raw materials and finished goods and consumables. The Company had expanded its installed capacity and utilisation due to higher demand for its products, due to which it was required to maintain higher level of inventory. Hence, inventory holding days was 53 days in Financial Year 2022. During Financial Year 2023, our Company suffered a substantial set back in revenue due to publication of preliminary administrative review on Anti-dumping duty by US Department of Commerce on certain Quartz surfaces imported from India. However, our investment in inventory did not decrease, due to which the holding period is substantially higher at 99 days as at the end of Financial Year 2023. During the Financial Year 2024, Company’s operation started resuming and our revenue increased which reduced our inventory holding levels to 85 days. Also, as the Company plans to focus more on its domestic sales and therefore needs to maintain higher inventory levels to cater to its domestic dealer distribution network. The Company further estimates higher growth in revenue from operations in Financial Year 2025 while value of inventory is not estimated to be increased by similar proportion and therefore the estimated inventory holding level is reduced to 73 days as at the end of Financial Year 2025.</p> <p>It may be noted that our investment in inventory has been maintained between Rs. 3,497.63 lakhs in Financial Year 2022 and Rs. 3928.13 lakhs in Financial Year 2025, with mild fluctuations in the period between. However, due to multiple reasons mentioned above, our levels of inventory have fluctuated due to fluctuations in or revenue from operations.</p>
Trade receivables	<p>Company’s trade receivable day was 40 days in Financial Year 2022. In Financial Year 2023 after favourable final results of administrative review on Anti-dumping duty by US Department of Commerce on certain Quartz surfaces imported from India, the export sales revived from the last quarter</p>

		but due to change in sales strategy, order to cash cycle has increased. The Company's domestic sales share has also increased, which requires higher credit period resulting into trade receivable holding level of 71 days. In the Financial Year 2024, the Company witnessed a slight decrease of trade receivable holding level at 61 days. However in Financial Year 2025, the Company estimates a higher mix of domestic sales which would require us to offer higher credit period to our domestic customers. However, we anticipate a marginal increase in our trade receivable holding level at 67 days.
Other Assets	Current	Other Current Assets majorly comprise of advances to vendors, Income Tax refund receivable, export benefit receivable, GST input tax credit & refund. For the Financial Year 2022 the Company's other current assets holding level was 53 days due to high-accumulated GST input tax credit. In Financial Year 2023 its holding level reduced to 50 days as the Company got substantial refund of GST input tax credit but there were export benefit receivables. In the Financial Year 2024, the holding period reduced further to 34 days. The Company estimates the holding period to reduce to 26 days as at the end of Financial Year 2025 due to increase in revenue.
Trade Payables		The Company's trade payable holding level was at 75 days in Financial Year 2022. In Financial Year 2023, the revenue reduced significantly but the average value of trade payables did not reduce to the same effect due to which the trade payable holding level increased to 96 days. In financial Year 2024, the holding level was reduced to 66 days due to increased revenue. In Financial Year 2025, the Company is planning to resort to quicker payment terms with its creditors which will help in procuring materials on favourable terms resulting into benefits such as reduction in prices and increase in vendor base. The trade payable holding level is estimated at 47 days in Financial Year 2025.
Other Liabilities	Current	Other Current Liabilities include mainly advances from customers, employee payables and other statutory dues. In Financial Year 2022 other current liabilities holding level was at 12 days. In Financial Year 2023 due to decrease in revenue, the holding level again increased to 19 days, which further reduced to 15 days in Financial Year 2024. Further, the Company estimates a marginal change in holding level as at the end of Financial Year 2025 at 14 days.

Note:

1. Holding period level (in days) of Trade Receivables is calculated by dividing average trade receivables by revenue from operations multiplied by number of days in the year (365).
2. Holding period level (in days) of Other Current Assets (Total current asset less trade receivables, inventories and cash & bank balances) and is calculated by dividing average other current assets by revenue from operations multiplied by number of days in the year (365).
3. Holding period level (in days) of Inventories is calculated by dividing average inventories by revenue from operations multiplied by number of days in the year (365).
4. Holding period level (in days) of Trade Payables is calculated by dividing average trade payables by revenue from operations multiplied by number of days in the year (365).
5. Holding period level (in days) of Other Current Liabilities (Total current liabilities less trade payables, short-term borrowings and excluding creditors for capital expenditure) is calculated by dividing average other current liabilities by revenue from operations multiplied by number of days in the year (365).

2. INVESTMENT IN OUR SUBSIDIARY, HAIQUE STONES PRIVATE LIMITED (HSPL) , FOR REPAYMENT AND / OR PREPAYMENT IN PART OR FULL OF ITS OUTSTANDING BORROWING

Form of investment

Our Company proposes to invest ₹1,950.00 Lakh from the Net Proceeds in our Subsidiary, HSPL through capital infusion i.e. investment up to ₹1,950.00 Lakh in the form of equity, in accordance with the applicable laws.

Details and utilisation

HSPL availed a Term loan of ₹2,500 Lakhs from ICICI Bank Limited, pursuant to the master facility agreement dated December 30, 2021, and (the “**HSPL Term Loan**”). Our Company proposes to invest ₹1,950.00 Lakhs from the Net Proceeds in HSPL and HSPL will utilise this amount to repay / prepay, in part or full, the HSPL Loan. The amount outstanding against the loan disclosed below may vary from time to time, in accordance with the amounts drawn down, repayment, pre-payment and the prevailing interest rates. In addition to the above, we may, from time to time, enter into fresh financing arrangements with banks and financial institutions. In such cases or in case any of the borrowings proposed to be repaid / pre-paid out of Net Proceeds, are repaid, refinanced or prepaid or further drawn-down or freshly drawn-down, within existing limits or enhanced limits, prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or prepayment of the additional borrowings. For further details, see “**Financial Indebtedness**” on page 243.

The following table provides details of the HSPL Term Loan, as on May 31, 2024:

Name of Lender	Type of Loan	Date of sanction of Borrowing	Purpose	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024 (In Lakhs)
ICICI Bank	Term Loans	December 29, 2021	Setting up manufacturing unit of artificial marble blocks/slabs.	2,500.00	9.25% (Repo rate + 2.75%)	Primary Security- Exclusive Charge on Current Assets and movable fixed assets Collateral Security- Exclusive charge on Immovable fixed assets- Negadia Village, - Nathdwara Highway, 313001, Udaipur, Rajasthan, India Personal guarantee of Nitin Gattani & Sunilkumar Lunawath Corporate Gurantee- Esprit Stones Ltd	84 equal monthly installments. Tenure should not exceed 96 months including moratorium of 12 months	1993.81

Note: In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained the requisite

certificate dated July 18, 2024, from our Statutory Auditors, M/s A Bafna & Co., Chartered Accountants, who are also the statutory auditors of HSPL, wherein the Statutory Auditors have certified that nothing has come to their attention that causes them to believe that the loans that are proposed to be repaid or pre-paid out of Net Proceeds have not been utilized for the purposes for which these were availed.

Nature of benefit

The repayment of the HSPL Term Loan will help reduce our liabilities and guarantee obligations on a consolidated level and enable utilization of our internal accruals for further investment in the growth and expansion of our business in the future. For further details in relation to the terms and conditions under the aforesaid loan agreement as well as restrictive covenants in relation thereto, see “**Financial Indebtedness**” on page 243.

3. INVESTMENT IN OUR SUBSIDIARY HSPL FOR FUNDING ITS WORKING CAPITAL REQUIREMENT

HSPL manufactures engineered marbles surfaces and started its commercial operation in September 2022. Since it is in its initial years of its commercial operations, its operational infrastructure is working capital intensive and involves maintaining higher levels of inventory and debtors.

HSPL is regularly developing new designs of its products for export as well as domestic market, due to which it needs to maintain higher level of inventories of finished goods and raw materials. It also needs to maintain high credit period for its trade receivables for distribution of its products through dealers.

Presently, HSPL funds the majority of its working capital requirements in the ordinary course of its business from borrowings from holding company and short-term financing from banks.

During the year ended March 31, 2023, the total working capital was ₹773.27 lakhs for a turnover of ₹ 2,256.31 lakhs. During the Financial Year ended March 31, 2024, although the turnover was ₹ 1,692.00 lakhs, the working capital requirement was ₹ 1,261.12 lakhs. It was required to maintain higher amounts of inventories for the Financial Year March 31, 2024 in anticipation of demand as well as to maintain continuity of its operations and business with its customers. The levels of trade receivable and other current assets were also higher but were partly offset by higher credit period from vendors. The balance working capital was financed from short-term borrowings from banks and borrowings from holding company.

We anticipate a substantial growth in revenue and operations in Financial Year 2025. This will result in significant growth in its working capital requirement from ₹ 1,261.12 lakhs as on March 31, 2024 to ₹ 1,564.97 lakhs in Financial Year 2025. We plan to fund the estimated working capital requirement through borrowings from holding company and net proceeds from the Issue.

To meet the additional working capital requirement of HSPL, our Company proposes to invest ₹ 650.00 lakhs of the Net Proceeds towards investment in HSPL. The deployment of net proceeds shall be over the course of the Financial Year 2025 in accordance with the working capital requirements of HSPL. Such investment shall be in the form of debt amounting up to ₹650.00 Lakh which shall be repayable on demand, in accordance with the applicable laws.

Existing Working Capital

The details of HSPL’s working capital as at March 31, 2024, March 31, 2023 and March 31, 2022, derived from the audited standalone financial information of HSPL, and source of funding are provided in the table below:

(₹ in lakhs)

Particulars	As on March 31, 2024 (Actual)	As on March 31, 2023 (Actual)	As on March 31, 2022* (Actual)
<i>Current Assets</i>			
Inventories	915.38	355.01	0.00
Trade Receivables	461.70	384.73	0.00
Cash and Bank Balances	3.63	4.12	117.54
Short-Term Loans and Advances	334.08	548.64	53.45
Other Current Assets	0.26	0.05	0.76
Total Current Assets (A)	1,715.05	1,292.55	171.75
<i>Current Liabilities</i>			
Trade Payables	424.29	456.81	0.00
Other Current Liabilities and Provisions (excluding creditors for capital expenditure)	29.64	62.47	19.68
Total Current Liabilities (B)	453.93	519.28	19.68
Total Working capital Requirement (A-B)	1,261.12	773.27	152.07
<i>Funding Pattern</i>			
Short term borrowings from banks	490.47	584.83	NA
Borrowings from Holding company	770.65	188.44	NA
Internal Accruals and Equity		0.00	NA

As certified by M/s A P Sangziri & Co., Independent Chartered Accountants, by way of their certificate dated July 18, 2024.

*In Financial Year ended March 31, 2022, HSPL was in the process of installing and commissioning of the new manufacturing plant.

Estimated Working Capital Requirement*

Particulars	(₹ in lakhs) Estimated Amount as on March 31, 2025
<i>Current Assets</i>	
Inventories	888.65
Trade Receivables	900.13
Cash and Bank Balances	23.72
Short-Term Loans and Advances	200.00
Other Current Assets	0.00
Total Current Assets (A)	2,012.50
<i>Current Liabilities</i>	
Trade Payables	343.40

Particulars	Estimated Amount as on March 31, 2025
Other Current Liabilities and Provisions (excluding creditors for capital expenditure)	104.13
Total Current Liabilities (B)	447.53
Total Working Capital Requirement (A-B)	1,564.97
Funding Pattern	
Short term borrowings from banks	500.00
Borrowings from holding company	314.97
Internal Accruals	100.00
Net Proceeds from Fresh Issue	650.00

As certified by M/s A P Sangziri & Co., Independent Chartered Accountants, by way of their certificate dated July 18, 2024, towards the working capital estimates and working capital projections, as approved by the Board of Directors of our Company pursuant to its resolution dated July 18, 2024.

Assumptions for Holding Levels*

Particulars	(in days)			
	Holding Level for Financial Year ended March 31, 2022 (Actual)	Holding Level for Financial Year ended March 31, 2023* (Actual)	Holding Level for Financial Year ended March 31, 2024 (Actual)	Holding Level for Financial Year ended March 31, 2025 (Estimated)
Current Assets				
Inventories	NA	34	137	75
Trade Receivables	NA	36	91	57
Other Current Assets (excluding cash)	NA	52	96	23
Current Liabilities				
Trade Payables	NA	43	95	32
Other Current Liabilities	NA	6	10	6

*For the Financial Year ended March 31, 2023, the number of days for calculating holding levels is taken as 213 days since the operations commenced from September, 2022.

Justification for “Holding Period” levels

The justifications for the holding levels mentioned in the table above are provided below:

Inventories	Inventories primarily include raw materials and finished goods. The HSPL’s inventory holding level of in Financial Year 2023 was at 34 days as it was first year of operations which increased substantially to 137 days in Financial Year 2024, as even at lower sales HSPL continued to produce finished goods to maintain continuity of its operations and business with its customers. HSPL has estimated further reduction of inventory holding period to 75 days in line with its anticipated increase in revenue for Financial Year 2025.
Trade receivables	HSPL had trade receivable holding level of 36 days in the Financial Year 2023. HSPL’s revenue declined in the Financial Year 2024, however, the average value of trade receivables did not witness a decline due to which

	the holding level was increased to 91 days. HSPL estimates that in Financial Year 2025, its revenue will increase further due to increased focus on both exports and domestic operations. The trade receivable holding period is estimated to reduce to 57 days in Financial Year 2025.
Other Current Assets	Other Current Assets majorly comprise of GST input tax credit & refund. For the Financial Year 2023 HSPL's holding level was at 52 days. For the Financial Year 2024, HSPL's other current assets holding level increased to 96 days due to high accumulated GST input tax credit on capital expenditure and decrease in revenue. The holding level is estimated to be reduced to 23 days mainly due to utilisation of accumulated GST input tax credit as at the end of Financial Year 2025.
Trade Payables	HSPL had trade payable holding level of 43 days in Financial Year 2023. For the Financial Year 2024, even at lower sales we continued to buy raw materials to produce finished goods to maintain continuity of its operations, and as a result, the holding level increased to 95 days. In Financial Year 2025, HSPL is estimating significant increase in revenue and is also planning to resort to quicker payment terms with its creditors which will help in procuring materials on favourable terms resulting into benefits such as reduction in cost and increase in its vendor base. Thus, the trade payable holding level is estimated at 32 days as at the end of Financial Year 2025.
Other Current Liabilities	Other Current Liabilities include advances from customers, employee payable and others. In the Financial Year 2023, other current liabilities holding level were 6 days. For the Financial Year 2024, the holding level increased to 10 days as the revenue decreased in the period. We estimate that due to increase in revenue, the other current liabilities holding level will reduce to 6 days in Financial Year 2025.

Note:

1. Holding period level (in days) of Trade Receivables is calculated by dividing average trade receivables by revenue from operations multiplied by number of days in the year (365).
2. Holding period level (in days) of Other Current Assets (Total current asset less trade receivables, inventories and cash & bank balances) and is calculated by dividing average other current assets by revenue from operations multiplied by number of days in the year (365).
3. Holding period level (in days) of Inventories is calculated by dividing average inventories by revenue from operations multiplied by number of days in the year (365).
4. Holding period level (in days) of Trade Payables is calculated by dividing average trade payables by revenue from operations multiplied by number of days in the year (365).
5. Holding period level (in days) of Other Current Liabilities (Total current liabilities less trade payables, short-term borrowings and excluding creditors for capital expenditure) is calculated by dividing average other current liabilities by revenue from operations multiplied by number of days in the year (365).

4. GENERAL CORPORATE PURPOSES

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ 445.27 Lakhs towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with Regulation 230(2) of the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (a) strategic initiatives
- (b) brand building and strengthening of marketing activities;
- (c) further capital expenditure
- (d) ongoing general corporate exigencies and
- (e) any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate

Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ 590.15 Lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expense, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as under:

Expenses*	Estimated expenses# (₹ in lakhs)	As a % of the total estimated Issue expenses#	As a % of the total Gross Issue Proceeds#
Fees payable to BRLMs (including underwriting commissions and selling commission)	475.95	80.65%	9.45%
Advertising and marketing expenses	26.25	4.45%	0.52%
Fees payable to the Legal Advisor to the Issue	9.84	1.67%	0.20%
Fees to the Registrar to the Issue	10.62	1.80%	0.21%
Fees payable to the Regulators including stock exchanges	5.25	0.89%	0.10%
Printing and distribution of Issue stationary	2.00	0.34%	0.04%
Brokerage, selling commission and uploading/processing fees ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	6.49	1.10%	0.13%
Others (bankers to the Issue, depositories, secretarial, market making, auditor’s fees, other professional fees etc.)	53.75	9.11%	1.07%
Total Estimated Issue Expenses	590.15	100.00%	11.72%

Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

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

Portion for Retail Individual Bidders	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10% of the Amount Allotted* (plus applicable taxes)

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

No uploading/processing fees shall be payable by our Company to the SCSBs on the Bid cum Applications Forms directly procured by them.

The Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

- (2) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, and Non-Institutional Bidders (excluding UPI Bids) 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 RIB, Non-Institutional Bidders	₹ 10 per valid application (plus applicable taxes)
--	--

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ 1.00 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1.00 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis. The payment of selling commission payable to the sub-brokers/ agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.

- (3) The processing fees for applications made by Retail Individual Bidders and Non Institutional Investors using the UPI Mechanism would be as follows:

Members of the Syndicate / RTAs / CDPs (uploading charges)	₹ 10 per valid application (plus applicable taxes) #
--	--

Sponsor bank	Upto 45000 valid UPI Applications ₹ Nil per valid Bid cum Application Form
	Above 45000 valid UPI Applications ₹ 7 per valid Application Form (plus applicable taxes)
	The Sponsor bank shall be responsible for making payments to the third parties such as remitter company, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

*For each valid application by respective Sponsor Bank

#Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees for applications made by RIBs (up to ₹ 200,000), Non-Institutional Bidders (for an amount more than ₹ 200,000 and up to ₹ 500,000) using the UPI Mechanism would not exceed ₹ 1.00 lakh (plus applicable taxes) and in case if the total uploading charges/ processing fees exceeds ₹ 1.00 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis (plus applicable taxes).

- (4) Selling Commission on portion for Retail Individual Bidders (up to ₹ 2,00,000) and Non-Institutional Bidders which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs, CRTAs and CDPs or for using 3-in-1 type accounts - linked online trading, demat and bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10% of the Amount Allotted* (plus applicable taxes)

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

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by, RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10/- plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs

Bidding charges payable to the members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs/CDPs on the portion for, RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing/ blocking, would be as follows:

Portion for Retail Individual Bidders*	₹ 10/- per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ 10/- per valid application (plus applicable taxes)

* Based on valid applications

Notwithstanding anything contained above the total uploading charges/Bidding charges payable under this clause will not exceed ₹1.00 lakh (plus applicable taxes) and in case if the total uploading charges exceeds ₹1.00 lakh (plus applicable taxes) then uploading charge/bidding charges will be paid on pro-rata basis.

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, CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of the Stock Exchange.

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.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Member shall not be able to accept Bid cum Application Form above ₹500,000 and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Member to SCSB a special Bid cum Application Form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / Sub-Syndicate Member along with SM code & Broker code mentioned on the Bid cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹500,000 will not be eligible for brokerage. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/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 such payment of processing fees to the SCSBs shall be made in compliance with 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.

Bridge Financing Facilities

We have not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Interim Use of Funds

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Monitoring Utilization of Funds

As the size of the Fresh Issue does not exceed ₹10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, 2015, our Company shall on a half-yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulation, 2015 our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. 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 pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and SEBI Regulations.

Appraising agency

None of the objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution/any other agency.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, Subsidiary, our Directors, our Key Management Personnel, our Senior Management Personnel

or our Group Companies, either directly or indirectly. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, Subsidiaries, our Director.

BASIS FOR THE ISSUE PRICE

The Issue Price was determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 8.20 times the face value at the lower end of the Price Band and 8.70 times the face value at the higher end of the Price Band.

Investors should also refer to “*Risk Factors*”, “*Our Business*” and “*Financial Information*” beginning on pages 39, 147 and 205, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for the Issue Price are:

1. We are one of the key Engineered Stone players in the Indian Market.
2. We believe that quality and innovations are the bed-rock of success. We have developed quality control processes for inspecting the raw materials as well as the final products.
3. We are also engaged in the manufacturing of engineered quartz surfaces and the core raw material for manufacturing of engineered quartz are quartz grit and unstaturated polyester resin. This reduces our dependency on third-party raw material suppliers.
4. The Udaipur area in Rajasthan has abundant mineral deposits that are used for manufacturing of our Engineered Stones. Our manufacturing facilities, located in the Udaipur district, benefit from the mineral-rich ecology, resulting in economic and logistical advantages.
5. We believe that our Promoters have played a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. In addition to our Promoters, our key management and senior management team includes qualified, experienced and skilled professionals who possess requisite experience across various division of our business.

For further information, see “*Our Business*” on page 147.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Financial Information. For further information, see “*Financial Information*” on page 205.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Share

Financial Year ended	Basic and Diluted EPS (₹)	Weight
March 31, 2024	6.29	3
March 31, 2023	2.13	2
March 31, 2022	11.46	1
Weighted Average	5.77	

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

Notes:

- Basic EPS = Net profit after tax, as restated attributable to equity holders of the Company divided by Weighted average number of equity shares outstanding during the year/period
- Diluted EPS = Net profit after tax, as restated attributable to equity holders of the Company divided by Weighted average number of dilutive equity shares outstanding during the year/period
- Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. $\{(EPS \times Weight) \text{ for each year} \} / \{Total \text{ of weights}\}$

The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Information of “Financial Information” on page 205.

2. Price Earnings Ratio (“P/E”) in relation to the Price Band of ₹ 82 to ₹ 87 per share of ₹ 10 each

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on Basic EPS for year ended March 31, 2024	13.04	13.83
Based on Diluted EPS for year ended March 31, 2024	13.04	13.83

Particulars	Industry P/E
Highest	51.34
Lowest	16.43
Industry Average	29.20

Source: The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

3. Return on Net Worth (RoNW)

Financial Year ended	RoNW(%)	Weight
March 31, 2024	15.09	3
March 31, 2023	5.66	2
March 31, 2022	37.25	1
Weighted Average	15.64	

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

Notes:

- Return on Net Worth (%) = Net profit after tax, as restated of the Company divided by average net worth.
- Average net worth means the average of the aggregate value of the equity share capital and reserves and surplus for the current and previous financial year/period as per restated financial information.
- Weighted average is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. $\{(RoNW \times Weight) \text{ for each year} \} / \{Total \text{ of weights}\}$.

4. Net Asset Value (“NAV”)

Net Asset Value per equity share	(₹)
As at March 31, 2024	44.82
After the completion of the Issue:	
At Floor Price	54.61
At Cap price	55.93
Issue Price	87

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

Notes:

- Net Asset Value per equity share represents net worth attributable to Equity Shareholder (Equity Share capital together with reserves and surplus as per Restated Financial Information) as at the end of the financial year divided by the weighted average number of Equity Shares outstanding at the end of the year.

5. Comparison with Listed Industry Peers

Name of the Company	Revenue from Operations (₹ in lakhs)	Face Value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Esprit Stones Limited	27,289.02	10	13.83	6.29	6.29	15.09	44.82
Listed Peers							
Pokarna Limited	68,761.40	2	25.33	28.18	28.18	15.89	191.05
Pacific Industries Limited	19,000.08	10	16.43	17.23	17.23	2.78	629.16
Global Surfaces Limited	22,529.10	10	51.34	4.41	4.41	6.68	77.98
Elegant Marbles & Grani Industries Limited	3,422.42	10	23.69	11.42	11.42	3.44	436.83

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the quarterly results as available of the respective company for the year ended March 31, 2024 submitted to stock exchanges. The financial information of our Company is based on the restated financial information for the year ended March 31, 2024.

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on NSE (other than for those companies which are listed only on BSE) on July 12, 2024, divided by the Diluted EPS.
- Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year/period.
- NAV is computed as the net worth at the end of the year attributable to owners of the parent divided by the weighted average number of equity shares outstanding at the end of the year. For calculating NAV of peers, number of shares outstanding as at 31st March, 2024 has been taken instead of weighted average number of shares due to unavailability of weighted average number of shares.

6. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth below, have been approved and verified by the Audit Committee pursuant to its resolution dated July 05, 2024. Further, the Audit Committee has on July 05, 2024 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated July 18, 2024 issued by A P Sanzgiri & Co., Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for Financial Years ended March 31, 2024, 2023 and 2022 is set out below:

(₹ in lakhs, unless stated otherwise)

Particulars	Financial Year ended March 31, 2024*	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Financial			
Revenue from Operations ⁽¹⁾	27,289.02	17,441.09	18,645.65
EBITDA ⁽²⁾	3,320.08	1,898.59	3,317.86
EBITDA Margin ⁽³⁾ (in %)	12.17%	10.89%	17.79%
Net Profit after tax ⁽⁴⁾	1,031.73	355.72	1,850.53
Net Profit Margin ⁽⁵⁾ (in %)	3.78%	2.04%	9.92%
Return on Net Worth ⁽⁶⁾ (in %)	15.09%	5.66%	37.25%
Return on Capital Employed ⁽⁷⁾ (in %)	12.39%	7.60%	25.05%
Debt-Equity Ratio ⁽⁸⁾	1.72	1.90	0.98
Days Working Capital ⁽⁹⁾	97	91	42

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 18, 2024.

Notes:

- Revenue from operations represents the revenue from sale of products and other operating revenue of our Company as recognized in the Restated financial information.
- EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation, and amortization expense.
- EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
- Net Profit after tax represents the restated profits of our Company after deducting all expenses.
- Net Profit margin is calculated as restated profit/ (loss) for the year divided by revenue from operations.
- Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year.
- Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year).
- Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings and lease liabilities. Total equity is the sum of equity share capital, reserves and surplus and minority interest.
- Days Working Capital is arrived at by dividing average working capital (current assets excluding cash and cash equivalents less current liabilities excluding short term borrowings) by revenue from operations multiplied by the number of days in the year (365).

Explanation for the Key Performance Indicators:

KPIs	Explanations
Revenue from Operations (₹ in lakhs)	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
EBITDA (₹ in lakhs)	EBITDA provides information regarding the operational efficiency of our business.
EBITDA Margin (in %)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Net Profit after tax (₹ in lakhs)	Net Profit after tax provides information regarding the overall profitability of our business.
Net Profit Margin (in %)	Net Profit Margin is an indicator of the overall profitability and financial performance of our business.
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.
Days Working Capital	Days working capital is a metric that measures how many days it takes

our company to transform its working capital into sales cash flows.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in '*Our Business*' and "*Management Discussion and Analysis of Financial Condition Results of Operations*" on pages 147 and 251, respectively. All such KPIs have been defined consistently and precisely in '*Definitions and Abbreviations*' on page 1.

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 Issue Proceeds, whichever is later, on the Stock Exchanges pursuant to the Issue, or for such other period as may be required under the SEBI ICDR Regulations.

Comparison of our key performance indicators with listed industry peers for the Financial Years included in the Restated Financial Information:

Particulars	Esprit Stones Limited			Pokarna Limited			Pacific Industries Limited		
	Financial Year 2024	Financial Year 2023	Financial Year 2022	Financial Year 2024	Financial Year 2023	Financial Year 2022	Financial Year 2024	Financial Year 2023	Financial Year 2022
Financial									
Revenue from Operations	27,289.02	17,441.09	18,645.65	68,761.40	72,798.97	65,019.08	19,000.08	18,742.41	28,356.42
EBITDA	3,320.08	1,898.59	3,317.86	22,118.40	18,099.20	17,652.44	2,739.07	2,348.93	3,587.89
EBITDA Margin (in %)	12.17%	10.89%	17.79%	32.17%	24.86%	27.15%	14.42%	12.53%	12.65%
Net Profit after tax	1,031.73	355.72	1,850.53	8,736.26	6,581.09	7,830.00	1,187.79	650.61	1,591.68
Net Profit Margin (in %)	3.78%	2.04%	9.92%	12.71%	9.04%	12.04%	6.25%	3.47%	5.61%
Return on Net Worth (in %)	15.09%	5.66%	37.25%	15.89%	13.85%	19.37%	2.78%	1.65%	4.43%
Return on Capital Employed (in %)	12.39%	7.60%	25.05%	17.79%	14.29%	16.96%	3.42%	2.62%	5.99%
Debt-Equity Ratio	1.72	1.90	0.98	0.67	0.90	1.16	0.12	0.13	0.20
Days Working Capital	97	91	42	119	104	67	286	327	206

Particulars	Esprit Stones Limited			Global Surfaces Limited			Elegant Marbles & Grani Industries Limited		
	Financial Year 2024	Financial Year 2023	Financial Year 2022	Financial Year 2024	Financial Year 2023	Financial Year 2022	Financial Year 2024	Financial Year 2023	Financial Year 2022
Financial									
Revenue from Operations	27,289.02	17,441.09	18,645.65	22,529.10	17,806.60	19,031.30	3,422.42	3,564.86	2,781.58
EBITDA	3,320.08	1,898.59	3,317.86	3,868.30	3,829.10	4,984.80	688.58	602.76	333.15
EBITDA Margin (in %)	12.17%	10.89%	17.79%	17.17%	21.50%	26.19%	20.12%	16.91%	11.98%
Net Profit after tax	1,031.73	355.72	1,850.53	1,978.10	2,423.40	3,563.40	405.21	303.86	268.86
Net Profit Margin (in %)	3.78%	2.04%	9.92%	8.78%	13.61%	18.72%	11.84%	8.52%	9.67%
Return on Net Worth (in %)	15.09%	5.66%	37.25%	6.68%	12.26%	30.66%	3.44%	2.87%	2.73%
Return on Capital Employed (in %)	12.39%	7.60%	25.05%	7.32%	10.43%	25.43%	5.42%	5.42%	3.18%
Debt-Equity Ratio	1.72	1.90	0.98	0.44	0.64	0.59	-	-	-
Days Working Capital	97	91	42	266	290	162	220	201	263

Notes:

Source: All the information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from their respective investor presentation/ annual reports/ quarterly results available in public domain. The ratios have been computed as per the following definitions.

1. Revenue from operations represents the revenue from sale of products and other operating revenue of our Company as recognized in the Restated financial information.
2. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation, and amortization expense.
3. EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
4. Net Profit after tax represents the restated profits of our Company after deducting all expenses.
5. Net Profit margin is calculated as restated profit/ (loss) for the year/period divided by revenue from operations.
6. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year.
7. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year).
8. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings and lease liabilities. Total equity is the sum of equity share capital, reserves and surplus and minority interest.
9. Days Working Capital is arrived at by dividing average working capital (current assets excluding cash and cash equivalents less current liabilities excluding short term borrowings) by revenue from operations multiplied by the number of days in the year (365).

Weighted average cost of acquisition (“WACA”)

7. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

The details of the Equity Shares, excluding shares issued under ESOP and issuance of bonus shares, during the eighteen (18) months preceding the date of this Prospectus, 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-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling thirty (30) days (“**Primary Issuance**”) are as follows:

Nil

8. The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities (“**Security(ies)**”), where the Promoter, members of the Promoter Group, or Shareholder(s) having the right to nominate director(s) in the board of directors of our Company are a party to the transaction (excluding gifts)*, during the eighteen (18) months preceding the date of this 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-Issue 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 thirty (30) days.

*The Company has undertaken transfers by way of gift as follows:

Date of transfer	Name of the transferor	Name of the transferee	Number of Shares
January 29, 2024	Mangi Lal Lunawath	Sayar Kumari Mangilal	11,05,000
January 29, 2024	Mangi Lal Lunawath	Anushree Lunawath	4,82,205
January 29, 2024	Mangi Lal Lunawath	Vijay Shree Lunawath	9,58,205
January 29, 2024	Pradeepkumar Lunawath	Vijay Shree Lunawath	3,33,795
January 29, 2024	Shubh Gattani	Sangeeta Gattani	11,09,250

9. Weighted average cost of acquisition, floor price and cap price

Type of Transactions	WACA (in ₹)	Floor Price (₹ 82) *	Cap Price (₹ 87)*
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under ESOP 2018 and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue 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	Nil	N.A.*	N.A.*
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Selling Shareholders or shareholder(s) having the right to	N/A^	N.A.*	N.A.*

Type of Transactions	WACA (in ₹)	Floor Price (₹ 82) *	Cap Price (₹ 87)*
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nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue 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

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 31, 2024.

**To be updated at Prospectus stage*

^ There were no secondary sales / acquisition of shares (equity/ convertible securities) transactions in last eighteen (18) months prior to the date of this Prospectus.

10. Explanation for Issue Price / Cap Price being N.A. times of price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in 9 above) along with our Company’s key performance indicators and financial ratios for the Financial Years ended March 31, 2024, 2023 and 2022 and in view of the external factors which may have influenced the pricing of the Issue.

1. We are one of the key Engineered Stone players in the Indian Market.
2. We believe that quality and innovations are the bed-rock of success. We have developed quality control processes for inspecting the raw materials as well as the final products.
3. We are also engaged in the manufacturing of engineered quartz surfaces and the core raw material for manufacturing of engineered quartz are quartz grit and unstaturated polyester resin. This reduces our dependency on third-party raw material suppliers.
4. The Udaipur area in Rajasthan has abundant mineral deposits that are used for manufacturing of our Engineered Stones. Our manufacturing facilities, located in the Udaipur district, benefit from the mineral-rich ecology, resulting in economic and logistical advantages.
5. We believe that our Promoters have played a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. In addition to our Promoters, our key management and senior management team includes qualified, experienced and skilled professionals who possess requisite experience across various division of our business.

The Issue Price of ₹ 87 per equity share has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares issued through the Book-Building Process. Our Company, in consultation with the BRLMs, is justified of the Issue Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with “**Risk Factors**”, “**Our Business**” and “**Financial Information**” on pages 39, 147 and 205, respectively to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled “**Risk Factors**” beginning on page 39 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,
The Board of Directors,
Esprit Stones Limited
SP1, Udyog Vihar
Sukher Industrial Area,
Udaipur- 313004,
Rajasthan, India.

Dear Sirs,

Re: Proposed initial public offering of Equity shares of face value of Rs. 10 each (the “Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Esprit Stones Limited (the “Company”).

We hereby report that this certificate along with the annexure states the special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘IT Act’) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2024 (i.e. applicable to F.Y. 2024-25 relevant to A.Y. 2025-26) (hereinafter referred to as the “IT Regulations”) and under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax[GST] Rules, Circulars and Notifications), presently in force in India. The Statement has been prepared by the management of the Company in connection with the proposed Public Issue, which we have initialled for identification purposes only.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the said relevant provisions of the tax laws and regulations applicable to the Company. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions, which based on business imperatives, which the Company may or may not choose to fulfill or face in the future.

The benefits discussed in the enclosed Annexure cover the special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company. Neither we are suggesting nor advising the investors to invest money based on this Statement.

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

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

the Company and its shareholders will continue to obtain these special tax benefits in future; or

the conditions prescribed for availing the special tax benefits where applicable, have been/ would be met with.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the

revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby consent for inclusion of this certificate or any extracts or annexures thereof , in full or part, in the Draft Red Herring Prospectus (DRHP), Red Herring Prospectus (RHP),and the Prospectus (Prospectus and together with DRHP and RHP, the “Offer Documents”), to be filed with the Registrar of Companies, Jaipur at Rajasthan (ROC) and submitted with Emerge platform of National Stock Exchange of India where the equity shares of the Company are proposed to be listed (the “Stock Exchange”) with respect to the Issue, and in any other material used in connection with the Issue and may be relied upon by the Company, the Book Running Lead Managers and legal advisor appointed in relation to the Issue.by the BRLMs and the legal advisor in relation to the Issue.

Yours faithfully,

For and on behalf of

M/s A P Sanzgiri & Co.,
Chartered Accountants,
Firm Registration No. : 116293W

Palak Agrawal
Partner
Membership No.: 431130
UDIN: 24431130BKGQDT6400
Place: Mumbai
Date: July 18, 2024

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO ESPRIT STONES LIMITED (“THE COMPANY”) AND IT’S SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders as per the Income tax Act, 1961 (“IT Act”) as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025-26 (AY 2025-26) and Indirect Tax Laws as amended from time to time and applicable for financial year 2024-25. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

I. Under the IT Act

1. Special Tax Benefits to the Company

- Lower Corporate Tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) 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%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1) (iia), 33ABA, 35(2AB), 80-IA etc.) The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT has further Issued Circular 29/2019 dated October 02,2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The company has exercised the above option in the Financial Year 2019-20.

2. Special Tax Benefits available to Shareholders

There are no Special Tax Benefits available to the Shareholders (other than Resident Corporate Shareholder) of the Company.

With respect to a Resident Corporate Shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other Domestic Company or a Foreign Company or a Business Trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other Domestic Company or Foreign Company or Business Trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES:

- The above statement of Special Tax Benefits sets out the provisions of 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.
- 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 statement of Special Tax Benefits is as per the current Direct Tax Laws relevant for the assessment year 2025-26. Several of these benefits are dependent on the Company or its

- Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- In respect of non-residents, the tax rates and consequent taxation mentioned above 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.
- As the Company has opted for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:
 - a. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
 - b. Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation)
 - c. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, Site restoration fund)
 - d. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
 - e. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
 - f. Deduction under section 35CCD (Expenditure on skill development)
 - g. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;
 - h. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
 - i. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

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.

II. Under the Indirect Tax Laws

3. Special Indirect Tax Benefits available to the Company

The Company is not entitled to any special tax benefits under indirect tax laws

4. Special Tax Benefits available to Shareholders

The Shareholders of the Company are not entitled to any Special Tax Benefits under indirect tax laws

NOTE:

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION – IV ABOUT OUR COMPANY

INDUSTRY OVERVIEW

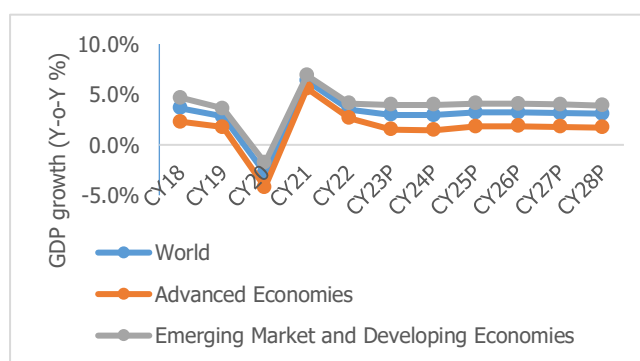
The information in this section is derived from the report titled “Industry research Report- Engineering Stones Industry” dated February 2024 (the “CareEdge Research Report”) prepared and issued by CARE Analytics & Advisory Private Limited (“CareEdge Research”), commissioned by us. Unless specified otherwise, all information in this section has been derived from the CareEdge Research. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Restated Financial Statements” and related notes beginning on page 39 and 205, respectively, along with the disclaimer issued by CareEdge Research as part of the CareEdge Research Report on in the section titled “Certain Conventions, use of Financial Information and Market Data and Currency of Presentation - CareEdge Research Report Disclaimer” page 20.

Economic Outlook

Global Economy

As per the International Monetary Fund (IMF)’s World Economic Outlook growth projections released in October 2023, the global economic growth for CY22¹ stood at 3.5% on a year-on-year (y-o-y) basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for CY23 is projected to slow down further to 3.0% and 2.9% in CY24, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain tightened. For the next 4 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection;

Source: IMF – World Economic Outlook, October 2023

Indian Economic Outlook

GDP Growth and Outlook

India’s GDP grew by 9.1% in FY22 and stood at Rs. 149.3 trillion despite the pandemic and geopolitical Russia-Ukraine spillovers. In Q1FY23, India recorded 13.2% y-o-y growth in GDP, largely attributed to improved performance by the agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.3% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector’s output.

Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, GDP for full-year FY23 was valued at Rs. 160.1 trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favourable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities.

GDP Growth Outlook

- During FY24, strong agricultural and allied activity prospects are likely to boost rural demands. However, a rebound in contact-intensive sectors and discretionary spending is expected to support urban consumption.
- Strong credit growth, resilient financial markets, and the government’s continual push for capital spending and infrastructure are likely to create a compatible environment for investments.
- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Taking all these factors into consideration, in October 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 6.5% y-o-y for FY24.

RBI's GDP Growth Outlook (Y-o-Y %)

FY24 (complete year)	Q2FY24	Q3FY24	Q4FY24	Q1FY25
6.5	6.5	6.0	5.7	6.6%

Source: Reserve Bank of India

Overview of Natural and Engineered Stone Industry

Natural stones are produced by complex geological processes and include products such as granite, limestone, marble, slate, quartzite, onyx, sandstone, travertine, and others quarried from the earth. They are widely known for their uniqueness, aesthetic appeal, texture, colour, and composition as no two natural stones are the same. Further, natural stones have a wide range of applications in large-scale constructions such as the construction of government buildings, churches, monuments, and road construction.

Quartz, an example of engineered stone used in the countertop industry, is a composite material made up of crushed stone bonded by an adhesive. For instance, for countertops, the slabs are made from quartz crystals bonded with a resin binder. The engineered stone slabs are manufactured by bonding up to 93% natural quartz which is one of the hardest materials. Whereas pigments, aggregates, and polyester resins are used to produce vibrant stone surfaces with excellent stain, heat, chip, and scratch resistance properties. Furthermore, it is recommended that the engineered stone like quartz products should not be used for exterior applications as direct exposure to sunlight can lead to fading. Accordingly, engineered stone like quartz are used for vanity tops, reception or bar counters, kitchen benchtops, upstands, and splash backs.

Engineered Stone

Engineered stone, is a composite material formed out of crushed stone that is held together by an adhesive. The various types of engineered stones are:

- Engineered quartz,
- Polymer concrete and
- Engineered marble

Historically, amongst the three kinds of engineered stone, engineered quartz has accounted for the highest market share followed by engineered marble stone.

Quartz

Quartz, which is also known as "engineered stone", is a product with the word "quartz" referring to a natural mineral. Quartz particles are bound together with resin, pigments, and other elements. Quartz is manufactured at plants across the globe, including the United States, Europe, and Asia. The specific composition of engineered quartz varies by brand and hue, and manufacturers promote their slabs' high mineral content.

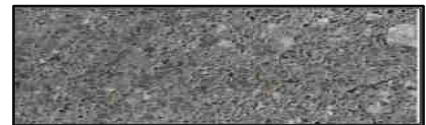


Further, manufactured quartz includes 93% mineral quartz. There are, however, two caveats. First, the maximum quartz percentage is 93%, and the actual quartz content can be substantially lower. Second, the percentage is based on weight rather than volume. A quartz particle is much heavier than a resin particle. So, if a person wants to determine how much quartz is in a countertop, he/she should measure the elements by volume rather than weight. Vicostone, for example, is about 90% natural quartz aggregates and polymer resin and pigments.

The strength of quartz, even in a manufactured form, makes it naturally resistant to abrasion, scratches, dents, and even acids without the need for sealants. And the environmental impact of manufactured quartz is low. Quartz is an abundant material and the finished product is nontoxic and nonallergenic, and will last a lifetime, reducing the need for replacement.

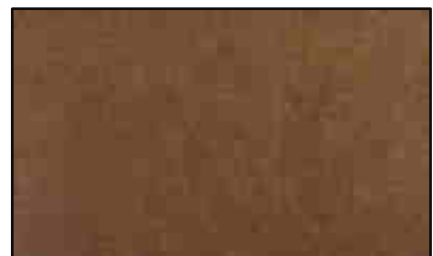
Polymer Concrete

Conventional cement concrete is manufactured by substituting the cement hydrate binders with polymer resins or liquid resins, creating a composite material known as polymer concrete. Liquid resins, such as methacrylic resins, thermosetting resins, and tar-modified resins, polymerize at ambient or room temperature to form polymer concrete.



Engineered Marble Stone

Engineered marble is made from crushed natural stone that has been pressed, heated, and bonded with a small quantity of resin. Engineered marble, unlike porous natural stone, is less prone to moisture, which may lead to mildew. It is also more scratch- and stain-resistant than quarried or cultured marble. Moreover, it does not need any extra cleaning or polishing.



Composite Marble can be used in interior application like flooring, window jamming etc. Engineered stone composite is a constituent of marble dust and chips, bound with resin and pigment. It mainly constitutes byproducts of the marble processing and mining industry. In addition to the remnant marble products, colored glass, metal, or shells also can be combined to make composite marble. It is molded into structures later refined and polished to be used as countertops, bathtubs, sanitary ware, kitchenware, and many more.

Engineered Stone – Quartz & Engineered Marble Industry

Brief Overview

Quartz, an engineered stone, is a composite material formed of crushed stone that is held together by an adhesive. Slabs of quartz crystals are kept together by a resin binder in the case of counters. The majority of quartz is made using a 93% crushed stone to 7% resin and coloring ratio. Engineered quartz is gaining significant popularity as they are durable and non-porous. For instance, the engineered quartz is resistant to dents, abrasion, scratches, and acid.

Engineered quartz is available in different styles, designs, and prices that makes it a popular choice among home renovators and contractors. When these quartz aggregates are compressed to slabs, they endure similar texture and color as that of granite or natural slate.

One of the key benefits of engineered stone is that it can be cut into tiles which can be used for flooring and provides sophisticated finish. Also, engineered stones are resistant to mold and mildew due to which they are also suitable for wet rooms of commercial and residential constructions. The engineered stones can also be used to create luxurious fireplaces owing to its modern and sleek finish that meet the architectural styling requirements.

Current Scenario

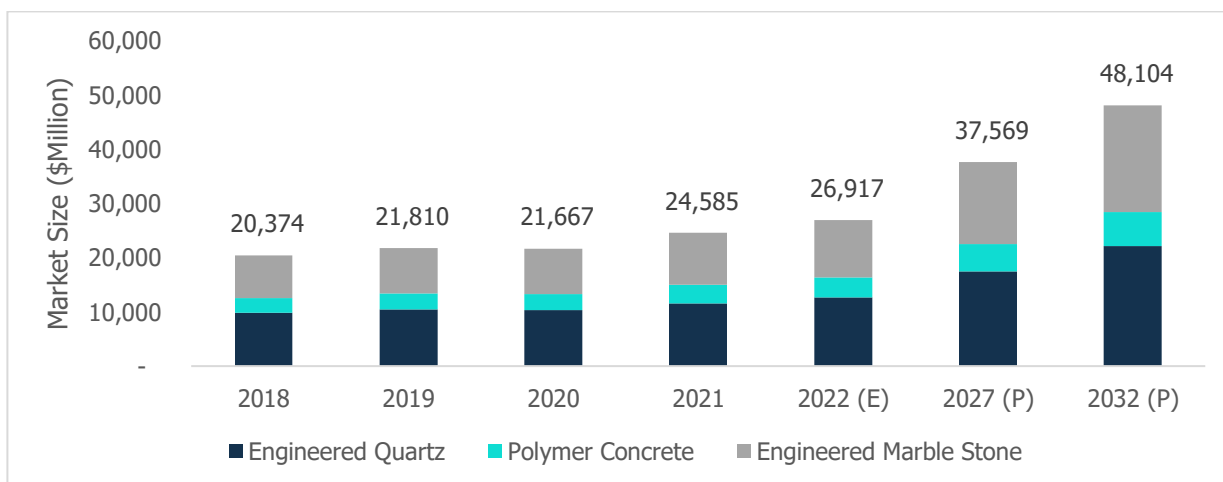
The global engineered stone market’s CAGR is expected to be 7% and reach \$26,917 million in 2022 from \$20,374 million in 2018. The engineered quartz has been the major contributor in the engineered stone segment followed by the engineered marble stone.

In the year 2020 and 2021, the industry was impacted by the price fluctuations of quartz. The average price of quartz increased by 12% and 3% in the year 2021 and 2020 respectively. Rise in shipping cost and raw materials were the primary reason for the same.

Global situations like Ukraine – Russia war, trade wars and pandemic lead to surge in uncertainty in global economy. The war between Ukraine and Russia has triggered a humanitarian crisis and economic slowdown in the global growth. The commodity price rise due to the war has led to projections of inflation at 5.7% in advanced economies and 8.7% in emerging economies. The developing economies are projected to have inflation projections of 1.8 and 2.8 percentage points higher than projections for last January.

However, in the projected period from 2022 to 2027, the engineered stone market is expected to grow at a CAGR of 7-8% and reach \$37,569 million, thereafter the industry is expected to reach \$ 48,104 million in 2032.

Global Engineered Stone Market by Type (\$Million)



Source: Research Dive, CareEdge Research

Region Wise Contribution

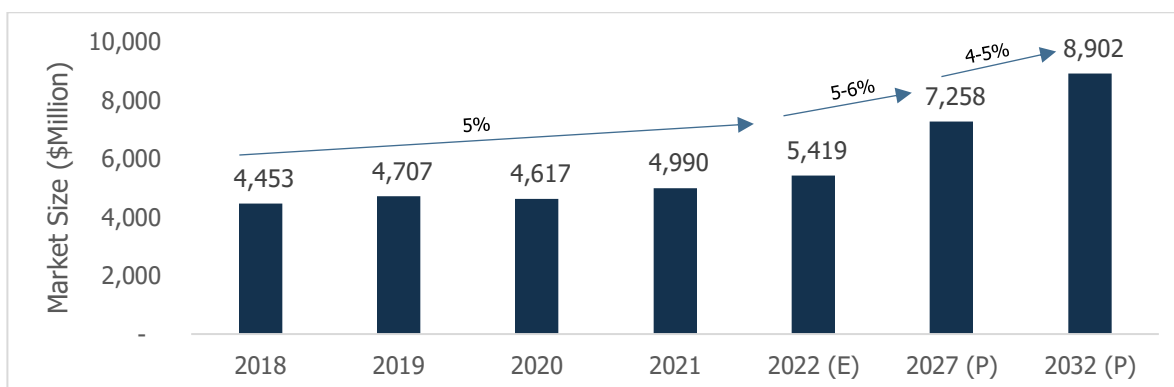
North America

The engineered stones market in North America is expected to have a high growth in Canada in the forecasted years 2022 to 2032. The growth is majorly attributed to increased construction and remodeling activities, and growing demand for strong, natural, and aesthetic looking countertops for kitchens. The segment is also expected to expand in the USA driven by increase in demand for building and construction activities. The rise in demand for countertops in new construction as well as renovations is expected to boost the engineered stone market in the USA. Countertops is the dominant application segment for engineered stones.

Engineered stones surface countertops have gained popularity due to their durability and stain resistance. They can be used primarily for kitchen countertops, bathroom countertops, and outdoor applications as they are durable and non porous. Thus, growth in the building and construction activities is estimated to boost the demand for engineered stones. Rise in commercial activities in the country is leading to construction of commercial buildings and institutional buildings further driving the demand for engineered stones.

The engineered stone segment is valued at an estimated \$5,419 million in 2022, growing at a CAGR of 5% from \$ 4,453 million in 2018.

North America Engineered Stone Market (\$Million)



Source: Research Dive, CareEdge Research

North America Engineered Stone Market by Type (\$Million)

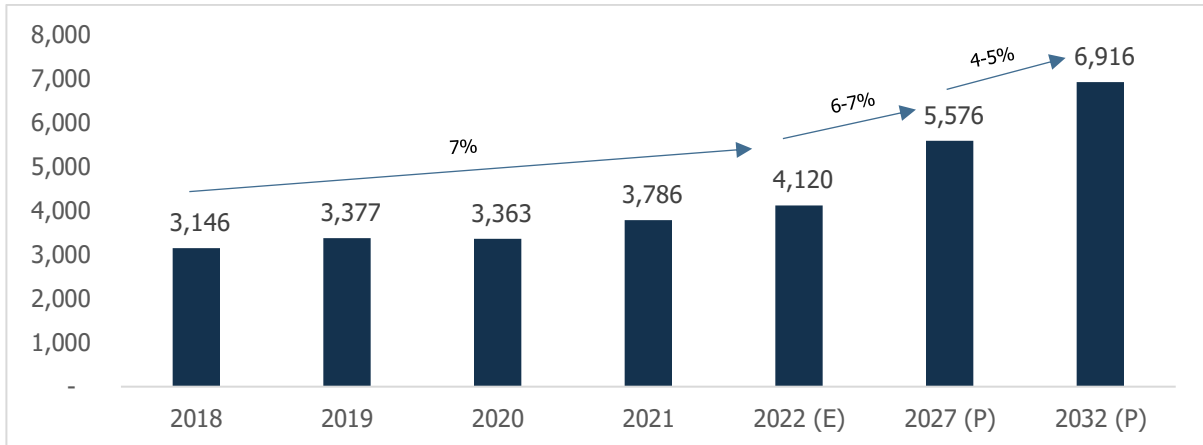
Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	2,135	2,252	2,205	2,346	2,543	3,372	4,095
Polymer Concrete	607	637	621	675	729	953	1,141
Engineered Marble Stone	1,711	1,817	1,791	1,969	2,147	2,932	3,667
Total	4,453	4,707	4,617	4,990	5,419	7,258	8,902

Source: Research Dive, CareEdge Research

Europe

The engineered stones are known for their colour, structure, texture, and appearance which offer broad spectrum of choices to its consumers are estimated to drive the engineered stones market share. Engineered stone offers a wide spectrum of choice that can be matched to any desired appearance or ambience. To add to it, the high 168 expectation in terms of the quality are major growth driving factors. The engineered stone segment estimated to be valued at \$4,120 million in 2022 and is expected to grow at a CAGR of 6-7% between 2022 and 2027.

Europe Engineered Stone Market (\$Million)



Source: Research Dive, CareEdge Research

Europe Engineered Stone Market by Type (\$Million)

Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	1,510	1,617	1,608	1,797	1,951	2,615	3,212
Polymer Concrete	435	463	459	506	548	724	876
Engineered Marble Stone	1,202	1,296	1,297	1,483	1,621	2,237	2,828
Total	3,146	3,377	3,363	3,786	4,120	5,576	6,916

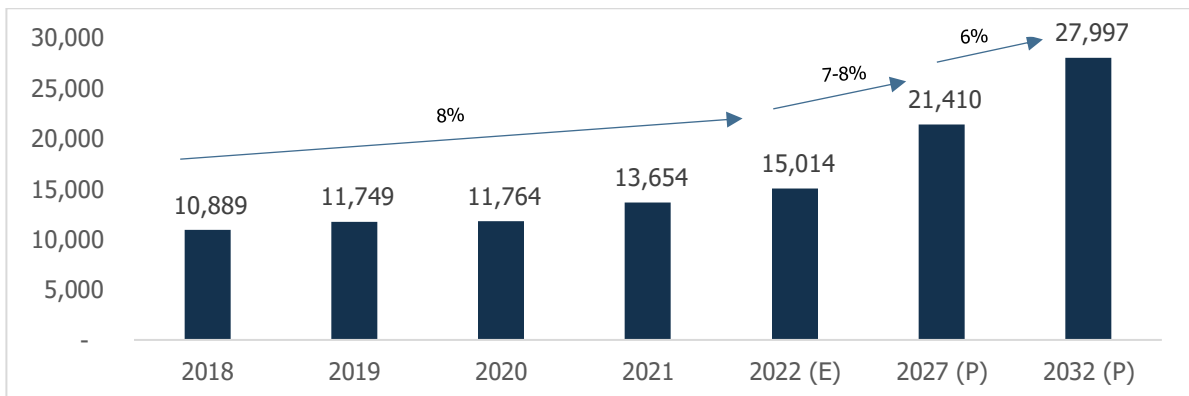
Source: Research Dive, CareEdge Research

Engineered quartz has been the highest contributor in the engineered stone market in Europe in the historical period. In future, the engineered marble stone is expected to grow at a higher CAGR between 56%. Engineered marble’s features like high strength and durability can drive its growth in future.

Asia-Pacific

Asia Pacific’s engineered stone segment is valued at an estimated \$15,014 million in 2022. It is expected to grow at a CAGR of 7-8 % between 2022 and 2027 and is estimated to reach \$27,997 million by 2032. Improved building construction activities along with the expansion & modernization of building stock in developing countries and growth in the housing units & non-residential structures are estimated to keep the demand consistent for engineered stone in the Asia-Pacific region. In addition, growing demand for engineered stone countertops for non-residential sectors such as hotels, universities, schools, and hospitals would drive the demand in this region.

Asia-Pacific Engineered Stone Market (\$Million)



Source: Research Dive, CareEdge Research

Asia-Pacific Engineered Stone Market by Type (\$Million)

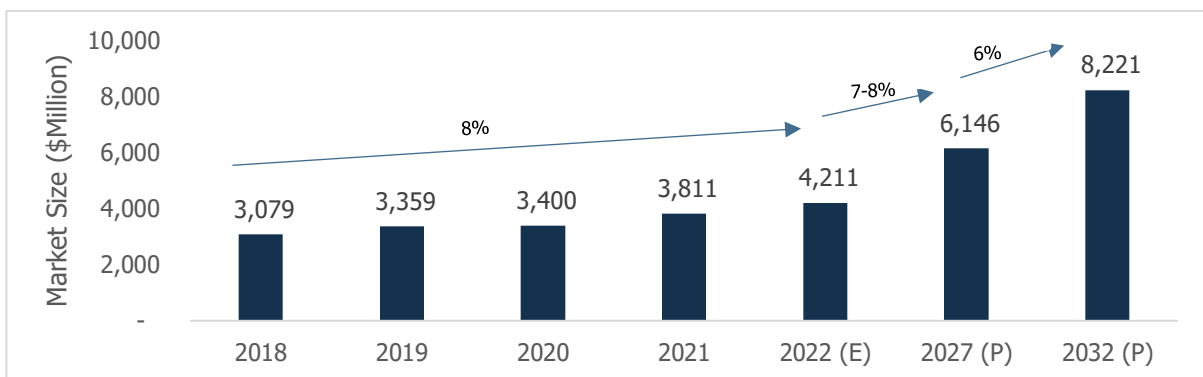
Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	5,226	5,628	5,624	6,430	7,057	9,965	12,903
Polymer Concrete	1,502	1,610	1,601	1,875	2,053	2,860	3,653
Engineered Marble Stone	4,162	4,512	4,539	5,348	5,904	8,584	11,441
Total	10,889	11,749	11,764	13,654	15,014	21,410	27,997

Source: Research Dive & CareEdge Research

China

Under the Asia-Pacific region, the Chinese engineered stone market is valued at an estimated \$4,211 million in 2022, and is projected to reach \$8,221 million by 2032.

China Engineered Stone Market (\$Million)



Source: Research Dive, CareEdge Research

China Engineered Stone Market by Type (\$Million)

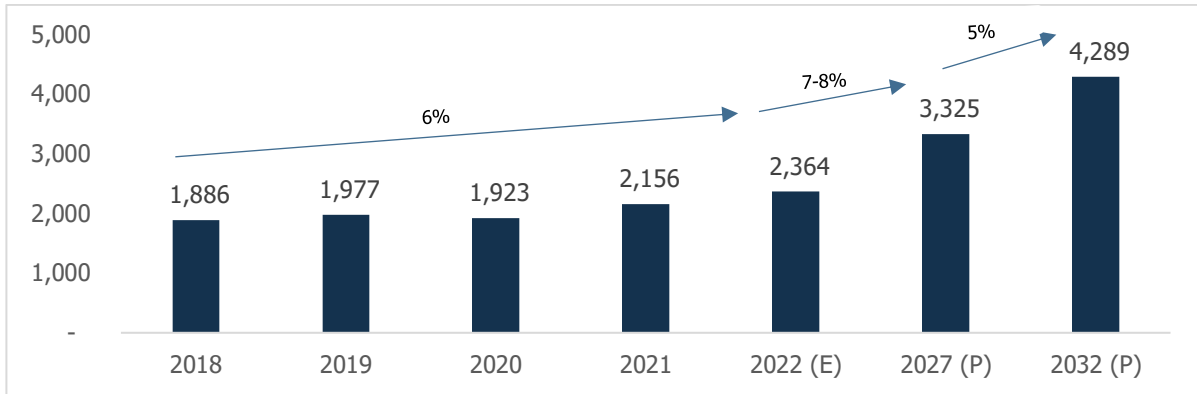
Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	1,482	1,613	1,629	1,792	1,976	2,856	3,782
Polymer Concrete	413	448	450	524	576	821	1,072
Engineered Marble Stone	1,184	1,298	1,320	1,496	1,659	2,469	3,367
Total	3,079	3,359	3,400	3,811	4,211	6,146	8,221

Source: Research Dive, CareEdge Research

LAMEA

The engineered stone market in LAMEA is estimated to have a CAGR of 6% and is estimated at \$2,364 million in 2022. It is expected to reach \$ 4,289 million in 2032. The expansion in the construction sector in countries namely Abu Dhabi, Qatar, Saudi Arabia, and Dubai is estimated to propel the engineered stone market demand in the coming years.

LAMEA Engineered Stone Market (\$Million)



Source: Research Dive, CareEdge Research

LAMEA Engineered Stone Market by Type (\$Million)

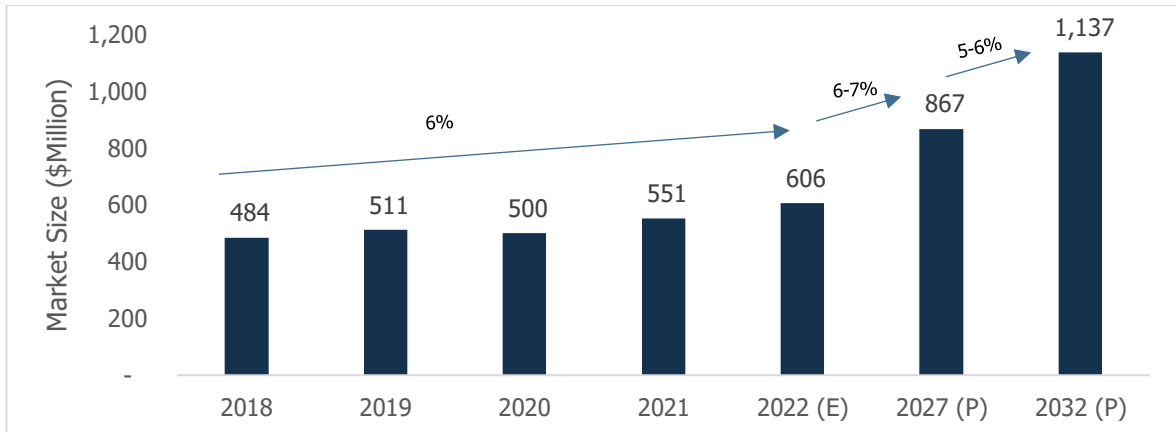
Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	906	947	920	1,017	1,113	1,550	1,980
Polymer Concrete	259	269	260	298	325	447	563
Engineered Marble Stone	721	760	743	841	926	1,328	1,746
Total	1,886	1,977	1,923	2,156	2,364	3,325	4,289

Source: Research Dive, CareEdge Research

UAE

Under LAMEA, the UAE engineered stone market is estimated to be valued at \$606 million in 2022, and is projected to reach \$1,137 million by 2032.

UAE Engineered Stone Market (\$Million)



Source: Research Dive, CareEdge Research

Dubai and the Gulf region have evolved as global business hubs with corporates having their offices in this region. It is also developing as the centre for export and various activities around the world. The engineered stone industry in Dubai is expected to benefit from the following key demand drivers:

- In Dubai, infrastructure is developing at a rapid pace. The application of engineered stone is expected to witness growth in Dubai due to increased infrastructure activities like building metro stations and various tourist attractions.

- Dubai is situated centrally and has new manufacturing lines established strategically at the Free Trade Zone and near ports. This positioning of the manufacturing units near the port leads to the optimization of freight and transportation charges as compared to manufacturing units established in landlocked areas that use rail and roads for transportation. Moreover, the companies and production facilities located in Free Trade Zones are exempt from income tax and VAT. The income tax exemption and free trade privileges serve as a key factor in attracting investments.

Anti-Dumping and Countervailing Duty

In 2018, the US imposed very high anti-dumping duties on imports of quartz surface products from China. The US Department of Commerce, in 2019 announced its final Anti-Dumping Duty (AD) and Countervailing Duty (CVD) rates on quartz surface products from China.

Anti – dumping duty:

Country	Exporter/Producer	Estimated weighted average dumping margin(percent)
India	Marudhar Rocks International Pvt. Ltd./Marudhar Quartz Surface Private Limited	0
	Pokarna Engineered Stone Limited	0
	All Others	0

Source: USITC

Countervailing duty:

Country	Exporter/Producer	Subsidy rate (percent)
India	Antique Marbonite Private Limited	7
	Pokarna Engineered Stone Limited	4
	All Others	7

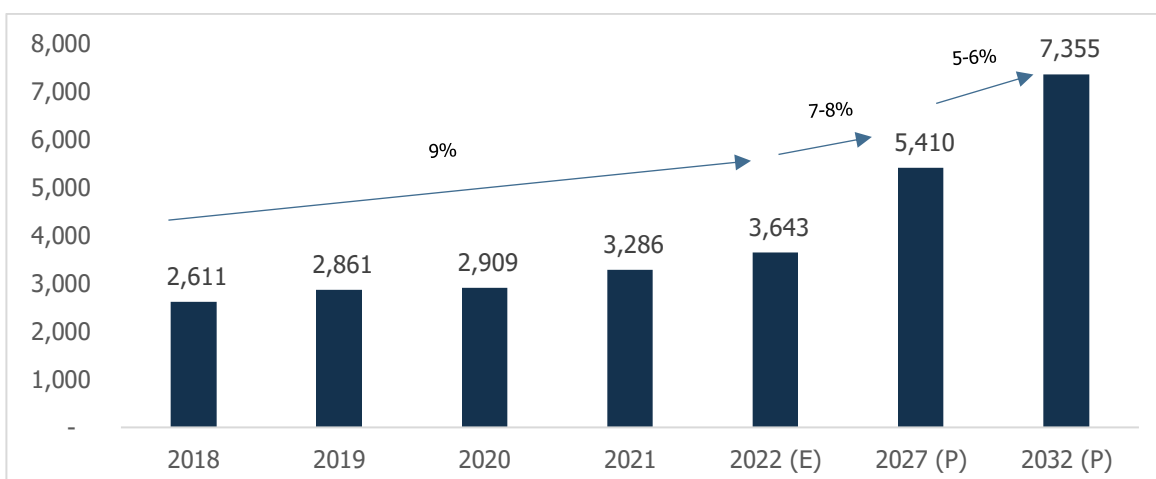
Source: USITC

Indian Engineered Stone Industry

Engineered quartz was declared as a minor mineral by the Government of India in 2015. More than half of quartz in India comes from the state of Andhra Pradesh, followed by Rajasthan. Other states where quartz is available are Chhattisgarh, Gujarat, West Bengal, Karnataka and Jharkhand. The industry mainly consists of unorganized players. Besides catering to the Indian market, India is a major exporter of engineered or quartz stones in countries like the U.S, Europe and U.A.E. The demand for engineered stones has increased tremendously owing to its wide range of applications, cost effectiveness, and many other characteristics such as strength, durability, and availability in various color pellets.

The Indian engineered stone market is estimated to be valued at \$3,643 million in 2022. The industry is expected to grow at a CAGR of 7-8% in the projected years between 2022 to 2027. By the year 2032, the Indian engineered stone market is expected to reach \$ 7,355 million.

Indian Engineered Stone Market (\$Million)



Source: Research Dive, CareEdge Research

Moreover, In the FY2020-21 the industry was impacted by the Covid-19 leading to disruptions in production and transportation process. As the lockdowns were imposed throughout the country, laborers migrated back to their native towns creating a shortage of labor. The infrastructure and customer base were also affected by the pandemic as the customers wanted to check the look and feel of the products which was not possible during the time of lockdowns. The Indian stone industry grew at a very slow pace in that period.

Unsaturated Polyester Resin

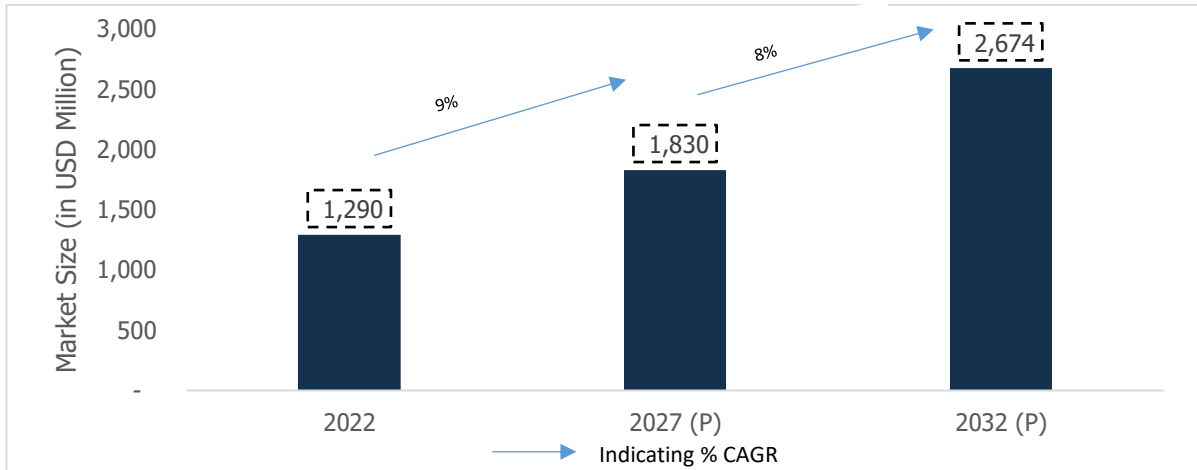
Overview

Unsaturated polyester resin (UPR) is a polymer type widely used in the manufacturing of various products, particularly in the field of composite materials. It is a thermosetting resin, meaning it undergoes a chemical reaction that irreversibly solidifies or ‘sets’ when it is cured, typically through the addition of a curing agent. The curing process involves the addition of a catalyst, usually a peroxide, and sometimes an accelerator. This combination initiates a chemical reaction that results in the formation of a three-dimensional network of polymer chains, turning the liquid resin into a solid, durable material. Unsaturated polyester resins find extensive use in the production of composite materials such as fiberglass-reinforced plastics (FRP).

India – Unsaturated Polyester Resin

The India unsaturated polyester resin market was valued at \$1,290 million in 2022 and is projected to reach \$2,674 million by 2032, registering a CAGR of 8% from 2022 to 2032. The unsaturated polyester resin market in India is experiencing significant growth, buoyed by robust development in the construction and automotive industries. The construction sector, fueled by rapid urbanization and infrastructure projects, showcases a soaring demand for unsaturated polyester resins used in applications like composite materials, laminates, and coatings. Simultaneously, the automotive industry is witnessing a surge in the use of these resins for manufacturing lightweight components, enhancing fuel efficiency and sustainability. In addition, the Indian government’s initiatives to boost these industries, such as the “Make in India” campaign and increased infrastructure investments, further amplify the demand for unsaturated polyester resins. These resins, known for their versatility, strength, and corrosion resistance, align seamlessly with the evolving needs of these key sectors. As India strives for economic growth and technological advancement, the unsaturated polyester resin market is poised to play a pivotal role in fostering innovation and contributing to the nation’s industrial development.

India Unsaturated Polyester Resin Market (\$Million)



Source: Research Dive, CareEdge Research

Five key Natural & Engineered Stone Players (India)

1. Pokarna Ltd:

Pokarna Ltd. was founded in 1991 in India and offers a wide range of natural stones. The company has a start-to-end procedure which involves extracting, cutting, shaping, and polishing granite. Today, Pokarna Ltd. is one of the leading exporters of granite and the largest exporter of quartz in India. The company's product range includes tiles, slabs, and cut-to-size natural quartz and granite. The quartz manufactured by the company is used in countertops, wall cladding, furniture, and flooring. Pokarna Ltd is also an exclusive partner with IKEA for the measurement, supply, and installation of made-to-measure quartz surface worktops in India. Pokarna Ltd. has 15 mines and 2 state-of-the-art manufacturing facilities of granite and quartz in Telangana.

2. Marudhar Marble

Marudhar Stones is one of the largest processors and exporters of Granite slabs and quartz from India. The Company has twin factories located at Granite rich belt of Hosur and Salem. The company has one of the largest annual processing capacities of more than 500,000 sq. ft, say capacity of 2,500 containers.

3. Esprit Stones Pvt Ltd:

Esprit Stones manufactures engineered stones. Esprit is jointly promoted by Aravali & Gattani Group. It has a state-of-the-art factory in Udaipur and a 1,00,000 sq. ft plant, which is set up in a 6-acre area. It has products in a wide range of colours and designs. The surfaces produced by the company can be used for vanities, kitchen countertops, floors, and wall cladding. Haique is the engineered stone brand of Esprit Stones that manufactures Quartz and Engineered marble.

The Aravalli Group, a mining major, and The Gattani Group, a conglomerate with diversified interests across polymers to clean energy. The groups have expertise in sectors like mining, real estate, hospitality, and energy amongst others.

The Aravali Group was founded in 1975 and has 8 companies in the minerals, real estate, and finance sectors. It owns the largest underground mines in India in addition to 6 mines, which it has taken on lease from the Rajasthan government. It is spread over 83 hectares and has 600 feet of proven deposits, yielding 100,000 MT of marble.

The Gattani Group was established in 1979 and is a multi-faceted conglomerate. In the infrastructure sector, they have expertise in excavation, mining, and land grading.

4. Global Surfaces Ltd.

Global Surfaces Ltd was incorporated in 1991 in Jaipur and provides natural and engineered stone products. It is involved in the mining, production, and export of natural stones and engineered quartz. The company offers products made of granite, marble, and quartz. The product range includes slabs and countertops that can be used in flooring, indoor wall cladding, vanity tops, reception desks, table tops, staircases, etc. The products can be customized according to different shapes, sizes, colours, and forms. Since its inception, the company has progressed and created new growth avenues in the international markets. Global Surfaces Ltd. holds various certifications including Greenguard, ISO 9001:2008 Registered QMS certification.

5. Classic Marble Company (CMC):

Classic Marble Company is headquartered in Mumbai and was founded in 1994. It is the biggest importer of stones in India and is the only company to supply more than 150 Mn sq. ft. of imported marble in the country since its inception. The company supplies natural and exotic marble as well as other stones like travertine, onyx, and limestone. CMC is an ISO 9001:2015, 14001:2015, 45001:2018 certified company and has its stockyards in Silvassa. The company has various brands like Kalinga Stone, Quadra, Techlam, and Kalesinterflex, which provide a wide range of stones like engineered marble, terrazzo and quartz. The company has over 700 varieties of exquisite stones sourced from nearly 53 countries.

OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 22 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 39, 205 and 251, 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.*

*Our Company’s financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Statement included in this Prospectus. For further information, see “**Restated Consolidated Financial Statement**” on page 205. Additionally, see “**Definitions and Abbreviations**” on page 1 for certain terms used in this section. Unless the context otherwise requires, in this section, references to “we”, “us” and “our” “our Company” or refer to Esprit Stones Limited and its Subsidiaries.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “**Industry Research Report – Engineering Stones Industry**” dated February 2024” (the “**CARE Report**”) prepared and issued by CARE Analytics and Advisory Private Limited (“**CAAPL**”), appointed by us on January 03, 2024, and exclusively commissioned and paid for by us in connection with the Issue. CAAPL is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the CARE Report and such data 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 Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the CARE Report is available on the website of our Company at www.espritstones.com until the Bid/Issue Closing Date. For more information, see “**Risk Factors – Certain sections of this Prospectus disclose information from the CARE Analytics and Advisory Private Limited which have been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks**” on page 57. Also see, “**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data – CARE Report Disclaimer**” on page 20.*

OVERVIEW

We are primarily engaged in the manufacturing of Engineered Stones such as: (i) engineered quartz surfaces; and (ii) engineered marble surfaces. Our Company majorly manufactures engineered quartz surfaces and through our Subsidiary, HSPL, we manufacture engineered marble surfaces. We are one of the key Engineered Stones players in India. (Source: CARE Report). Engineered Stones are composite material formed out of crushed stone that is held together by an adhesive. Engineered Stone’s non-porous characteristics, offer superior scratch, stain and heat resistance, making them extremely durable and therefore get an edge over competing products such as natural stones, laminate and other manufactured solid surfaces. The strength, consistency, durability and appearance of our Engineered Stones, as well as their low maintenance makes it ideal for its application for vanities & bathroom surfaces, kitchen countertops, floors and wall cladding furniture, and other interior surfaces that are used in a variety of residential and non-residential applications. Through our innovative design and manufacturing processes, we are able to offer our product in wide variety of colours, styles, designs and textures.

We have customized our manufacturing processes in order to maximize the consistency, quality, durability and crack resistance of our Engineered Stones while also increasing its slickness and luster. Together with our research and development capabilities, our manufacturing expertise enable us to develop a number of aesthetically distinct designs for our products. We continually work to ensure that we acquire high quality raw materials for our Engineered Stones and ensure that our high-quality standards are met by conducting ongoing quality control checks of the raw materials and finished goods at our Manufacturing Facilities.

Additionally, through our Subsidiary, Addwaya Chemicals, we are also engaged in the manufacturing of unsaturated polyester resin which is one of the key raw materials in manufacturing of Engineered Stones.

Our Company was incorporated in the year 2016 and is promoted by two business houses from Udaipur, Rajasthan namely, Aravali group and Gattani group. We within a short span of less than six years since becoming operational, have expanded our manufacturing capacity and diversified our operations. Having set up our Manufacturing Facility I in the year 2017, we started the production of engineered quartz with a single press line and a polish line capable of producing around 24 lakhs sq.ft. engineered quartz per annum. As on date, our Manufacturing Facility I is equipped with three (3) pressing lines and two (2) polishing lines with a production capacity of around 72 lakhs sq.ft. per annum. Additionally, we commissioned our Manufacturing Facility II for manufacturing of quartz grit and quartz powder which is the primary raw material for manufacturing of engineered quartz. Thereafter, in order to further reduce our dependency on third-party raw material suppliers of unsaturated polyester resin, which is an important ingredient for manufacturing of Engineered Stones, our Company, through our Subsidiary namely, Addwaya Chemicals, started manufacturing of unsaturated polyester resin at Manufacturing Facility III having an annual capacity of around 18 thousand metric tonnes. As a result of this backward integration, our Company gained a better control on quality of key raw materials. In the year 2022, our Company through our Subsidiary, HSPL has commenced manufacturing and processing of engineered marble surfaces at our Manufacturing Facility IV which is equipped with one (1) pressing line, two (2) gangsaw and one (1) polishing line and having an annual capacity of around 74 lakhs sq. ft. For further details of expansion of our operations, see “*History and Certain Corporate Matters*” on page 174.

At present we are one of the key Engineered Stones players in the Indian Market (*Source: CARE Report*) and we market and sell our Engineered Stones in domestic as well as international markets through a combination of direct export sales and a network of independent distributors in the domestic market. As on the date of this Prospectus, we are exporting to over 10 countries including USA, Canada, Egypt, Bulgaria, UAE, Saudi Arabia, etc. under white labelling. A majority of our sales comprise of export sales. During the Fiscals 2024, 2023 and 2022, we derived 59.87%, 72.75% and 92.44% of our sales from exports, respectively. Further, out of our total exports, 94.43%, 97.51% and 96.47% are exported to USA during the Fiscals 2024, 2023 and 2022 respectively. Further during Fiscal 2024 and 2023 the Company made 64.43% and 25.73% of our export sales to USA through our foreign subsidiary, Haique Stones Inc.

Initially, the business of the Company was only export based. However, to capitalise the growing demand of Engineered Stones in domestic market, our Company launched our premium brand ‘Haiqu’ which was later renamed as “Haique”. As on the date of this Prospectus, we have extended our reach to 15 states in the country through our distributors network. Our Company is in the process of setting up of an experience centre at Kishangarh, Rajasthan, the marble city of India. Additionally, our Company also has a storage facility and sales office in Mumbai, Maharashtra.

We believe that we have invested considerable resources to position ‘Haique’ as a premium brand and as a symbol of elevated living. Presently, we are promoting our brand by engaging an eminent Bollywood celebrity and strive to actively support our brand through online and print advertising and exhibitions and events. At the same time, we intend to continue developing Engineered Stones with new and innovative characteristics related to colour, design, texture and thickness as well as promoting other applications for our products, such as high-end bathroom surfaces, countertops and wall cladding, to ensure that end-consumers continue to recognize ‘Haique’ as a luxury brand and a leading provider of premium-quality Engineered Stones.

Our business model is aimed to consistently continue to strengthen our product portfolio through continued investment in product innovation supported by strong research and development initiatives, marketing activities and the establishment of long-term relationships with our existing and new customers.

We are led by our Promoters, Sunilkumar Lunawath, Nitin Gattani and Pradeep Lunawath, who have extensive experience in the industry in which we operate and have been intimately involved in our business from inception. Our Promoters continue to remain actively involved in our operations and continue to bring their vision, business acumen and leadership to our Company, which has been instrumental in sustaining our business operations and growth. We also have qualified and experienced Key Managerial Personnel and Senior Management Personnel who have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. For further details, see “*Our Promoters*” and “*Our Management*” on page 192 and 179, respectively.

Product wise revenue

Our revenue from sale of products can be categorized broadly into Engineered Stones and Unsaturated Polyester Resin. Our consolidated sale of products for Financial Year 2024, Financial Year 2023 and Financial Year 2022 is detailed as below;

Products	Financial Year 2024	Financial Year 2023	Financial Year 2022
Engineered quartz surfaces	17,236.40	14,349.08	18,504.61
Engineered marble surfaces	1,622.99	103.39	-
Unsaturated Polyester Resin	8,150.51	2,563.22	-
Total	27,009.90	17,015.69	18,504.61

Geographical breakup of sale of products

Our Geography wise sale of products for Financial Year 2024, Financial Year 2023 and Financial Year 2022 is detailed as below;

Particulars	FY 2024	% of total sales	FY 2023	% of total sales	FY 2022	% of total sales
Export Sales	16,170.74	59.87%	12,379.32	72.75%	17,817.82	96.29%
Export sales to the USA	15,270.54	56.54%	12,071.51	70.94%	17,214.09	93.03%
Export sales to other countries (Majorly Canada, Egypt, Bulgaria and UAE)	900.20	3.33%	307.81	1.81%	603.73	3.26%
Domestic Sales	10,839.16	40.13%	4,636.37	27.25%	686.79	3.71%
Andra Pradesh	17.17	0.06%	35.95	0.21%	-	0.00%
Chhattisgarh	21.09	0.08%				
Dadra & Nagar Haveli	37.46	0.14%	21.55	0.13%	-	0.00%
Delhi	214.44	0.79%	44.42	0.26%	-	0.00%
Goa	101.40	0.38%	0.00	0.00%	-	0.00%
Gujarat	627.68	2.32%	253.81	1.49%	12.15	0.07%
Haryana	255.79	0.95%	306.45	1.80%	14.66	0.08%
Jammu and Kashmir	38.53	0.14%	-	0.00%	-	0.00%
Jharkhand	9.91	0.04%	-	0.00%	-	0.00%
Karnataka	282.16	1.04%	273.15	1.61%	70.84	0.38%
Kerala	104.70	0.39%	-	0.00%	-	0.00%
Madhya Pradesh	988.96	3.66%	152.08	0.89%	5.34	0.03%
Maharashtra	1,407.53	5.21%	610.75	3.59%	248.25	1.34%
Meghalaya	43.58	0.16%	35.18	0.21%	-	0.00%

Odisha	79.64	0.29%	43.46	0.26%	-	0.00%
Punjab	788.47	2.92%	228.34	1.34%	22.41	0.12%
Rajasthan	5,158.64	19.10%	2,208.65	12.98%	65.52	0.35%
Tamil Nadu	351.20	1.30%	78.61	0.46%	-	0.00%
Telangana	69.09	0.26%	93.77	0.55%	66.09	0.36%
Uttar Pradesh	97.48	0.36%	163.52	0.96%	115.47	0.62%
West Bengal	144.24	0.53%	86.68	0.51%	66.06	0.36%
Total sale of products	27,009.90	100.00%	17,015.69	100.00%	18,504.61	100.00%

Manufacturing unit wise Revenue Breakup

Our manufacturing unit wise revenue breakup for Financial Year 2024, Financial Year 2023 and Financial Year 2022 is detailed as below;

Particulars	(in lakhs)					
	FY 2024		FY 2023		FY 2022	
	Amount	%	Amount	%	Amount	%
Manufacturing facility I	15,469.30	54.45%	12,365.33	61.84%	18,117.38	100.00%
Manufacturing facility II*	-	-	185.78	0.93%	-	0.00%
Manufacturing facility III	11,395.43	40.11%	5,227.19	26.14%	-	0.00%
Manufacturing facility IV	1,545.56	5.44%	2,218.33	11.09%	-	0.00%
Total manufacturing sales (before intra-group elimination)	28,410.29	100.00%	19,996.63	100.00%	18,117.38	100.00%
Add: Sales from Haique Stones Inc.**	9,839.57	-	3,106.49	-	-	-
Add: Other trading sales	498.34	-	191.50	-	387.23	-
Less: Intra group elimination	(11,738.30)	-	(6,278.93)	-	-	-
Total sales of products	27,009.90	-	17,015.69	-	18,504.61	-

*Manufacturing Facility II relates to production of quartz grit and quartz powder which are primarily used for captive consumption

**The Company sells some of its manufactured products through Haique Stones Inc., USA in the USA market.

Market Opportunity

Engineered Stones

- The global engineered stone industry is expected to grow at a CAGR of 5-6% between 2027 and 2032. The global engineered stones market is expected to reach \$ 48,104 million by 2032. The engineered quartz has been the major contributor in the engineered stone segment followed by the engineered marble stone.
- The Indian engineered stone market is estimated to be valued at \$3,643 million in 2022. The industry is expected to grow at a CAGR of 7-8% in the projected years between 2022 to 2027. By the year 2032, the Indian engineered stone market is expected to reach \$ 7,355 million.
- The engineered stones market is also expected to expand in the USA, driven by the growing demand for building and construction activities. Further, the increased demand for countertops in new construction and renovations is expected to boost the engineered stone market in the USA
- The engineered quartz has been the highest contributor to the engineered stone market in Europe in the historical period. The engineered stone segment estimated to be valued at \$4,120 million in 2022 and is expected to grow at a CAGR of 6-7% between 2022 and 2027. In future, the engineered marble stone is expected to grow at a higher CAGR between 5%-6%.
- Asia Pacific's engineered stone segment is valued at an estimated \$15,014 million in 2022. It is expected to grow at a CAGR of 7-8 % between 2022 and 2027 and is estimated to reach \$27,997 million by 2032.

- The engineered stone market in LAMEA grew at a CAGR of 6% and stood at \$2,156 million in 2021. It is expected to reach \$4,289 million in 2032. Under LAMEA, the UAE engineered stone market was valued at \$551 million in 2021, and is projected to reach \$1,137 million by 2032.

Unsaturated Polyester Resin

- The global unsaturated polyester resin market was valued at \$9,962 million in 2022 and is projected to reach \$18,145 million by 2032, registering a CAGR of 6% from 2022 to 2032.
- The Indian unsaturated polyester resin market was valued at \$1,290 million in 2022 and is projected to reach \$2,674 million by 2032, registering a CAGR of 8% from 2022 to 2032.

Key Performance Indicator

Our key financial performance indicator for the Financial Year 2024, Financial Year 2023 and Financial Year 2022 is detailed as below;

Particulars	<i>(₹ in lakhs, unless stated otherwise)</i>		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Financial			
Revenue from Operations ⁽¹⁾	27,289.02	17,441.09	18,645.65
EBITDA ⁽²⁾	3,320.08	1,898.59	3,317.86
EBITDA Margin ⁽³⁾ (in %)	12.17%	10.89%	17.79%
Net Profit after tax ⁽⁴⁾	1,031.73	355.72	1,850.53
Net Profit Margin ⁽⁵⁾ (in %)	3.78%	2.04%	9.92%
Return on Net Worth ⁽⁶⁾ (in %)	15.09%	5.66%	37.25%
Return on Capital Employed ⁽⁷⁾ (in %)	12.39%	7.60%	25.05%
Debt-Equity Ratio ⁽⁸⁾	1.72	1.90	0.98
Days Working Capital ⁽⁹⁾	97	91	42

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 18, 2024.

Notes:

1. Revenue from operations represents the revenue from sale of products and other operating revenue of our Company as recognized in the Restated financial information.
2. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation, and amortization expense.
3. EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
4. Net Profit after tax represents the restated profits of our Company after deducting all expenses.
5. Net Profit margin is calculated as restated profit/ (loss) for the year divided by revenue from operations.
6. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year.
7. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year).
8. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings and lease liabilities. Total equity is the sum of equity share capital, reserves and surplus and minority interest.
9. Days Working Capital is arrived at by dividing average working capital (current assets excluding cash and cash equivalents less current liabilities excluding short term borrowings) by revenue from operations multiplied by the number of days in the year (365).

For further details, see “**Management Discussion and Analysis of Financial Condition Results of Operations**” and “**Basis for Issue Price**” on page 251 and 122 respectively.

Our Strengths

We believe that the following are our primary competitive strengths;

1. **Prominent player in the high growth Engineered Stones market**

We are one of the key Engineered Stones players in the Indian Market. (Source: CARE Report). We

believe that we have achieved this success due to our strong understanding of consumer preferences that helps us recognize and address local trends in the markets we serve. We believe that we are well positioned to benefit from attractive growth and substantial penetration opportunities in the Engineered Stones segment. The global engineered stones market is expected to reach \$48,104 million by 2032. The global engineered stone industry is expected to grow at a CAGR of 5%-6% between 2027 and 2032. Further, the Indian engineered stone market was valued at \$2,611 million in 2018 and grew at a CAGR of 8% to reach \$3,286 million in 2021. The industry is expected to grow at a CAGR of 7%-8% in the projected years between 2022 to 2027. By the year 2032, the Indian engineered stone market is expected to reach \$7,355 million. (Source: CARE Report). We believe that the continued growth of the global engineered stones market including Indian market represents a significant future growth opportunity for our products, as we continue to penetrate new and existing markets.

2. ***Focus on quality and innovation***

We believe that quality and innovations are the bed-rock of success. Towards this end, we stress on and constantly strive to maintain and improve the quality of our products. This focus is reflected in the standard of our quality systems which have been certified ISO 14001:2015, ISO 45001:2018, ISO 9001:2015, NSF certifications, green guard certifications, etc. For further details, see “***Government and Other Approval***” on page 276. We have developed quality control processes for inspecting the raw materials as well as the final products. The raw materials and the final products undergo strict quality checks and for this purpose we have even implemented internal procedures for quality control. Our Facilities have dedicated personnel responsible for monitoring the parameters of equipment, strength of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly. These multi-level quality checks ensure that we consistently provide premium quality products which further enhances our brand value.

We have a R&D team comprising of six persons who focus on producing new innovative designs and aesthetics concept. During Financial Year 2023 and 2024, our R&D team introduced approximately more than 30 new designs and concepts. We have also introduced new designs such as Platinum Statuario, Palais Grey, Crystal White in the market. The in-house a R&D ensures that we are self-reliant for the development of high-quality products and are kept abreast of the market trends. We believe that this enables us to compete with greater efficiency against our competitors and provide us with the competitive edge.

3. ***Backward Integration***

We are engaged in the manufacturing of engineered quartz surfaces and the core raw material for manufacturing of engineered quartz are quartz grit and unsaturated polyester resin. In order to reduce our dependence on third-party raw material suppliers, use consistent and quality material in our products, we commissioned our Manufacturing Facility II for manufacturing of quartz grit. As a result of this backward integration, our Company gained a better control on such raw material. In addition, the quartz grit produced by our Manufacturing Facility II places us in an advantageous position in the event of a limited availability of quartz grit in the market.

Thereafter, in order to further reduce our dependency on third-party raw material suppliers of unsaturated polyester resins, which is an important ingredient for manufacturing of engineered stone, our Company, through our Subsidiary namely, Addwaya Chemicals Private Limited started manufacturing of unsaturated polyester resins at our Manufacturing Facility III, strategically located in the close proximity to our Manufacturing Facility I and IV which provides location advantage and quality assurance. We believe that these integration measures allow us to have greater control on the manufacturing process by capturing value chain, keep up our quality standards and benefit from cost efficiencies in our resource utilisation.

In addition to polyester resin’s application in production of Engineered stones, it also finds its application in other industries such as natural stones, button manufacturing, and fibre manufacturing. Therefore, the manufacturing of polyester resin at our Manufacturing Facility III and sale of the same in open market adds to our revenue stream.

4. *Strategic location and state-of-the-art manufacturing facilities*

The Udaipur area in Rajasthan has abundant mineral deposits that are used for manufacturing of our Engineered Stones. Our manufacturing facilities, located in the Udaipur district, benefit from the mineral-rich ecology, resulting in economic and logistical advantages. Our Manufacturing Facilities are fully integrated from handling of raw material to finished goods and are equipped with modern storage facilities and latest technology machineries such as quartz pressing line including mixers and pressing line, calibrating and polishing line, EOT cranes, CNC machines, bridge-cutter, resin line, grit grinding unit, powder ball mill, powder storage silos, resin tanks, mixers and block pressing line, gangsaw, polishing machines, reactors, blenders, etc. enabling us to manufacture quality products, minimize human labour involvement and achieving cost efficiencies. Our machineries are imported as well as domestically procured and match the international quality standards. Over the years, our Company has made continuous investments in its manufacturing infrastructure to support its product portfolio requirements. We engage in continuous product development and introduction of new designs to keep up with the trends and meet our customer requirements.

5. *Experienced Promoters with strong management team and dedicated workforce*

We have seen business growth under the vision, leadership and guidance of our Promoters namely, Sunilkumar Lunawath, Nitin Gattani and Pradeepkumar Lunawath, who holds vast experience in the industry in which we operate. We believe that our Promoters have played a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. For further details relating to our Promoters, see “***Our Promoters***” on page 192. In addition to our Promoters, our key management and senior management team includes qualified, experienced and skilled professionals who possess requisite experience across various division of our business. We believe the stability of our management team and the industry experience brought on by our individual Promoters enables us to continue to take advantage of future market opportunities. We believe that our senior management team is well qualified to leverage our market position with their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth. For further details relating to our Key Managerial Personnel and Senior Management Personnel, see “***Our Management – Key Managerial Personnel and Senior Management Personnel***” on page 189. Further our trained and experienced manpower has helps us in streamlining the production process and increasing the output. We also believe that by following a worker friendly policy we have developed cordial relations with our work force which has also helped in ensuring smooth production process in our facilities

Our Strategies

We intend to pursue the following strategies in order to enhance our product brand and market share, build economies of scale in our business and grow our revenues and net income:

1. *Expand awareness of our premium brand*

We have recently launched our premium brand ‘Haique’. We believe that we have invested considerable resources to position ‘Haique’ as a premium brand and as a symbol of elevated living. Presently, we are promoting our brand by engaging an eminent Bollywood celebrity and strive to actively support our brand through online and print advertising and exhibitions and events. At the same time, we intend to continue developing engineered stone with new and innovative characteristics related to colour, design, texture and thickness as well as promoting other applications for our products, such as high-end bathroom fittings and wall cladding, to ensure that end-consumers continue to recognize ‘Haique’ as a premium brand and a leading provider of high-quality engineered stone products. For the Financial Year 2024, Financial Year 2023 and Financial year 2022 our marketing expenses including salaries and expenses of marketing employees were ₹656.25 lakhs, ₹342.32 lakhs and ₹111.29 lakhs respectively.

2. *Focus on existing and entering new markets*

We believe that a significant portion of our future growth will come from continued penetration in our

key growth markets, particularly the United States which we have prioritized as key growth markets due to their size, growth potential and the existing demand for our products. A majority of our sales comprise of export sales. During the Fiscals 2024, 2023, 2022 and 2021, we derived 59.87%, 72.75% and 92.44% of our sales from exports, respectively. Further, out of our total exports, 94.43%, 97.51% and 96.47% are exported to USA during the Fiscals 2024, 2023 and 2022 respectively. Further during the Fiscal 2024 and 2023 the Company made 64.43% and 25.73% of our export sales to USA through our foreign subsidiary, Haique Stones Inc. We also intend to expand our foot print in Middle East countries and in furtherance to the same, we in year 2023 have entered into an exclusive distribution arrangement with a Saudi Arabia registred entity for distribution of our engineered stones in the territory of Saudi Arabia.

We are also focusing to cater to domestic demand through our product offerings. The Indian engineered stone market was valued at \$2,611 million in 2018 and grew at a CAGR of 8% to reach \$3,286 million in 2021. The industry is expected to grow at a CAGR of 7%-8% in the projected years between 2022 to 2027. By the year 2030, the Indian engineered stone market is expected to reach \$7,355 million (*Source: CARE Report*). Currently, we have our presence in 15 states in the country through more than 50 active distributors with a pan India Sales and Marketing team of 44 personnel. We expect the demand in the Indian markets to strengthen in the future. As a business strategy, we intend to expand our dealers' network in Indian cities as we believe that there are significant untapped opportunities in these cities for us to capitalise to grow our business operations. We believe the penetration rates of engineered stone in Indian market and our market share in the export market can reach considerably higher levels in the future and therefore our focus will remain on acquiring new customers, retaining existing customers and offering good quality products.

3. *Enhanced focus on efficiency, cost and return on capital*

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment. This will help us improve sales and sell through, allowing us to increase turnover and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory and debtor levels. We believe our focus on costs and network efficiency will help us improve our profitability and return on capital employed.

4. *Focus on rationalizing our consolidated indebtedness*

We focus on rationalising our indebtedness. We have entered into various financing arrangements with banks and financial institutions for financial facilities. We propose to infuse funds in our Subsidiary namely HSPL which would be utilised to repay or prepay all or a portion of certain borrowings availed by our Subsidiary. For details see "*Objects of the Issue*" on page 107. The repayment or prepayment will help reduce HSPL outstanding indebtedness, assist us in maintaining a more favourable debt equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

5. *Expand the product line by introducing fresh designs to the portfolio.*

Our Company's strategy is focused towards introducing new product designs to meet the ever-changing demands of the market as well as garnering the attention of more end-users. This helps in strengthening the relationship with the existing customer network through a wide range of products while also onboarding new customers. Identifying and developing new products and designs is a continuous exercise that our management team engages into as we believe that there is an immense demand in the markets for unique designs, good quality and competitively priced products.

Our Product Portfolio

The details of our product portfolio are detailed as below;

Description	Key Features	Thickness	Key Product Series	Application
Engineered quartz surfaces	<p>Quartz, an engineered stone, is a composite material formed of crushed stone held together by an adhesive. Slabs of quartz crystals are kept together by a resin binder in the case of counters. The majority of quartz is made using a 93% crushed stone to 7% resin and colouring ratio.</p> <p>Engineered quartz is gaining significant popularity as they are durable and non-porous. For instance, the engineered quartz is resistant to dents, abrasion, scratches, and acid. Further, engineered quartz is available in different styles, designs, and prices, which makes it a popular choice among home renovators and contractors. When these quartz aggregates are compressed into slabs, they endure a similar texture and colour as that of granite or natural slate.</p> <p>One of the key benefits of engineered stone is that it can be cut into tiles, which can be used for flooring and provides a sophisticated finish. Also, engineered stones are resistant to mould and mildew due to which they are also suitable for wet rooms of commercial and residential constructions. The engineered stones can also be used to create luxurious fireplaces owing to their modern and sleek finish that meets the architectural styling requirements. (Source: CARE Report)</p>	30 mm 20 mm	Quartz surfaces	Kitchen counter-tops, Table-tops, Bathroom vanities, Wall-cladding
Engineered marbles surfaces	<p>Marble is the geological name for massive & compact limestone which is completely re-crystallized by heat and pressure that captures several foreign substances, thus creating a unique variety of colours and veining (minerals). Marble is just a changed limestone, or to be more specific, metamorphic limestone. The dissimilarity of materials causes veining in marbles facilitating weakness within many marbles. Like numerous other stones such as Calcareous stones, travertine and onyx, calcium carbonate is a major component of marble.</p>	20 mm 18 mm 16 mm	Neo Marble & Terrazzo surfaces	Flooring, Window and door jamming, Table-tops, Wall-cladding

Description	Key Features	Thickness	Key Product Series	Application
	<p>Further, marble can be polished and used for architectural and ornamental purposes. It is available in different colours from white to black, yellow, red, and green. Marbles are also veined or clouded beautifully. They are preferred for floorings as they emphasize the living space with its richness (<i>Source: CARE Report</i>)</p> <p>Engineered marble surfaces surfaces is a human-made alternative to natural stones. It is an attractive way to enhance the beauty of your accommodations. Engineered marble surfaces is a constituent of marble dust and chips, bound with resin and pigment. It is molded into structures later refined and polished to be used as countertops, bathtubs, sanitary ware, kitchenware, and many more.</p>			
Unstaurated Polyester Resins	<p>Unsaturated polyester resin (UPR) is a polymer type widely used in the manufacturing of various products, particularly in the field of composite materials. It is a thermosetting resin, meaning it undergoes a chemical reaction that irreversibly solidifies or ‘sets’ when it is cured, typically through the addition of a curing agent. The curing process involves the addition of a catalyst, usually a peroxide, and sometimes an accelerator. This combination initiates a chemical reaction that results in the formation of a three-dimensional network of polymer chains, turning the liquid resin into a solid, durable material.</p> <p>Further, unsaturated polyester resin (UPR) is a versatile liquid polymer that, when cured through cross-linking with styrene and specific organic peroxides known as hardeners, solidifies into a durable shape.</p> <p>The production of unsaturated polyester resin involves the condensation of various raw materials, including unsaturated polyols, anhydrides, and acids. The processing of these resins incorporates additional materials like</p>	NA	Quartz resin, GP resin, Galaxy resin, Heera resin, Sheet resin	Manufacturing of Engineered stones, Button, Fiber Processing of Natural stones,

Description	Key Features	Thickness	Key Product Series	Application
<p>fillers, surfactants, stabilizers, and initiators, contributing to improved stability and robust crosslinking properties in the final product. (Source: CARE Report).</p>				

Engineered Quartz Surfaces	Engineered Marbles surfaces
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MATISSE GOLD



GRIGIO DESERTO



MARMO RINALDI



MAGMA GREY



EMPIRE GREY



PALAZZO

Manufacturing Process

Engineered quartz surfaces

Process name	Description
Mixing of Raw Material	Each design, pattern and size has its unique formula. Based on the formula all the raw materials are mixed in a big mixer to form a semi-solid mixture.
Leveling	The mixture is then poured into a mould (a tray), to form a leveled surface.
Pressing	The leveled mixture is then processed in press machine, to convert into a more solid surface.
Heating	After pressing, the slab is heated in an oven for approximately 60-90 minutes to make it pure solid surface.
Cooling	After heating, the slab is allowed to cool for 24 hours.
Edge Cutting	After cooling, the 4 edges of the slab are cut to make it perfect rectangular in shape.
Calibrating	After edge cutting, the slab goes into calibration machine, to make its top and bottom side even/ flat. This process is done with the help of fickerts (in machine) and water.
Polishing	After calibrating, the slab goes into polishing machine, to make slab's one side polished and glossy. This process is done with the help of abrasive (in machine) and water.
Quality Testing	Every slab then undergoes rigorous quality testing to ensure it meets our extremely high standards of color, hue and consistency.
Labelling & Packing	The slabs are then labeled with stickers and surface protection film is applied.

Engineered marbles surfaces

Process name	Process Description
Mixing of Raw Material	Each design, pattern and size has its unique formula. Based on the formula all the raw materials are mixed in a big mixer to form a semi-solid mixture.
Leveling	The mixture is then poured into a block molding tray.
Pressing of block	The leveled mixture is then processed in block pressing machine, to convert into block shaped solid surface.
Curing of Block	After pressing, the slab is cured for 16-20 hours in the block mould and then removed from mould to keep it at room temperature for 8-10 days.
Cutting	After curing, the block is cut into slabs of various thickness.
Polishing	After cutting, the slab goes into polishing machine, to make slab's one side polished and glossy. This process is done with the help of abrasive (in machine) and water.
Quality Testing	Every slab then undergoes rigorous quality testing to ensure it meets our extremely high standards of color, hue and consistency.
Labelling & Packing	The slabs are then labeled with stickers and surface protection film is applied.

Unsaturated Polyester Resin

Process name	Process Description
Pre-processing through Vacuum Pump	All three Glycols MEG, PEG, DEG are mixed with Maleic and Pthalic and are processed in a Vacuum Pump to eliminate all kind of moisture from the mixture.
Polesterification in a Vessel called Reactor	The polyesterification reaction is normally carried out in stainless steel vessels ranging from 8000 to 20,000 L, heated and cooled through internal coils.

Process name	Process Description
	Blade agitators revolving at 70–200 rpm are effective in stirring the low viscosity mobile reactants, which are maintained under an inert atmosphere of nitrogen or carbon dioxide during the reaction at temperatures up to 240°C. Weigh tanks or meters measure the liquid glycols into the reactor. Solids are usually added from 25-kg bags components. Through this process a Polymer @ 200°C is formed. This process takes almost 8 hours for one batch of 1MT.
Cooling	Once the polymer is formed, it is cooled to 60°C and drained into a cooled blend tank containing styrene.
Blending with Styrene	The Polymer is finally mixed with Styrene and is blended in a vessel for almost 4 hours to form unsaturated polyester resin for one batch of 16MT.

Our Manufacturing Facilities

Our Manufacturing Facilities which comprises of our Manufacturing Facility I, Manufacturing Facility II, Manufacturing Facility III and Manufacturing Facility IV are located within the periphery of Udaipur, Rajasthan, India. The details of our Manufacturing Facilities along with their installed production capacity are detailed below;

No.	Manufacturing Facility	Location	Area covered by the facility*	Product Manufactures	Installed Production Capacity*	Capacity Utilised of total installed capacity (%) for period ended March 31, 2024*	Capacity Utilised of total installed capacity (%) for period ended FY 2023*	Capacity Utilised of total installed capacity (%) for period ended FY 2022*
1	Manufacturing Facility I	Our factory premises situated at Khasra no. 1106-1109, Revenue village Bhilwara, Kukdeshwar Mahadev Road, Udaipur – 313 001, Rajasthan	1,50,000 Sq. ft	Engineered quartz surfaces	72,57,600 Sq. ft.	56.99	44.96	80.80
2	Manufacturing Facility II	Our factory premises situated at 1096, Near Gssadkaliya, Behind Pawan Nursery, Kapurawato Ka Bada, Adkaliya, Salumber, Udaipur –	16,000 Sq. ft	Quartz grit	12,000 MT Per Annum	44.67	54.69	68.67

No.	Manufacturing Facility	Location	Area covered by the facility*	Product Manufactures	Installed Production Capacity*	Capacity Utilised of total installed capacity (%) for period ended March 31, 2024*	Capacity Utilised of total installed capacity (%) for period ended FY 2023*	Capacity Utilised of total installed capacity (%) for period ended FY 2022*
		313 027, Rajasthan						
	Manufacturing Facility III	The factory premises of Addwaya Chemicals situated at 1953/11, 2080/10, 2082/11, Village Rathujana, Negdiya, Rajsamand – 313 202, Rajasthan, India	55,000 Sq. ft.	Unsaturated polyester resins	17628 MT Per Annum	61.55	33.21 [#]	NA
	Manufacturing Facility IV	The factory premises of HSPL situated at Araji No. 2085 Village-Rathujana Nagadiya ahead of Negadia Toll Plaza, Negadiya, Delwara, Rajsamand, – 313 202, Rajasthan, India	1,35,000 Sq. ft.	Engineered marble surfaces	74,25,000 Sq.ft. Per Annum	11.78	5.66 ^{##}	NA

*As certified by Chartered Engineer Certificate dated June 26, 2024

[#]Commercial production started in June 2022

^{##} Commercial production started in September 2022

Our Major Equipment

The major Equipment listed out in the table detailing machinery and equipment at our Manufacturing Facilities are owned by the Company.

No.	Description	Quantity
Manufacturing Facility I		
1.	Quartz Pressing Line including Mixers and Pressing Line	3
2.	Calibrating and Polishing Line	2
3.	Electric Overhead Traveling (EOT) Cranes	11
4.	CNC Machines	1
5.	Bridge-cutter	1

No.	Description	Quantity
6.	Resin Line	1
7.	Solar Rooftop plant of 1000 KW	1
Manufacturing Facility II		
8.	Grit Grinding Unit	1
9.	Powder Ball Mill	1
10.	Electric Overhead Traveling (EOT) Cranes	1
11.	Solar Rooftop plant of 206 KW	1
Manufacturing Facility III		
12.	Reactors	3
13.	Blenders	3
14.	Pilot Plant Reactor and Blender	1
15.	Evaporator	1
16.	Resin Storage Tanks	2
17.	Raw Material storage Tanks	8
Manufacturing Facility IV		
18.	Powder Storage Cilos	8
19.	Resin Tanks	2
20.	Mixers and Block Pressing Line	1
21.	Gangsaw machine	2
22.	Polishing Machine	1
23.	Nano Polish Machine	1
24.	EOT cranes	3
25.	Solar Rooftop plant of 500 KW	1

Procurement of Raw Materials

Major raw materials for engineered quartz and engineered marble surfaces includes quartz grit and powder, marble grit, calcite powder, resin, other chemicals and pigments and for unsaturated polyester resin are phthalic anhydride, styrene monomer and ethylene glycol. In Financial Year 2022, 2023 and 2024 the cost of raw materials consumed represented 58.51%, 60.98% and 58.66% respectively, of our revenue from operations. We source majority of our raw materials from local suppliers based around our manufacturing facilities.

Inventory Management

The quantity of our finished products is determined based on a combination of confirmed and expected orders based on past trends and market research. We have an inventory management policy which provides various parameters for maintaining minimum and maximum stock levels of raw materials and finished products. Further, stock is taken physically at defined intervals in accordance with our policy and our existing stock is reviewed at regular intervals for quality purposes. Our finished products are stored onsite at our manufacturing facilities. Our finished products are packed through semi-automated stackers in wooden crates which are further exported in containers. We also make use of various other software to manage our inventory management.

Customer Network and Sales

We are a B2B processors and manufacturers of Engineered Stones selling our products across various regions of the USA, Egypt, UAE, Saudi Arabia, Libya, United Kingdom, etc. under white labelling. The sales to our customers in the USA are either made directly or through our wholly owned subsidiary Haique Stones Inc., incorporated in the State of Delaware. Elsewhere, sales are made through export sales and the goods are dispatched directly from our manufacturing facilities to all our customers. We supply our products to the customers on purchase order basis. In order to reach our existing and new customers, we endeavour and prefer to have a personal meetings with the customers in addition to reaching customers through exhibitions, conferences and events.

Till early 2022, the business of the Company was mainly export based. However, to capitalise the growing demand of engineered stone surfaces in domestic market, our Company entered into the domestic market through our premium brand 'Haique'. As on the date of this Prospectus, we have extended our reach to 15 states in the country through our distributors network.

We supply our engineered stones to our distributors under a formal agreement and we have maintained long-standing relationships with most of our key distributors. As at the end of March 31, 2024, we have more than 50 active distributors who are an integral part of our distribution in the domestic market.

Logistics

Our raw materials are primarily transported by road while our finished products are majorly transported through sea for export sales and by road for domestic sales. Our suppliers directly deliver our raw materials to our respective manufacturing facilities. We outsource the delivery of our products to third-party logistics providers and rely on freight forwarders to deliver our products from our manufacturing facilities to the customers. We do not have long-term contractual relationships with the logistics providers or freight forwarders.

Utilities

Our operations require use of power and water. The power requirement for our manufacturing facilities are sourced from the state power grids. We maintain power back-ups through DG Sets to ensure unhindered production, in case of power cuts by the local electricity providers. We have also installed solar power plant with an aggregate installed capacity of 1,706 KW at our Manufacturing Facilities which enable us to reduce our power costs. Further we have installed ground mounted solar generation plant of 1,300 KW at Gajner, Rajasthan and have long term open access agreement with state power grids for transmission of electricity which further reduces our utility costs as we get the credit benefit of such transmission in our power bill.

We require reasonable quantum of water for our production activities which we source from third party water tank. The water used during the production process at our Manufacturing Facility is further recycled.

Brand building & Marketing

We believe that our premium brand 'Haique' plays an important role in promotion of our products, and that our future success and competitiveness may be influenced by the performance of our flagship brand "Haique", as well as our ability to communicate effectively about our products with our target customers through consistent and focused marketing. Maintaining and enhancing the reputation of our 'Haique' brand is critical to our future success and competitiveness. We strive to actively support our brand through online and print advertising and through promotion in exhibitions and events. For, Financial Year 2024, Financial Year 2023 and Financial Year 2022, our marketing expenses including salaries and expenses of marketing employees were ₹ 656.25 lakhs, ₹ 342.32 lakhs and ₹ 111.29 lakhs.

Our sales and marketing strategy seeks to increase our revenues from new and existing customers. We have a dedicated marketing team, which coordinates corporate-level branding efforts that range from personal meetings with the customers to participation in exhibitions, conferences and events.

Technical Collaborations

We do not have any technical collaborations as on the date of this Prospectus.

Information technology

We believe that an appropriate information technology infrastructure is important to support the growth of our business. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods and orders from customers.

Competition

The engineered stone industry is highly competitive due to factors such as low entry barriers, easy availability of raw materials, and limited initial capital investment, which leads to large inclusion of regional and unorganized players. Our years of presence in the market coupled with the high quality and vast range of products as well as our product development capabilities, helps us in having a competitive edge in the market.

Quality Control

We believe that quality and innovations are the bed-rock of success. Towards this end, we stress on and constantly strive to maintain and improve the quality of our products. This focus is reflected in the standard of our quality systems which have been certified ISO 1400:2015, ISO 45001:2015, ISO 9001:2015, NSF certifications, green guard certifications, etc. For further details, see “*Government and Other Approval*” on page 276. We have developed quality control processes for inspecting the raw materials as well as the final products. The raw materials and the final products undergo a strict quality check and for this purpose we have even implemented internal procedures for quality control. Our Manufacturing Facilities have dedicated personnel responsible for monitoring the parameters of equipment, strength of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly. These multi-level quality checks ensure that we consistently provide premium quality products which further enhances our brand value.

Environment, Health & Safety

Our activities are subject to pollution control laws and various regulations which govern, among other matters, the storage and handling of raw materials and finished goods. For further information, see “*Key Industry Regulations and Policies*” on page 167. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We have complied, and are committed to comply, with all applicable laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see “*Government and Other Approvals*” on page 276 .

Insurance

Our operations are subject to various risks including, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. We believe that we maintain insurance policies customary for our industry to cover certain risks. As on date of this Prospectus we have obtained business insurance policy which includes standard fire and special perils policy, burglary insurance policy, machinery breakdown policy, fidelity guarantee. Additionally, we have also obtained marine cargo policy for export and domestic sales as well as group medical policy for our employees. These insurance policies are renewed periodically to ensure that the coverage is adequate.

Employees


As of May 31, 2024, we had an employee base of 295 employees. The following table sets forth a breakdown of our employees by function:

Function/Department	No. of Employees
Directors, KMP and SMP	7
Production & Maintenance support	147
R&D Laboratory	6
Sales & Marketing	44
Dispatch	16
Purchases and Stores	15
Human resource and administration	32
Accounts, Legal and others	25
Total	292



In addition, for production we have a contract with third- party manpower firms and independent contractors for the supply of contract labours. The number of contract labourers varies from time to time based on the nature and extent of work contracted to third- party manpower firms and independent contractors.

Intellectual Property

As on the date of this Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Date of Issue	Particulars of the Mark	Trade Mark No.	Class of Registration
May 26, 2017	“ESPRIT STONES”	3413834	19
November 2, 2023	“ELEVATED LIVING”	4340757	19
February 26, 2021	“HAIQUE”	4615422	19
			
December 24, 2018	“PREMIUM QUARTZ”	3813886	19
August 20, 2020	“HAIQU”	4340758	19

I. Pending Intellectual property related approvals Application

Date of Application	Particulars of the Mark	Application Number	Class of Registration	Status
February 2, 2024		6284779	19	Objected
February 2, 2024	“Addwaya Chemicals”	6293028	1	Accepted and Advertised
February 2, 2024		6284780	1	Accepted and Advertised

Material Properties

Details of our material properties being used for business purpose are as follows:

Sr. No.	Details of the Properties	Actual Use	Owned/Leased/Leave and License	Term of the Agreement	Lease Amount (in ₹)	Name of the Lessor
For Esprit Stones Limited						
1)	Sp-1, Udyog Vihar, Sukher, Industrial Area, Udaipur, Rajasthan-313004	Registered Office	Leave and License	Till February 28, 2025	8,000 per month	Rose Marbles Private Limited
2)	Khasra no. 1106-1109, Revenue village Bhilwada,	Corporate Office/ Manufacturing Facility I	Owned	Valid till transferred	NA	NA

Sr. No.	Details of the Properties	Actual Use	Owned/Leased/Leave and License	Term of the Agreement	Lease Amount (in ₹)	Name of the Lessor
	Kukdeshwar Mahadev Road, Udaipur, Rajasthan 313001					
3)	1096, Near Gssadkaliya, Behind Pawan Nursery, Kapurawato Ka Bada, Adkaliya, Salumber, Udaipur, Rajasthan 313027	Manufacturing Facility II	Owned	Valid till transferred	NA	NA
4)	Office no. 11, Ground Floor, Midas, Sahar Plaza Complex, J.B. Nagar, Andheri (E), Mumbai 400 059	Office use	Leased	Till September 30, 2024	62,000 per month	Padma Tahilani (w/o Bhagwan Tahilani)
5)	Ground Floor, Shreepal Complex, Suren Road, Andheri (E), Mumbai 400093	Storage Facility	Leased	Till March 31, 2026	15,000 per month	M/S V-Trans(India) Limited
6)	Khasra no. 204/177, 205/177, Makrana Road, Near village Kali Dungri, Ajmer, Rajasthan 305801	Storage Facility*	Leased	Till April 30, 2033	1,31,000 per month	Jugal Kishor Sharma and Om Prakash Sharma
For Addwya Chemicals						
7)	4 th Floor, 400, Arihant Plaza, Udaipole, Udaipur, Rajasthan, 313001	Registered Office	Leave and License	Till Feb 28, 2025	5,000 per month	Mr Roshan Lal Banthia

Sr. No.	Details of the Properties	Actual Use	Owned/Leased/Leave and License	Term of the Agreement	Lease Amount (in ₹)	Name of the Lessor
8)	1953/11, 2080/10, 2082/11, Village Rathujana, Negdiya, Rajsamand – 313 202, Rajasthan, India	Manufacturing Facility III	Owned	Valid till transferred	NA	NA
9)	Makrana Choraha, G-67 Old Area, Madanganj, Kishangarh, Ajmer, Rajasthan, 305801	Storage Facility	Leased	11 months from June 01, 2024	20,000 per month	Shri Hanuman Prasad Sharma
For HSPL						
1)	Khasra No. 1106-1109, Lakhawali, Bhilwada, Udaipur, Rajasthan, 313011	Registered Office	Leased	Till July 2, 2027	5,000 per month	Esprit Stones Private Limited
2)	Araji No. 2085 Village- Rathujana Nagadiya ahead of Negadia Toll Plaza, Negadiya, Delwara, Rajsamand- 313 202. Rajasthan	Manufacturing Facility IV	Owned	Valid till transferred	NA	NA

**Note: The proposed Storage facility of the Company in Rajasthan is under construction and once the construction is completed, the Company shall make application and thereafter obtain a shop and establishment registration certificate under Rajasthan Shops and Commercial Establishments Act, 1958*

KEY REGULATIONS AND POLICIES IN INDIA

In carrying on our business as described in the section titled “Our Business” on page 147, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see “Government and Other Statutory Approvals” on page 276.

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our Company’s businesses. Our Company is required to obtain and regularly renew certain licenses/registrations and/or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by our Company:

A. Industry Related Laws

The Factories Act of 1948 (“Factories Act”)

The Factories Act was enacted to protect the welfare of workers in a factory by regulating employment conditions, working conditions, the working environment, and other welfare requirements of specific industries. The Factories Act lays out guidelines and safety measures for using machinery, and with its strict compliance, it also provides owners with instructions. When factory workers were taken advantage of and exploited by paying them low wages, the Factories Act was passed.

Industrial Disputes Act, 1947, as amended (the “ID Act”)

The ID Act provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person. The Industrial Dispute (Central) Rules, 1957 inter-alia specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

Industrial Employment (Standing Orders) Act, 1946

In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GoI.

B. Laws Relating to Employment

The various labour and employment related legislation 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, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) Relevant state specific

shops and commercial establishment legislations; (iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Employees' State Insurance Act, 1948; (v) Minimum Wages Act, 1948; (vi) Payment of Bonus Act, 1965; (vii) Payment of Gratuity Act, 1972; (viii) Payment of Wages Act, 1936; (ix) Maternity Benefit Act, 1961; (x) Apprenticeship Act, 1961; (xi) Equal Remuneration Act, 1976; (xii) Employees' Compensation Act, 1923; and (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government.

Code on Wages, 2019

The Code on Wages regulates and amalgamates wage and bonus payments and subsumes four existing laws 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, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employee. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.

Code on Social Security, 2020

The Code on Social Security amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Worker's Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund Organisation and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

C. Environmental Laws

The Environment (Protection) Act, 1986 (the "EPA")

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

The Environmental Impact Assessment Notification, 2006 (the "Notification")

As per the Notification, any construction of new projects or activities or the expansion or modernization of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public

consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme 'Housing for All by 2022' and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant bye-laws of the concerned State authorities.

The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”) and Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”) The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules define the term ‘hazardous waste’ to include any waste which by reason of physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive characteristics cause danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances including waste specified in the schedules to the Hazardous Waste Rules. In terms of the Hazardous Waste Rules, occupiers, being persons who have control over the affairs of a factory or premises or any person in possession of hazardous or other waste, have been, inter alia, made responsible for safe and environmentally sound management of hazardous and other wastes generated in their establishments and are required to obtain license/ authorization from the respective State PCB for handling, generation, collection, storage, packaging, transportation, usage, treatment, processing, recycling, recovery, pre-processing, co-processing, utilization, selling, transferring or disposing hazardous or other waste.

Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 made the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

D. Intellectual Property Laws

The Trademarks Act, 1999 (“Trademarks Act”)

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to

goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewals.

E. Foreign Investment Regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“FEMA Rules”) and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion (“FDI Policy”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”) and the Foreign Trade Policy 2015-2020 (“Foreign Trade Policy”)

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number (“IEC”) granted by the director general or any other authorized person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India’s current Foreign Trade Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India’s agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999, read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016 (last amended on June 23, 2017). The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

FEMA Rules

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 (“**FEMA Rules**”) to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment (“**FDI**”) under the “automatic route” within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

F. *Taxation Laws*

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its “Residential Status” and “Type of Income” involved. Under section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Customs Act, 1962 (“Customs Act”)

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any company intending to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administered by Central Board of Indirect Tax and Customs under the Ministry of Finance, GoI.

Professional Tax

Professional tax is a state level tax which is imposed on income earned by way of profession, trade, calling or employment. At present, professional tax is imposed only in Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, and Sikkim.

G. *Other Applicable Laws*

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“**MSME**”). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the

manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as “Micro enterprise”, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; “Small enterprise”, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; “Medium enterprise”, where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

Municipality Laws

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Fire Prevention Laws

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

Competition Act, 2002

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to “prohibit anti-competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

The Insolvency and Bankruptcy Code, 2016 (the “Code”)

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stakeholders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180 days

Other Laws

In addition to the above, our Company is required to comply with the provisions of the Prevention of Corruption Act, 1988, Rent Control Act, Information technology act and other applicable laws and regulations imposed by the Central and State Governments and other authorities for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as 'Esprit Stones Private Limited', a private limited company under Companies Act, 2013, pursuant to a certificate of incorporation dated October 19, 2016 issued by the Central Registration Centre. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an Extra-ordinary General Meeting held on January 12, 2024 and a fresh certificate of incorporation dated February 5, 2024 was issued by the Registrar of Companies, Rajasthan at Jaipur consequent upon conversion, recording the change in name of our Company from 'Esprit Stones Private Limited' to 'Esprit Stones Limited'.

Changes in the Registered Office

There has been no change in the registered office of our Company since the date of incorporation.

Main Objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- To carry on in India or elsewhere, either alone or jointly with one or more persons, government, local or other bodies, the business to manufacture, undertake, design, research, develop, improve, process, make, prepare, plan, assemble, install, retrofit, maintain, service, use, purchase, sell, resale, market, import, export, trade, all kinds of engineered stones, compound stone, quartz surfaces made by bonding together grits of inert materials with structural resin also Marble, Granite, Sandstone in any form like block, slabs, tiles, counter tops, table tops, flooring etc. and to undertake contract manufacturing, job work, installation, projects, maintenance, consulting, management, and turnkey projects related to above and to do all incidental acts and things necessary for the attainment of the above objects. To manufacture and mine raw material for manufacturing for engineering/ Artificial/natural stones to crush/ grind/ mineral etc. to install unit for engineering/ Artificial/ natural stones.*
- To acquire by purchase, lease, assignment, transfer or otherwise mines, mining rights or any other earthen surface containing marble, granite or any other stones, mineral deposits or ores of all kinds and to search, prospect, mine, win, set, quarry, raise, beneficiate, calcine, refine, dress, process, mercantile, buy, sell, export, Import or act as agent for marble, granite or any other stones, mineral. Deposits or ores of all kinds.*

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association for the past ten years of our Company till the date of this Prospectus.

Date of Shareholder's resolution/ Effective date	Particulars
August 23, 2017	Increase of the authorized share capital of our Company from ₹5,00,00,000 (rupees five crore) consisting of 5,00,000 (five lakh) Equity Shares of ₹100 each to ₹7,50,00,000 (rupees seven crores fifty lakhs) consisting of 7,50,000 (seven lakhs fifty thousand) Equity Shares of ₹100 each.
June 27, 2018	Increase of the authorized share capital of our Company from ₹7,50,00,000 (rupees seven crores fifty lakhs) consisting of 7,50,000 (seven lakhs fifty thousand) Equity Shares of ₹100 each to ₹10,00,00,000 (rupees ten crores) consisting of 10,00,000 (ten lakhs) Equity Shares of ₹100 each.
November 30, 2021	Sub-division of the authorized share capital of our Company from ₹10,00,00,000 (rupees ten crores) consisting of 10,00,000 (ten lakhs) Equity

Date of Shareholder's resolution/ Effective date	Particulars
	Shares of ₹100 each to ₹10,00,00,000 (rupees ten crores) consisting of 1,00,00,000 (one crore) Equity Shares of ₹10 each
December 16, 2023	Increase of the authorized share capital of our Company from ₹10,00,00,000 (rupees ten crores) consisting of 1,00,00,000 (one crore) Equity Shares of ₹10 each to ₹25,00,00,000 (rupees twenty-five crores) consisting of 2,50,00,000 (two crores fifty lakhs) Equity Shares of ₹10 each.
January 12, 2024	Clause I of our Memorandum of Association was amended to reflect the change of name of our Company from "Esprit Stones Private Limited" to 'Esprit Stones Limited', pursuant to conversion of our Company from private limited to public limited.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Timeline	Events and Milestones
October 2016	Incorporated as Esprit Stones Private Limited
September 2017	Established our Company's Manufacturing Facility I with 1 quartz pressing line and 1 calibrating and polishing line
November 2017	Company made its 1 st export sales
February 2019	Increased its production capacity by installing 2 nd quartz pressing line at Manufacturing Facility I
November 2019	Launched 'Haique' as its brand for luxury surfaces
March 2020	Crossed annual turnover of ₹10,000 lakhs
December 2020	Installed 3 rd quartz pressing line at Manufacturing Facility I
March 2021	Crossed annual turnover of ₹14,000 lakhs
July 2021	Established our Company's Manufacturing Facility II for quartz grit and powder manufacturing
January 2021	Invested 51% shares in Addwaya Chemicals
August 2021	Incorporated our wholly-owned subsidiary HSPL
August 2021	Incorporated our wholly-owned foreign subsidiary Haique Inc.
May 2022	Established our Manufacturing Facility III
June 2022	Commenced commercial operation from our Manufacturing Facility III
September 2022	Commenced commercial operation from our Manufacturing Facility IV
January 2024	Conversion of our Company from a private limited company to a public limited company

Awards and Accreditations

The table below sets forth the awards and accreditations received by our Company:

Timeline	Awards and Accreditations
2019-20	Rajasthan State Export award for Highest growth in category of miscellaneous during the year 2019-2020
December 2021	UCCI excellence award in Manufacturing- medium enterprises category
March 2022	UCCI excellence award in Manufacturing- medium enterprises category
October 2023	Accorded the status of a Three-Star Export House in accordance with the provisions of the Foreign Trade Policy, 2023.

Significant financial and strategic partnerships

As of the date of this Prospectus, our Company does not have any significant financial or strategic partnerships.

Time/cost overrun

There has been no time or cost over-run in respect of our business operations.

Launch of key products or services, entry into new geographies or exit from existing

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" on page 147.

Defaults or rescheduling / restructuring of borrowings with financial institutions / banks

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation.

Capacity/facility creation, location of plants

For details in relation to capacity/facility creation, location of plants, see "*Our Business*" on page 147.

Holding company

As of the date of this Prospectus, our Company does not have a holding company.

Our Subsidiaries

Our Company has three (3) Subsidiaries as on the date of this Prospectus. Information in relation to our Subsidiaries are set out below:

1. Addwaya Chemicals Private Limited

Corporate Information

Addwaya Chemicals Private Limited ("**Addwaya Chemicals**") was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 20, 2020 issued by the Registrar of Companies, Rajasthan at Jaipur. Its Corporate Identification Number is U24299RJ2020PTC070140 and its registered office is located at 400, 4 Floor Arihant Plaza, Udaipur – 313 001, Rajasthan, India.

Nature of Business

The company is involved in the business of manufacturing unsaturated polyester resin in Rajasthan, India.

Capital Structure

The authorised share capital of Addwaya Chemicals is ₹15,00,000 divided into 1,50,000 equity shares of face value of ₹10 each and the issued, subscribed and paid-up share capital of Addwaya Chemicals is ₹15,00,000 divided into 1,50,000 equity shares of face value of ₹10 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares (of face value of ₹10 each) held	Percentage of issued, subscribed and paid-up share capital (%)
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Esprit Stones Limited	76,500	51.00
Rajendrakumar Omprakash Jain	36,750	24.50
Pranav Banthia	36,750	24.50
Total	1,50,000	100.00

Accumulated profits or losses not accounted for by our Company

There are no accumulated profits or losses of Addwaya Chemicals not accounted for by our Company.

2. Haique Stones Private Limited

Corporate Information

Haique Stones Private Limited (“HSPL”) was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 19, 2021 issued by the Registrar of Companies, Rajasthan at Jaipur. Its Corporate Identification Number is U36990RJ2021PTC076539 and its registered office is located at Khasra No 1106-1109, Village-Bhilwada Lakhawali, Udaipur - 313011, Rajasthan, India.

Nature of Business

HSPL is involved in the business of manufacturing and processing of engineered marble surfaces.

Capital Structure

The authorised share capital of HSPL is ₹1,00,000 divided into 1,000 equity shares of face value of ₹100 each and the issued, subscribed and paid-up share capital of HSPL is ₹1,00,000 divided into 1,000 equity shares of face value of ₹100 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares (of face value of ₹100 each) held	Percentage of issued, subscribed and paid-up share capital (%)
Esprit Stones Limited	998	99.99
Sunilkumar Lunawath (nominee shareholder of Esprit Stones Limited)	1	Negligible
Nitin Gattani (nominee shareholder of Esprit Stones Limited)	1	Negligible
Total	1,000	100.00

Accumulated profits or losses not accounted for by our Company

There are no accumulated profits or losses of HSPL not accounted for by our Company.

3. Haique Stones Inc.

Corporate Information

Haique Stones Inc. was incorporated on August 13, 2021, under the laws of the State of Delaware, USA. Its registered office is situated at 8, the Green, STE A, Dover, Kent – 19901 in the United States of America.

Nature of Business

Haique Stones Inc. involved in the business of trading of engineered stones.

Capital Structure

The authorized share capital of Haique Stones Inc. is \$10,000 divided into 10,000 equity shares of face value of \$1 each and the issued, subscribed and paid-up share capital of Haique Stones Inc. is \$10,000 divided into 10,000 equity shares of face value of \$1 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares (of face value of \$1 each) held	Percentage of issued, subscribed and paid-up share capital (%)
Esprit Stones Limited	9,998	99.99
Sunilkumar Lunawath	1	Negligible
Nitin Gattani	1	Negligible
Total	1,000	100.00

Accumulated profits or losses not accounted for by our Company

There are no accumulated profits or losses of Haique Inc. not accounted for by our Company.

Joint Venture of our Company

As on the date of this Prospectus, our Company does not have any Joint Ventures.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three (3) Directors and not more than fifteen (15) Directors. As on the date of this Prospectus, we have six (6) Directors on our Board, comprising of three (3) Executive Directors, one (1) Non-Executive Director and two (2) Independent Directors, including one (1) Woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as on the date of this Prospectus.

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
<p>Sunilkumar Lunawath</p> <p>Date of birth: October 3, 1975</p> <p>Age (years): 48</p> <p>Address: L3/53, Jay Shree Colony, near Dhulkot Chouraha, Girwa, Udaipur – 313 001, Rajasthan, India</p> <p>Occupation: Business</p> <p>Term: For a period of five (5) years with effect from February 1, 2024</p> <p>Period of directorship: Since October 19, 2016</p> <p>DIN: 01105117</p>	<p>Managing Director</p>	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Aravalli BIZ Ventures Private Limited; • Aglow Chemicals Private Limited; • Haique Stones Private Limited; • Esprit Ventures Private Limited; • Rajasthan Packing Co Private Limited; • Rose Marbles Private Limited; • Aravali Minerals and Chemical Industries Private Limited; • SNB Future Drive Private Limited. <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Haique Stones Inc.
<p>Nitin Gattani</p> <p>Date of birth: January 1, 1975</p> <p>Age (years): 49</p> <p>Address: Near Ayad Puliya, 380 Ashok Nagar, Shree Niketan, Udaipur – 313 001, Rajasthan, India</p> <p>Occupation: Business</p> <p>Term: For a period of five (5) years with effect from February 1, 2024</p> <p>Period of directorship: Since October 19, 2016</p>	<p>Joint-Managing Director</p>	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> • Lakecity Enterprises Private Limited • Shreya Petrochem Private Limited • Shree Logistics Private Limited • Vinayak Buildhome Private Limited • Esprit Ventures Private Limited • Haique Stones Private Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Haique Stones Inc.

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
DIN: 00173258		
Pradeepkumar Lunawath	Executive Director	<i>Indian Companies</i>
Date of birth: April 14, 1973		<ul style="list-style-type: none"> Rose Marbles Private Limited Aravali Minerals and Chemical Industries Private Limited
Age (years): 51		<ul style="list-style-type: none"> Aravalli BIZ Ventures Private Limited Addwaya Chemicals Private Limited
Address: L3/53, Jay Shree Colony, near Dhulkot Chouraha, Girwa, Udaipur – 313 001, Rajasthan, India		
Occupation: Business		<i>Foreign Companies</i>
Term: Liable to retire by rotation		<ul style="list-style-type: none"> Nil
Period of directorship: Since October 19, 2016		
DIN: 01105096		
Sunil Gattani	Non-Executive Director	<i>Indian Companies</i>
Date of birth: December 19, 1964		<ul style="list-style-type: none"> Shree Logistics Private Limited Malwa Petro Products Private Limited
Age (years): 59		
Address: 303, Char Bangla Road, Orbit Complex, Govind Pura, Girwa, Udaipur, Shastri Circle, Udaipur – 313 001, Rajasthan, India		
Occupation: Business		<i>Foreign Companies</i>
Term: Liable to retire by rotation		<ul style="list-style-type: none"> Nil
Period of directorship: Since October 19, 2016		
DIN: 02409338		
Neelam Tater	Independent Director	<i>Indian Companies</i>
Date of birth: March 7, 1991		<ul style="list-style-type: none"> Manba Finance Limited; Gaze Fashiontrade Limited; Pacific Industries Limited; Star Housing Finance Limited.
Age (years): 33		
Address: C-502 ,SP Ring Road, Near Zydus Corporate Park, Khoaraj, Chandlodiya, Ahmedabad, Gujarat - 382481		
Occupation: Employment		<i>Foreign Companies</i>
		<ul style="list-style-type: none"> Nil

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
<p>Term: For a period of five (5) years with effect from February 6, 2024</p> <p>Period of directorship: Since February 6, 2024</p> <p>DIN: 07653773</p>	Independent Director	<i>Indian Companies</i>
<p>Narendra Sharma</p> <p>Date of birth: December 16, 1972</p> <p>Age (years): 51</p> <p>Address: 11, Modern Complex, Bhuwana, Udaipur - 313 001, Rajasthan, India</p> <p>Occupation: Business</p> <p>Term: For a period of five (5) years with effect from February 6, 2024</p> <p>Period of directorship: Since February 6, 2024</p> <p>DIN: 01380061</p>		<ul style="list-style-type: none"> Kimberley Engineers Private Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> Nil

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details, see "*History and Certain Corporate Matters*" beginning on page 174.

Brief profiles of our Directors

Sunilkumar Lunawath is the Managing Director and also one of the Promoters of our Company. He has been associated with our Company since October 19, 2016, as a Director and Promoter of our Company. He possesses over 25 years of experience in the fields of natural stones, mining, minerals, engineered stones and commercial leasing industries. He has been associated with Rajasthan Packaging Co Private Limited since 1997 as a director. His other ventures include Aravali Minerals and Chemical Industries Private Limited, Rose Marbles Private Limited, Aravali Quartz, Fab Stone and Esprit Ventures Private Limited. For further details see "*Our Promoters and Promoter Group*" beginning on page 192.

Nitin Gattani is the Joint-Managing Director and also one of the Promoters of our Company. He has been associated with our Company since October 19, 2016, as a Director and Promoter of our Company. He possesses over 25 years of experience in the fields of trading and distribution of industrial products, natural stones, engineering stones, contract mining, commercial leasing and hospitality industries. He has been associated with Shreya Petrochem Private Limited as a director since 1998. His other ventures include KK Enterprises, Fab Stone, Esprit Ventures Private Limited and AGG Hospitality LLP. For further details see "*Our Promoters and Promoter Group*" beginning on page 192.

Pradeepkumar Lunawath is the Executive Director and also one of the Promoters of our Company. He has been associated with our Company since October 19, 2016, as a Director and Promoter of our Company. He possesses over 21 years of experience in the fields of mining, minerals, natural stones, engineered stones, commercial leasing

and hospitality industries. He has been associated with Rose Marbles Private Limited as a director since 2003. His other ventures include Aravali Minerals and Chemical Industries Private Limited, Rajasthan Packing Co. Private Limited and Mahaveer Trading Company. For further details see "*Our Promoters and Promoter Group*" beginning on page 192.

Sunil Gattani is the Non-executive Director of our Company. He completed the degree of Bachelor of Engineering (Textiles) from RTE Society's Rural Engineering College, Karnataka. He has been associated with our Company since October 19, 2016, as a Director of our Company. He possesses over 22 years of experience in the fields of mining, natural stones, engineered stones and chemical industries. He has also been associated with Shree Logistics Private Limited, Cleantech Rubbers Private Limited and Malwa Petro Products Private Limited as a director.

Neelam Tater is an Independent Director of our Company. She holds the degree of Bachelors of Commerce from Mohanlal Sukhadia University, Udaipur. She has also been admitted as an associate of the Institute of Chartered Accountants of India. She has also completed the professional programme examination held by the Institute of Company Secretaries of India. She has been associated with our Company since February 6, 2024. She was a practicing chartered accountant from April 2017 till September 2021. She has over 6 years of experience in the field of accountancy and finance. She is currently associated with Manba Finance Limited, Gaze Fashion trade Limited, Pacific Industries Limited and Star Housing Finance Limited as a director.

Narendra Sharma is an Independent Director of our Company. He holds the degree of Bachelors of Commerce from Ajmer University, Rajasthan. He also holds an Accounting Technician Certificate from the Institute of Chartered Accountants of India. He has been associated with our Company since February 6, 2024. He has previously worked with Aravali Marble Industries Private Limited as a Director from the year 1995 till the year 2012 and is presently associated with Kimberly Engineers Private Limited as a Managing Director since 2013. He is also a partner of Maruti Exports since the year 1994. He has over 30 years of experience in natural stones and engineering tools industry.

Relationship between Directors, Key Managerial Personnel and Senior Management Personnel

Except as disclosed below, none of our Directors are related to each other or to our Key Managerial Personnel or Senior Management Personnel.

Sr. No.	Name	Director/KMP/SMP	Relationship
1.	Sunilkumar Lunawath	Managing Director	Brother of Pradeepkumar Lunawath, Executive Director
2.	Pradeepkumar Lunawath	Executive Director	Brother of Sunilkumar Lunawath, Managing Director Father of Siddhanth Lunawath, Chief Marketing Officer
3.	Sunil Gattani	Non-Executive Director	Father of Sumit Gattani, Chief Operating Officer
4.	Siddhanth Lunawath	Chief Marketing Officer	Son of Pradeepkumar Lunawath, Director
5.	Sumit Gattani	Chief Operating Officer	Son of Sunil Gattani, Director

Service Contracts entered into by Director

Other than the statutory benefits that the Directors are entitled to, upon their retirement, as per Company policies, they have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Terms of appointment of our Executive Directors and Compensation Paid

The following table sets forth the terms of appointment of Sunilkumar Lunawath with effect from February 1, 2024 for a period of five (5) years and details of the letter of appointment dated February 5, 2024 issued by our Company and received and agreed to by Sunilkumar Lunawath.

Sr. No.	Particulars	Salary and perquisites
1.	Remuneration	Upto ₹60.00 lakhs per annum inclusive of all perquisites and benefits
2.	Perquisites and Benefits	Medical reimbursement for self and family, personal accident insurance, leave travel concession for self and family once in a year, leave encashment, provident fund and superannuation contribution, conveyance facilities, communication facilities, actual entertainment and travelling expenses and other allowances.
3.	Remuneration paid for FY 2023-24	₹19.50 lakhs

The following table sets forth the terms of appointment of Nitin Gattani with effect from February 1, 2024 for a period of five (5) years and details of the letter of appointment dated February 5, 2024 issued by our Company and received and agreed to by Nitin Gattani.

Sr. No.	Particulars	Salary and perquisites
1.	Remuneration	Upto ₹60.00 lakhs per annum inclusive of all perquisites and benefits
2.	Perquisites and Benefits	Medical reimbursement for self and family, personal accident insurance, leave travel concession for self and family once in a year, leave encashment, provident fund and superannuation contribution, conveyance facilities, communication facilities, actual entertainment and travelling expenses and other allowances.
3.	Remuneration paid for FY 2023-24	₹19.50 lakhs

The following table sets forth the terms of appointment of Pradeepkumar Lunawath with effect from February 1, 2024 for a period of five (5) years and details of the letter of appointment dated February 5, 2024 issued by our Company and received and agreed to by Pradeepkumar Lunawath.

Sr. No.	Particulars	Salary and perquisites
1.	Remuneration	Upto ₹5.00 lakhs per month inclusive of all perquisites and benefits
2.	Perquisites and Benefits	Medical reimbursement for self and family, personal accident insurance, leave travel concession for self and family once in a year, leave encashment, provident fund and superannuation contribution, conveyance facilities, communication facilities, actual entertainment and travelling expenses and other allowances.
3.	Remuneration paid for FY 2023-24	₹19.50 lakhs

Sitting Fees and commission paid to our Non-executive Directors and Independent Directors

Pursuant to resolution passed by our Board on February 5, 2024, our Non-Executive Directors including our Independent Directors are entitled to receive a sitting fee of ₹5,000 for attending each meeting of our Board and ₹2,500 for attending each committee meeting of our Board.

Remuneration paid or payable to our Directors from our Subsidiaries

None of our Directors has received any remuneration from our Subsidiaries, including any contingent or deferred compensation accrued for Financial Year 2024.

Bonus or profit-sharing plan for the Directors

Our Company does not have any performance linked bonus or profit-sharing plan for our Directors.

Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any qualification shares.

The details of shareholding of our Directors as on the date of this Prospectus is set out below.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)[*]
1.	Sunilkumar Lunawath	22,10,000	13.68
2.	Nitin Gattani	45,39,000	28.11
3.	Pradeepkumar Lunawath	14,00,205	8.67
Total		81,49,205	50.46

Contingent and/or deferred compensation payable to our Director, Whole-time Director, Managing Directors

There are no contingent or deferred compensation payable to our Managing Directors and Executive Director which does not form part of his remuneration.

Borrowing Powers

Pursuant to our Articles of Association and the provisions of the Companies Act, 2013 and the rules framed thereunder, our Board is authorized to raise or borrow funds or any sums of monies which together with the money already borrowed does not exceed ₹20,000 lakhs.

Interest of Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any.

Our Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them by our Company for attending meetings of our Board or committees thereof.

Some of our Directors hold positions as directors on the board of directors of our Subsidiaries. In consideration for their services, they may be paid managerial remuneration/ sitting fees in accordance with the provisions of the applicable law.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, or held by the entities in which they are associated as partners, 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 and any dividend and other distributions payable in respect of such Equity Shares.

None of our Directors have availed any loan from our Company.

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.

Interest in property

Except as stated in the section “*Our Business*” and “*Financial Information*”, beginning on pages 147, and 205, respectively, our Directors are not interested in any properties of the Company.

Interest in promotion or formation of our Company

Sunilkumar Lunawath, Nitin Gattani and Pradeepkumar Lunawath are the promoters of the Company. For further details regarding our promoters, see “*Our Promoters and Promoter Group*” beginning on page 192.

Business interest

Except as stated in the sections titled “*Restated Financial Information – Note 28 - Related Party Transaction*” on page 230, our Directors do not have any other business interest in our Company.

Confirmation

None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on any stock exchanges in India during the term of their directorship in such companies, in the last five years preceding the date of this Prospectus.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchanges, during the term of their directorship in such Companies.

None of our Directors have been declared as wilful defaulters or fraudulent borrowers.

No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of our Directors.

None of our Directors, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Confirmation in relation to RBI Circular dated July 1, 2016

Neither our Company nor any of our Directors have been declared as fraudulent borrowers by RBI in terms of the RBI circular dated July 1, 2016.

Changes in our Board during the last three years

The changes in our Board of our Company during the last three years till the date of this Prospectus are set forth below:

Name of Director	Date	Reason
Mangi Lal Lunawath	December 16, 2023	Resignation due to personal reasons and certain other pre-occupations
Sunil Gattani	December 16, 2023	Change in designation to Non-Executive Director (Category: Promoter)*
Sunil Gattani	February 5, 2023	Change in designation to Non-Executive Director (Category: Professional)*
Sunilkumar Lunawath	February 1, 2024	Change in designation to Managing Director
Nitin Gattani	February 1, 2024	Change in designation to Joint-Managing Director
Neelam Tater	February 6, 2024	Appointment as Independent Director
Narendra Sharma	February 6, 2024	Appointment as Independent Director

*At the time of filing of Form DIR-12 for the change in designation of Sunil Gattani to Non-Executive Director on December 16, 2023, he was inadvertently categorized as a promoter and Non-Executive Director. Our Company has accordingly filed Form DIR-12 for change in his designation again on February 5, 2023 as a Professional and Non-Executive Director.

Corporate Governance

As on the date of this Prospectus, we have six (6) Directors on our Board, comprising of three (3) Executive Directors, one (1) Non-Executive Directors and two (2) Independent Directors, including one (1) Woman Director.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under 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 applicable requirements of the SEBI Listing Regulations and the Companies Act, as may be applicable.

Board committees

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders Relationship Committee;
- d) Corporate Social Responsibility Committee.

Details of each of these committees are as follows:

a) Audit Committee

The Audit Committee was constituted pursuant to a meeting of our Board held on February 6, 2024.

The Audit Committee currently consists of:

- i. *Narendra Sharma (Chairman);*
- ii. *Neelam Tater (Member);*
- iii. *Sunilkumar Lunawath (Member).*

Further, the Company Secretary and Compliance Officer of our Company shall act as the secretary to the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

1. oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of our auditors;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the Board of Director's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report.
5. reviewing, with the management, the half-yearly and annually financial statements before submission to the Board of Directors for approval;
6. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;

7. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. approval or any subsequent modification of our transactions with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of our undertakings or assets of our Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow-up there on;
15. 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 of Directors;
16. 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;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary including existing loans / advances / investments existing as on the date of coming into force of this provision; and
22. consider and comment on our rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and on our shareholders.

A. Mandatory review by the Audit Committee: The Audit Committee shall mandatorily review the following:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor;
6. statement of deviations involving:
 - (a) half-yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

b) Nomination and Remuneration Committee:

The Nomination and Remuneration committee was constituted by a resolution of our Board dated February 6, 2024.

The Nomination and Remuneration Committee currently consists of:

- i. *Neelam Tater (Chairperson);*
- ii. *Narendra Sharma (Member);*
- iii. *Sunil Gattani (Member).*

The scope, functions, and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of Nomination and Remuneration Committee shall include the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence

- of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board of Directors 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 of Directors for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates.
 3. formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
 4. devising a policy on diversity of Board of Directors;
 5. 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 of Directors their appointment and removal;
 6. 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; and
 7. recommend to the Board of Directors, all remuneration, in whatever form, payable to senior management.

c) Stakeholders' Relationship Committee

The Stakeholder' Relationship Committee was constituted pursuant to a meeting of our Board held on February 6, 2024. The Stakeholder' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

- i. *Sunil Gattani (Chairman);*
- ii. *Neelam Tater (Member);*
- iii. *Pradeepkumar Lunawath (Member).*

Role of Stakeholders' Committee

The role of Stakeholder Relationship Committee, together with its powers, is as follows:

1. resolving the grievances of the security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. review of various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company.
5. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities.
6. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.

d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted pursuant to a meeting of our Board held on April 1, 2019 and was reconstituted on February 6, 2024. The CSR Committee currently consists of:

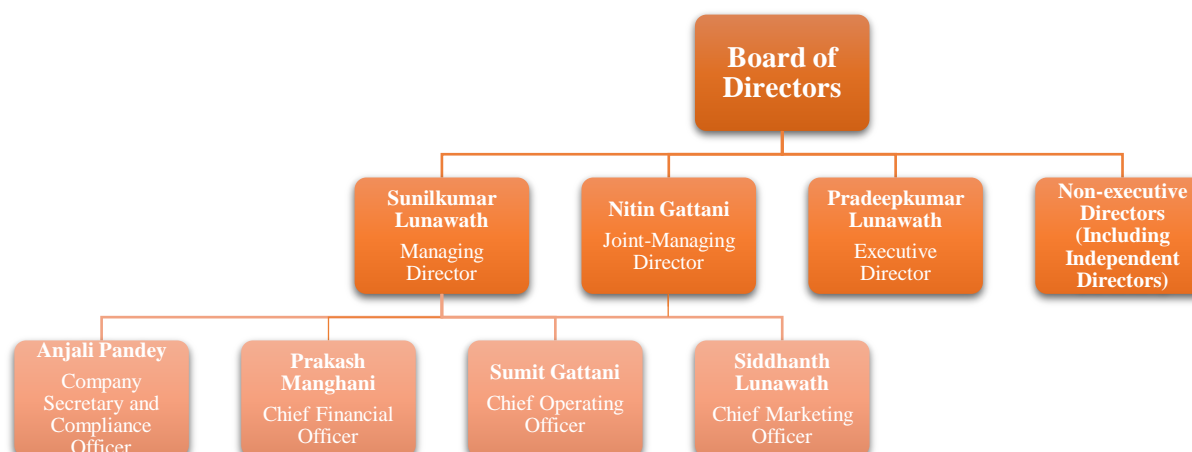
- i. *Nitin Gattani (Chairman);*
- ii. *Sunilkumar Lunawath (Member);*

iii. *Narendra Sharma (Member).*

The terms of reference of the Corporate Social Responsibility Committee shall include the following:

1. formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
2. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
3. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (i) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
4. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5. review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
6. 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
7. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Management Organization Structure



Key Managerial Personnel and Senior Management Personnel

Other than Sunilkumar Lunawath, the Managing Director and Nitin Gattani, the Joint-Managing Director, whose details are provided hereinabove, the details of our Key Managerial Personnel, as on the date of this Prospectus are set forth below.

Anjali Pandey is the Company Secretary and Compliance Officer of our Company. She has been associated with the Company since 2021. She was appointed as the Company Secretary and Compliance Officer of our Company on February 5, 2024. She is an Associate Member of The Institute of Company Secretaries of India since June 1, 2016. She possesses over 7 years of experience in the field of compliance and secretarial services having previously served as a company secretary in several companies. In Fiscal 2024, she received a compensation of ₹0.65 lakhs from our Company.

Prakash Manghani is the Chief Financial Officer of our Company. He has been associated with our Company as a financial consultant since the year 2017. He was appointed as the Chief Financial Officer of the Company on

February 5, 2024. He has completed his Chartered Accountancy form the Institute of Chartered Accountants of India in the year 2012. He is also a qualified Company Secretary. He possesses over 11 years of experience in the field of finance, taxation, audit and accountancy having worked with several entities. In Fiscal 2024, he received a compensation in the form of professional fees of ₹4.39 lakhs from our Company.

Senior Managerial Personnel

The details of our Senior Managerial Personnel, as on the date of this Prospectus are set forth below.

Sumit Gattani is the Chief Operating Officer in our Company. He has been working with our Company since October 1, 2017. He completed the degree of Bachelor of Technology from Sir Padampat Singhania University. He has also completed the degree of Masters in Business Administration from Symbiosis International (Deemed University). He has over 6 years of experience in the engineered stones industry. His roles and responsibilities include but not limited to operational oversight, strategic planning, resource allocation and risk management. In Fiscal 2024, he received a compensation of ₹18.60 lakhs from our Company.

Siddhanth Lunawath is the Chief Marketing Officer in our Company. He has been working with our Company since June 1, 2019. He completed the degree of Bachelor of Science in Public Affairs from O'Neil School of Public and Environmental Affairs, Indiana University in the year 2019. He has over 4 years of experience in the fields of engineered stones and marketing. His roles and responsibilities included overseeing of developing marketing strategies, brand management, market research and analysis, and product marketing in the demonstic market. In Fiscal 2024, he received a compensation of ₹31.85 lakhs from our Company.

Service Contracts with Key Managerial Personnel and Senior Management Personnel

Other than the statutory benefits that the Key Managerial Personnel and Senior Management Personnel are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company as detailed in their respective appointment letters, they have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Relationship amongst Key Managerial Personnel and Senior Management Personnel

Except as stated in “*Relationship between our Directors, Key Managerial Personnel and Senior Management Personnel*”, none of our Key Managerial Personnel or Senior Management Personnel are related.

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Managerial Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Managerial Personnel.

Compensation paid to Key Managerial Personnel and Senior Management Personnel pursuant to a Bonus or Profit-sharing plan

Our Company does not have any performance linked bonus or profit-sharing plan with any of the Key Managerial Personnel and Senior Management Personnel.

Status of Key Managerial Personnel and Senior Managerial Personnel

All our Key Managerial Personnel and Senior Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Managerial Personnel

Except our Managing Director and Join-Managing Director, none of our Key Managerial Personnel and Senior Managerial Personnel hold Equity Shares in our Company as on the date of this Prospectus.

Changes in Key Managerial Personnel and Senior Managerial Personnel during the last three years

Particulars	Reason	Date of Appointment/ Cessation
Sunilkumar Lunawath	Change in designation to Managing Director	February 1, 2024
Nitin Gattani	Change in designation to Joint-Managing Director	February 1, 2024
Anjali Pandey	Appointment as Company Secretary and Compliance Officer	February 5, 2024
Bhawesh Gandhi	Cessation as Company Secretary	February 5, 2024
Prakash Manghani	Appointment as Chief Financial Officer	February 5, 2024
Siddhanth Lunawath	Appointment as Chief Marketing Officer	February 5, 2024
Sumeet Gattani	Appointment as Chief Operating Officer	February 5, 2024

The attrition of Key Managerial Personnel and Senior Managerial Personnel is not high in our Company compared to the industry.

Payment or Benefit to Key Managerial Personnel and Senior Managerial Personnel of our Company

No non-salary related amount or benefit has been paid or given to any officers of our Company, including Key Managerial Personnel and Senior Managerial Personnel since its incorporation or is intended to be paid or given, as on the date of filing of this Prospectus other than in the ordinary course of their employment.

Employee Stock Options and Stock Purchase Schemes

As on date of this Prospectus, our Company does not have any Employee Stock Options and other Equity-Based Employee Benefit Schemes.

Policy on disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations) will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Sunilkumar Lunawath, Nitin Gattani, Pradeepkumar Lunawath, Sangeeta Gattani, Anushree Lunawath and Siddhanth Lunawath are the Promoters of our Company. As on the date of this Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Shareholder	Number of Equity Shares Held	% of Pre-Issue issued, subscribed and paid-up Equity Share capital*
1.	Sunilkumar Lunawath	22,10,000	13.68
2.	Nitin Gattani	45,39,000	28.11
3.	Pradeepkumar Lunawath	14,00,205	8.67
4.	Sangeeta Gattani	28,09,250	17.39
5.	Anushree Lunawath	4,82,205	2.99
6.	Siddhanth Lunawath	-	-

*Rounded-off to the closest decimal

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Other details of shareholding of our Company*", on page 98.

Details of our Individual Promoters



Sunilkumar Lunawath

Sunilkumar Lunawath born on October 3, 1975, aged 48 years, is the Managing Director and Promoter of our Company. His permanent account number is AACPL4778J.

For the complete profile of Sunilkumar Lunawath, along with details of his residential address, educational qualifications, experience, positions/ posts held in the past and other directorships, other ventures, special achievements, business and other activities, see "*Our Management*" on page 179.



Nitin Gattani

Nitin Gattani born on January 1, 1975 aged 49 years, is the Joint-Managing Director and Promoter of our Company. His permanent account number is ABCPG1479N.

For the complete profile of Nitin Gattani, along with details of his residential address, educational qualifications, experience, positions/ posts held in the past and other directorships, other ventures, special achievements, business and other activities, see “*Our Management*” on page 179.



Pradeepkumar Lunawath

Pradeepkumar Lunawath born on April 14, 1973 aged 51 years, is the Executive Director and Promoter of our Company. His permanent account number is AACPL3379F.

For the complete profile of Pradeepkumar Lunawath, along with details of his residential address, educational qualifications, experience, positions/ posts held in the past and other directorships, other ventures, special achievements, business and other activities, see “*Our Management*” on page 179.



Sangeeta Gattani

Sangeeta Gattani born on August 3, 1973 aged 50 years, is a Promoter of our Company. Her permanent account number is ADQPG0964J.

Address: Shree Niketan, 380 - Ashok Nagar, Girwa, Udaipur Shastri Circle, Udaipur – 313 001, Rajasthan, India

She completed the degree of Bachelor of Commerce from H. L. Commerce College, Ahmedabad. She possesses over 6 years of experience in the fields of finance and accountancy. She is a director of Shreya Petrochem Private Limited since December 14, 2017. She is also serving as a director on the boards of Dent C Future Private Limited since April 28, 2022, Vinayak Buildome Private Limited since August 1, 2022, Shree Logistics Private Limited since March 27, 2023 and Shaman Wellness Resorts Private Limited since October 30, 2023. Her other ventures include, AGG Hospitality LLP, Orbit Overseas, Lakecity Mines and Minerals, KK Enterprises, Saurate.



Anushree Lunawath

Anushree Lunawath born on December 23, 1976 aged 47 years, is a Promoter of our Company. Her permanent account number is ACAPL4575F.

Address: L3/53, Jai Shree Colony, Udaipur Shastri Circle, Udaipur - 313 001, Rajasthan, India

She completed the degree of Bachelor of Arts from Mohanlal Sukhadia University, Udaipur. She also holds a Diploma in fashion designing from the Academy of Creative & Technical Studies, Udaipur. She possesses over 15 years of experience in the fields of accounting and finance. She is also a director of Rajasthan Packing Co. Private Limited having held the position since October 12, 2009. Her other ventures include, Aravali International and Lakecity Mines and Minerals.



Siddhanth Lunawath

Siddhanth Lunawath, born on February 19, 1996, aged 28 years, is a Promoter of our Company. His permanent account number is ANEPL7273M.

Address: L3/53, Jai Shree Colony, Girwa, Udaipur - 313 003, Rajasthan, India

For the complete profile of Siddhanth Lunawath, along with details of educational qualifications and experience, see **“Our Management”** on page 179.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhaar card number and driving license number of Sunilkumar Lunawath, Nitin Gattani, Pradeepkumar Lunawath Sangeeta Gattani, Anushree Lunawath and Siddhanth Lunawath shall be submitted to the Stock Exchange at the time of filing of this Prospectus.

Changes in control of our Company

There was no change in control of our Company during the 5 (five) years immediately preceding the date of filing of this Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent of: (i) having promoted our Company; (ii) their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives; (iii) their directorship in our Company; and (iv) of remuneration payable to them as Directors of our Company.

Our Promoters are also directors on the boards, or shareholders, proprietors, members or partners or related to persons in control of such entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities.

For further details, see “*Capital Structure*”, “*Our Management*”, “*Summary of the Issue Document - Related Party Transactions*” and “*Financial Statements*” beginning on pages 93, 179, 27 and 205 respectively.

Except as stated in “*Summary of the Issue Document - Related Party Transactions*” beginning on page 27 and disclosed in “*Our Management*” beginning on page 179, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce them to become or qualify them as a director or Promoters or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Except as stated below, our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Prospectus.

Name of Promoter	Company/Firm from which they have disassociated	Date
Sunilkumar Lunawath	Sanchi Real Estate LLP	February 17, 2021
	Sanchi Affordable Housing LLP	February 17, 2021
Nitin Gattani	Gaggar Enterprises Private Limited*	October 20, 2023
	Sygnia Brandworks LLP	March 15, 2021

*The disassociation only refers to Nitin Gattani’s cessation from directorship, but they continue to hold shares in the company

Experience of our Promoters in the business of our Company

Except for Sangeeta Gattani and Anushree Lunawath, all our Promoters are experienced in the line of business in which our Company operates. For details in relation to experience of our Promoters in the business of our Company, see “*Our Management*” on page 179.

Interest of our Promoters in the property of our Company

Except as stated in the section “*Our Business*” and “*Financial Information*”, beginning on pages 147 and 205, respectively, our Promoters are not interested in the properties acquired by our Company within the preceding three years from the date of this Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery, other than in the normal course of business.

Material Guarantees given by our Promoters

Our Promoters have not given any material guarantees to any third party, in respect of the Equity Shares, as on the date of this Prospectus.

Payment of Amounts or Benefits to the Promoters or Promoter Group During the last two years

Except in the ordinary course of business and as stated in the section “*Related Party Transactions - Financial Information*” on page 229, there has been no payment of amounts or benefits to our Promoters or Promoter Group during the two years preceding the date of this Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

Undertakings/ Confirmations

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoter and members of the Promoter Group in the past, and no proceedings for violation of securities laws are pending against

them.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoters are not promoter or director of any other Company which is debarred from accessing capital markets.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not been declared as fugitive economic offender under section 12 of the Fugitive Economic Offender Act, 2018.

There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoter during the past three years.

Our Promoters have given personal guarantees respectively, towards financial facilities availed from the Bankers of our Company, therefore, they are interested to the extent of the said guarantees. Further, they have also extended unsecured loans and are therefore also interested to the extent of the said loans. For further information, see “**Financial Indebtedness**” on page 243 and “**Financial Information**” on page 205.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations except the Promoters are set out below:

Natural persons forming part of our Promoter Group (other than our Promoter):

Name of the Individuals	Relationships
Sunilkumar Lunawath	
Mangi Lal Lunawath	Father
Sayar Kumari Mangilal	Mother
Pradeepkumar Lunawath	Brother
Chandra Vajawat	Sister
Seema Banthia	Sister
Anushree Lunawath	Spouse
Arnav Lunawath	Son
Tanishk Lunawath	Son
Man Mohan Raj Singhvi	Spouse’s Father
Sushila Singhvi	Spouse’s Mother
Swati Sarupria	Spouse’s Sister
Abhay Singhvi	Spouse’s Brother
Nitin Gattani	
Kaushalya Gattani	Mother
Neeraj Gattani	Brother
Neena Saboo	Sister
Sangeeta Gattani	Spouse
Shubh Gattani	Son
Saumya Gattani	Daughter
Maheshwary Harnarayan Hathiram	Spouse’s Father
Sushila H Maheshwary	Spouse’s Mother
Deepak Harnarayan Maheshwary	Spouse’s Brother
Pradeepkumar Lunawath	
Mangi Lal Lunawath	Father

Name of the Individuals	Relationships
Sayar Kumari Mangilal	Mother
Sunilkumar Lunawath	Brother
Chandra Vajawat	Sister
Seema Banthia	Sister
Vijayshree Lunawath	Spouse
Siddhanth Lunawath	Son
Kashish Bothra	Daughter
Ratan Chand Jain	Spouse's Father
Suraj Devi Jain	Spouse's Mother
Rajshree	Spouse's Sister
Deepak Jain	Spouse's Brother
Rakesh Kumar Jain	Spouse's Brother
Sangeeta Gattani	
Maheshwary Harnarayan Hathiram	Father
Sushila H Maheshwary	Mother
Deepak Harnarayan Maheshwary	Brother
Nitin Gattani	Spouse
Shubh Gattani	Son
Saumya Gattani	Daughter
Kaushalya Gattani	Spouse's Mother
Neeraj Gattani	Spouse's Brother
Neena Saboo	Spouse's Sister
Anushree Lunawath	
Man Mohan Raj Singhvi	Father
Sushila Singhvi	Mother
Swati Sarupria	Sister
Abhay Singhvi	Brother
Sunilkumar Lunawath	Spouse
Arnav Lunawath	Son
Tanishk Lunawath	Son
Mangi Lal Lunawath	Spouse's Father
Sayar Kumari Mangilal	Spouse's Mother
Pradeepkumar Lunawath	Spouse's Brother
Chandra Vajawat	Spouse's Sister
Seema Banthia	Spouse's Sister
Siddhanth Lunawath	
Pradeepkumar Lunawath	Father
Vijayshree Lunawath	Mother
Kashish Bothra	Sister
Muskan Lunawath	Spouse
Sanjay Kataria	Spouse's Father
Renu Kataria	Spouse's Mother
Udit Kataria	Spouse's Brother

Entities forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the entities
Body corporates / entities in which at least 20% of the equity share capital is held by our Promoters or the immediate relatives as set out above of our Promoters / HUF	
1.	AGG Hospitality LLP
2.	Cleantech Rubbers Private Limited
3.	Fab Stones (Partnership Firm)
4.	Gattani Resorts Private Limited
5.	Saumya Energy Private Limited

Sr. No.	Name of the entities
6.	Nitin Gattani HUF
7.	Neeraj Gattani HUF
8.	Global Samruddhi Enterprises LLP
9.	K K Enterprises (Partnership Firm)
10.	Lakecity Enterprises Private Limited
11.	Quality Suitings Private Limited
12.	Saurate (Partnership Firm)
13.	Samruddhi Enterprises (Partnership Firm)
14.	Shree Logistics Private Limited
15.	Shreya Petrochem Private Limited
16.	Vinayak Buildhome Private Limited
17.	Espritt Mining (Partnership Firm)
18.	Aravali Minerals and Chemicals Industries Private Limited
19.	Rajasthan Packing Co. Private Limited
20.	Rose Marbles Private Limited
21.	Esprit Ventures Private Limited
22.	Aravali Quartz (Partnership Firm)
23.	Aravali Biz Ventures Private Limited
24.	Aglow Chemicals Private Limited
25.	Sakar Builders (Partnership Firm)
26.	Shree Stambh Colonizers (Partnership Firm)
27.	Chetak Minerals
28.	Mahaveer Trading Company
29.	Gaggar Enterprises Private Limited
30.	Charbhujaji Natural Stones LLP
31.	G.T. Enterprises (Partnership Firm)
32.	Dent C Future Private Limited
33.	Orbit Overseas (Partnership Firm)
34.	Malwa Petro Products Private Limited
35.	Gaggar Tradex Private Limited
36.	Starnest Properties LLP
37.	Magnacore Enterprises Private Limited
38.	Servo Marketing & Finance Private Limited
39.	HN Maheshwary HUF
40.	Lakecity Mines and Minerals (Partnership Firm)
41.	SNB Future Drive Private Limited
42.	Aravali International (Partnership Firm)
43.	Shubh Realty (Partnership Firm)
44.	Shaman Wellness Resorts Private Limited
45.	Trigon Hotels & Resorts Private Limited
46.	Arnav Resorts Private Limited
47.	Shanti Suri Hills Resort Private Limited
48.	Abhay Singhvi HUF
49.	Manmohan Raj Singhvi HUF
50.	Alask Stones (Proprietorship)
51.	Sunil Lunawath HUF
52.	Silvio Casa (Partnership Firm)
53.	Vijay Electronics (Proprietorship)
54.	Amicale Bizcom Private Limited
55.	Deepak H Maheshwary HUF
56.	Manratan Finserve Private Limited
57.	Mansarovar Developers LLP
58.	Himsagar Real Estate & Traders LLP

Body corporate in which at least 20% of the equity share capital is held by the body corporates forming

Sr. No.	Name of the entities
a part of our Promoter Group as set out above	
1.	Nil

OUR GROUP COMPANIES

In terms of the SEBI (ICDR) Regulations, the term “group companies”, includes

- i. such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and
- ii. any other companies considered material by the Board of Directors of the relevant issuer company.

Accordingly, for (ii) above, all such companies (other than our Subsidiaries) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI (ICDR) Regulations. For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our Subsidiaries will not be considered as Group Companies.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board of Directors pursuant to its resolution dated February 6, 2024 our Group Companies includes:

Those companies disclosed as having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years.

Accordingly, in accordance with the SEBI ICDR Regulations and the terms of the Materiality Policy for identification of the group companies, our Board has identified the following as Group Companies:

1. Gattani Resorts Private Limited;
2. Shreya Petrochem Private Limited;
3. Esprit Ventures Private Limited;
4. Rajasthan Packing Co Private Limited;
5. Rose Marble Private Limited; and
6. Aravali Minerals and Chemical Industries Private Limited.
7. Saumya Energy Private Limited
8. Quality Suitings Priavte Limited

Details of our Group Companies

1. Gattani Resorts Private Limited

Gattani Resorts Private Limited (“GRPL”) was incorporated on January 17, 1990 under the erstwhile Companies Act, 1956. The registered office of GRPL is situated at Krishna Kaushal, 1-Subhsh Nagar, Udaipur – 313 001, Rajasthan, India and its corporate identity number is U55102RJ1990PTC005270.

Financial performance:

Certain financial information derived from the audited financial statements of GRPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company’s website at www.espritstones.com.

2. Shreya Petrochem Private Limited

Shreya Petrochem Private Limited (“SPPL”) was incorporated on August 2, 1983 under the erstwhile Companies Act, 1956. The registered office of SPPL is situated at Shree Niketan, 380, Ashok Nagar, Udaipur, 313 001, Rajasthan, India and its corporate identity number is U17117RJ1983PTC002775.

Financial performance:

Certain financial information derived from the audited financial statements of SPPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company’s website at www.espritstones.com.

3. Esprit Ventures Private Limited

Esprit Ventures Private Limited (“**EVPL**”) was incorporated on June 26, 2020 under the Companies Act, 2013. The registered office of EVPL is situated at FT-12, BL/Parasrampuria Enclave, E,49,50 Haji Bapu Road, Malad East, Mumbai – 400 097, Maharashtra, India and its corporate identity number is U70200MH2020PTC341010.

Financial performance:

Certain financial information derived from the audited financial statements of EVPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company’s website at www.espritstones.com.

4. Rajasthan Packing Co Private Limited

Rajasthan Packing Co Private Limited (“**RPCPL**”) was incorporated on May 10, 1979 under the erstwhile Companies Act, 1956. The registered office of RPCPL is situated at B-132, Road No.1, Mewar Industrial Area, Madri Udaipur – 313 003, Rajasthan, India and its corporate identity number is U74950RJ1979PTC001884.

Financial performance:

Certain financial information derived from the audited financial statements of RPCPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company’s website at www.espritstones.com.

5. Rose Marbles Private Limited

Rose Marbles Private Limited (“**RMPL**”) was incorporated on January 17, 1990 under the erstwhile Companies Act, 1956. The registered office of RMPL is situated at SP-1, Udyog Vihar, Sukher, Udaipur - 313 004, Rajasthan, India and its corporate identity number is U14101RJ1990PTC005282.

Financial performance:

Certain financial information derived from the audited financial statements of RMPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company’s website at www.espritstones.com.

6. Aravali Minerals and Chemical Industries Private Limited

Aravali Minerals and Chemicals Industries Private Limited (“**AMCIPL**”) was incorporated on February 7, 1975 under the erstwhile Companies Act, 1956. The registered office of AMCIPL is situated at 132, Road No.1 Mewar Industrial Madri, Udaipur – 313 003, Rajasthan, India and its corporate identity number is U14219RJ1975PTC001608.

Financial performance:

Certain financial information derived from the audited financial statements of AMCIPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company’s website at www.espritstones.com.

7. Saumya Energy Private Limited

Saumya Energy Private Limited (“**SEPL**”) was incorporated on September 10, 2013 under the erstwhile Companies Act, 1956. The registered office of SEPL is situated at Oriental Palace Resort, Subhash Nagar, Udaipur – 313 001, Rajasthan, India and its corporate identity number is

U01122RJ986PTC003565.

Financial performance:

Certain financial information derived from the audited financial statements of SEPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company's website at www.espritstones.com.

8. Quality Suitings Private Limited

Quality Suitings Private Limited (“**QSPL**”) was incorporated on June 13, 1994 under the erstwhile Companies Act, 1956. The registered office of SEPL is situated at 10 K.M. Stone, Guwardi, Chittor Road, Guwardi, Bhilwara, 311 001, Rajasthan, India and its corporate identity number is 17-08514.

Financial performance:

Certain financial information derived from the audited financial statements of SEPL for the last three (3) financial years ended March 31, 2023, 2022 and 2021, as required by the SEBI ICDR Regulations, are available on our Company's website at www.espritstones.com.

Nature and extent of interest of Group Companies

Except as disclosed under “*Restated Financial Information - Note 28 – Related Party Transactions*” on page 229, none of our Group Companies are interested in the promotion of the Company or any business transactions involving the Company in the three (3) years preceding the filing of this Prospectus or proposed to be acquired by our Company.

Common Pursuits of our Group Companies

RMPL, RPCPL and AMCIPL is engaged in a similar line of business as that of the Company. While there may be instances of competition with RMPL, we believe that there is no conflict of interest with it. For risks relating to the same, see “*Risk Factors – Some of our Group Company is engaged in activities which is similar to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations*” on page 56. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

Except as aforementioned, there are no common pursuits between our Group Companies and our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as set forth in “*Restated Financial Information - Note 28 – Related Party Transactions*” on page 229, no other related party transactions have been entered into between our Group Companies and our Company.

Business Interests of Group Companies

Except as set forth in “*Restated Financial Information - Note 28 – Related Party Transactions*” on page 229 and in the ordinary course of business, our Group Companies do not have or currently propose to have any business interest in our Company.

Litigation

As on date of this Prospectus, our Group Companies are not parties to any pending litigation which will have a material impact on our Company.

Confirmations

None of our Group Companies have any securities listed on a stock exchange. Further, none of our Group

Companies has made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Prospectus.

It is clarified that details available on the websites of our Group Companies and our Company do not form part of this Prospectus. Anyone placing reliance on any other source of information, including the websites of Company or our Group Companies mentioned above, would be doing so at their own risk.

DIVIDEND POLICY

Our Company does not have a formal dividend policy. The quantum of dividend, if any, and our ability to pay dividend will depend on a number of factors, including but not limited to the capital expenditure requirements, profit earned during the financial year and profit available for distribution, working capital requirements, business expansion and growth, cost of borrowing, economic environment, capital markets, and other factors considered by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business.

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see "**Financial Indebtedness**" on page 243. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

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 then ongoing or planned business expansion or other factors which may be considered by the Board.

Retained earnings may be utilized by our Company for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board. For details in relation to risks involved in this regard, see "**Risk Factors - Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures**" on page 64.

We have not declared and paid any dividends on the Equity Shares in any of the five Financial Years preceding the date of this Prospectus and until the date of this Prospectus. The dividend history in the past is not necessarily indicative of our dividend amounts, if any, in the future.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	The examination report and the Restated Financial Statements	206 to 240

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INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To,
The Board of Directors
Esprit Stones Limited
(Formerly known as Esprit Stones Private Limited)

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Esprit Stones Limited (Formerly known as Esprit Stones Private Limited) (the “Company” or the “Issuer”) and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”) comprising the Restated Consolidated Balance Sheet as on March 31, 2024, March 31, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2024, 2023 and 2022, other explanatory information (collectively, the “Restated Consolidated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on July 5 2024 for the purpose of inclusion in the Red Herring Prospectus (“RHP”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”) in Emerge Platform of National Stock Exchange of India Limited.
2. These Restated Financial Information were prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments /clarifications from time to time; and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
3. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, NSE EMERGE, Registrar of Companies, Rajasthan at Jaipur in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company as per “Basis of Preparation of Restated Financial Statements” note stated in note 2 (I) to Notes to the Restated Consolidated Financial Information. The respective Board of Directors of the companies responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 24, 2024 in connection with the proposed IPO of equity shares of the Issuer;
 - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - d) The requirements of 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 and the Guidance Note in connection with the IPO.
5. These Restated Consolidated Financial Information have been compiled by the management from:
 - a) Audited Consolidated financial statements of the Group as at March 31, 2024 prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP), specified under section 133 of the Act and other relevant provisions of the Companies Act 2013 except for inclusion of comparative information, as those are not being given in the Restated Consolidated Financial Information as per the option available to the Issuer under para 11(I)(A)(i) of the SEBI ICDR Regulations, which have been approved by the Board of Directors at their meeting held on 5 July 2024.
 - b) Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2024, 2023, and 2022 prepared in accordance with the Indian GAAP as prescribed under Section 133 of the Act, as amended, and other relevant provisions of Companies Act 2013, which have been approved by the Board of Directors at their meetings held on July 5, 2024, September 29, 2023 and September 20, 2022 respectively.
6. For the purpose of our examination, we have relied on:
 - a) Auditors' reports issued by us dated July 5, 2024, September 29, 2023, September 20, 2022 on the consolidated financial statements of the Group for the years ended March 31, 2024, 2023 and March 31, 2022 as referred in Paragraph [5] above; and
7. The audit reports on the consolidated financial statements issued by us, as at and for the year ended March 31, 2024 as referred in Paragraph [5] above on the consolidated financial statements of the Group; on the consolidated financial statements of the Group as at and for the year ended March 31, 2024, as referred in Paragraph [5] above were unmodified.

Further we have issued modified opinion on consolidated financial statements of the Group for the year ended March 31 2023 vide our audit report dated September 29, 2023. Following modified opinion was given:

“Basis for Modified Opinion

We did not audit the financial statements of wholly owned subsidiary Haique Stones Inc. which is incorporated in USA and their governing law, whose financial statements reflect total assets of Rs 1426.44 lakhs as at 31 March 2023, total revenues of Rs. 3106.49 lakhs and net cash inflows amounting to Rs -2.6 lakhs for the year ended on that date as considered in the consolidated financial statements in respect of this subsidiary, whose financial statements have not been audited by us. These financial statements are unaudited and have been prepared by the management and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Sub section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, these financial statements are material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management. In the absence of audited financials, affect of the same (if any) on consolidated financial statements cannot be ascertained.”

Subsequent to our audit report as referred above, we have conducted special purpose audit (For Consolidation purposes only) of Haique Stones Inc for the year ended March 31 2023 and have issued unmodified opinion on the same vide our audit report dated February 6, 2024.

Since the subject matter of modification was subsequently resolved, we have not included any modification paragraph in our examination report on the Consolidated Restated Financial Statements of the company year ended March 31, 2024, 2023 and 2022.

8. Based on our examination and according to the information and explanations given to us we report that the Restated Consolidated Financial Information:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications, if any, retrospectively in the financial years ended March 31, 2024, 2023 and 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications;
 - b) do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph [7] above; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated financial statements and audited consolidated financial statements mentioned in paragraph [5] above.
10. 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 or the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
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 for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, NSE EMERGE and Registrar of Companies, Rajasthan at Jaipur in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For A Bafna and Co.
Chartered Accountants
FRN – 003660C

Vivek Gupta
Partner
M. No.: 400543

Place: Udaipur
Date: July 5, 2024
UDIN: - 24400543BKCXSK3006

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Restated Consolidated Balance Sheet

Currency : in Lakhs INR (₹)

Particulars	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
A EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3	1,615.00	950.00	950.00
Reserves and surplus	4	5,623.80	5,277.81	4,943.32
Minority Interest		35.63	19.67	7.27
Non-current liabilities				
Long-term borrowings	5	5,111.71	5,694.56	2,727.49
Deferred tax liabilities (net)	6	453.68	464.30	395.21
Long-term provisions	7	54.92	37.39	23.15
Current liabilities				
Short-term borrowings	8	7,430.20	6,184.99	3,072.27
Trade payables	9			
(a) total outstanding dues of micro and small enterprises; and		235.12	1,279.00	973.00
(b) total outstanding dues of other than micro and small enterprises		4,847.03	2,566.28	3,346.37
Other current liabilities	10	1,862.84	1,305.34	1,631.66
Short-term provisions	11	189.42	22.90	-
TOTAL		27,459.35	23,802.24	18,069.74

B ASSETS

Non-current assets

Property, Plant and Equipments and Intangible assets

Property, Plant and Equipments

Intangible assets

Capital work-in-progress

Long-term loans and advances

Other non-current assets

12	11,041.40	11,652.92	6,617.90
	4.50	6.37	0.06
	756.35	-	2,235.50
13	398.58	461.88	898.94
-	-	-	-

Current assets

Inventories

Trade receivables

Cash and bank balances

Short-term loans and advances

Other current assets

14	6,135.32	5,308.33	3,497.63
15	7,247.62	4,138.70	2,485.35
16	324.51	289.80	1,209.00
17	1,532.10	1,935.98	1,016.13
18	18.97	8.26	109.23

TOTAL

	27,459.35	23,802.24	18,069.74
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Significant accounting policies

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Restated notes to accounts

The accompanying notes are integral part of these financial statements

As per our report attached

For **A. Bafna & Co.**

Chartered Accountants

Firm Reg. No. : 003660C

For and on behalf of Board of Directors of

Esprit Stones Limited

SP-1, Udyog Vihar Sukher Industrial Area, Udaipur

CIN: U74999RJ2016PLC056284

Vivek Gupta

Partner

Membership Number : 400543

Sunil Lunawath

Manging Director

DIN : 01105117

Nitin Gattani

Jt. Manging Director

DIN: 00173258

Place : Udaipur

Date: 05 July 2024

Prakash Manghani

Chief Financial Officer

Anjali Pandey

Company Secretary

ICSI Membership No. : A45660

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Restated Consolidated Statement of Profit and Loss

Currency : in Lakhs INR (₹)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
1 Revenue from operations	19	27,289.02	17,441.09	18,645.65
2 Other income	20	188.80	165.43	356.95
3 Total income (1+2)		27,477.82	17,606.52	19,002.60
4 Expenses				
(a) Cost of materials consumed	21	16,007.31	10,634.87	10,908.75
(b) Purchases of stock-in-trade	22	1,332.16	721.85	363.61
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(725.19)	(1,513.21)	(1,289.72)
(d) Employee benefits expenses	24	1,816.69	1,585.39	1,353.77
(e) Finance costs	25	997.11	634.24	325.43
(f) Depreciation and amortisation expenses	12	913.29	733.11	625.09
(g) Other expenses	26	5,726.77	4,279.03	4,348.33
Total expenses		26,068.14	17,075.28	16,635.26
5 Profit/ (Loss) before exceptional and extraordinary items and tax (3 - 4)		1,409.68	531.24	2,367.34
6 Exceptional items		-	-	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		1,409.68	531.24	2,367.34
8 Extraordinary items		-	-	-
9 Profit / (Loss) before tax (7 ± 8)		1,409.68	531.24	2,367.34
10 Tax expense:				
(a) Current tax expense for current year		(386.11)	(106.46)	(557.93)
(b) Deferred tax expenses		10.62	(69.09)	41.76
(c) Prior year(s)		(2.46)	0.03	(0.64)
11 Profit / (Loss) for the year		1,031.73	355.72	1,850.53
Profit and loss attributable to				
(i) Owners of the Company		1,015.77	343.32	1,850.61
(ii) Minority interest		15.96	12.40	(0.08)
Earning per equity share of face value of Rs. 10/-each				
Basic and diluted (not annualised)	32	6.29	2.13	11.46

Significant accounting policies
Restated notes to accounts

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As per our report attached
For A. Bafna & Co.
Chartered Accountants
Firm Reg. No. : 003660C

For and on behalf of Board of Directors of
Esprit Stones Limited
SP-1, Udyog Vihar Sukher Industrial Area, Udaipur
CIN: U74999RJ2016PLC056284

Vivek Gupta
Partner
Membership Number : 400543

Sunil Lunawath
Manging Director
DIN : 01105117

Nitin Gattani
Jt. Manging Director
DIN: 00173258

Place : Udaipur
Date: 05 July 2024

Prakash Manghani
Chief Financial Officer

Anjali Pandey
Company Secretary
ICSI Membership No. : A45660

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Restated Consolidated Cash Flow Statement

Currency : in Lakhs INR (₹)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities			
Profit/(Loss) before tax	1,409.68	531.24	2,367.34
Adjustments for:			
Depreciation and amortization expenses	913.29	733.11	625.09
Finance cost	997.11	634.24	325.43
Interest income	(20.91)	(42.30)	(95.60)
Unrealised foreign exchange (gain)/ loss	8.13	(37.38)	(35.03)
Provision for doubtful debts	133.33	-	-
Net loss/ (gain) on disposal of property, plant and equipment	-	-	(1.93)
Operating profit before working capital changes	3,440.63	1,818.91	3,185.30
Changes in working capital and other provisions			
Increase/ (Decrease) in long-term provisions	17.53	14.24	10.34
Increase/ (Decrease) in trade payables	1,236.87	(474.67)	949.62
Increase/ (Decrease) in other current liabilities	606.59	263.36	301.97
Increase/ (Decrease) in short-term provisions	-	-	-
(Increase)/ Decrease in long-term loan and advances	(54.54)	(57.04)	(6.55)
(Increase)/ Decrease in inventories	(826.99)	(1,810.70)	(1,601.62)
(Increase)/ Decrease in trade receivables	(3,174.35)	(1,595.85)	(845.41)
(Increase)/ Decrease in short-term loans and advances	294.06	(882.04)	659.05
(Increase)/ Decrease in other current assets	-	2.42	0.09
Impact of receivables and payables due to translation from foreign currency	(4.78)	(8.83)	-
Cash generated from operations	1,535.02	(2,730.20)	2,652.79
Less: Income-tax paid (net)	(112.23)	(121.34)	(614.16)
Net cash flow from (used in) operating activities	(A) 1,422.79	(2,851.54)	2,038.63
B Cash flow from investing activities			
Purchase of fixed assets and changes in Capital work-in-progress	(1,059.23)	(3,636.19)	(3,097.98)
Investment in fixed deposits	(296.50)	(216.44)	(1,070.74)
Proceeds from maturity of fixed deposits	216.44	1,070.74	1,056.15
Loans and advances to other corporates	-	-	540.68
Interest Income	10.20	140.85	44.06
Net cash (used in) investing activities	(B) (1,129.09)	(2,641.04)	(2,527.83)
C Cash flow from financing activities			
Issue of shares	-	-	-
Proceeds/ (Repayment) of long-term loans from banks	(1,061.25)	1,999.36	362.24
Proceeds/ (Repayment) of long-term loans from others	671.69	1,349.47	107.47
Proceeds/ (Repayment) of short-term loans from banks	1,051.92	2,711.42	396.72
Interest expenses paid	(1,001.41)	(632.57)	(314.29)
Net cash flow from/ (used in) financing activities	(C) (339.05)	5,427.68	552.14
D Net increase/ (decrease) in cash and cash equivalents	(45.35)	(64.90)	62.94
Add: Cash and cash equivalents at the beginning of the year	73.36	138.26	75.32
E Cash and cash equivalents at the end of the year	28.01	73.36	138.26

Note:

The above Cash flow Statement has been prepared using Indirect method of preparation of Cash flow statement as per AS-3

The accompanying notes are integral part of these financial statements

As per our report attached

For A. Bafna & Co.

Chartered Accountants

Firm Reg. No. : 003660C

Vivek Gupta

Partner

Membership Number : 400543

Place : Udaipur

Date: 05 July 2024

For and on behalf of Board of Directors of

Esprit Stones Limited

SP-1, Udyog Vihar Sukher Industrial Area, Udaipur

CIN: U74999RJ2016PLC056284

Sunil Lunawath

Manging Director

DIN : 011105117

Nitin Gattani

Jt. Manging Director

DIN: 00173258

Prakash Manghani

Chief Financial Officer

Anjali Pandey

Company Secretary

ICSI Membership No. : A45660

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements

Currency : in Lakhs INR (₹)

1 Background of the Company:

Esprit Stones Limited [Formerly known as Esprit Stones Private Limited] ('the Company') is a public limited company domiciled and incorporated in India under the Companies Act 2013 on 19 October 2016. The Company is now a public limited company vide the new CIN U74999RJ2016PLC056284. A fresh certificate of incorporation consequent to the conversion of private to public limited company was issued by the Registrar of Companies, Jaipur on 05 February 2024 under section 18 of the Companies Act, 2013 to give the effect of conversion.

Esprit Stones Limited and its subsidiaries ('the Group' or 'the Esprit group') is primarily involved in engineered stones such as engineered quartz surfaces and engineered marble surfaces which is a luxurious substitute of natural marble and granite. The Group is also involved in manufacturing of raw materials such as quartz grit and unsaturated polyester resin for engineered stones. The group also sales Unsaturated Polyester Resin in the open market through its subsidiary. Its export customers are in the USA, Canada and other countries. The Company market its product in India under its brand "Haique". The Company's registered office is at SP-1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan, India, 313004 and its manufacturing units are located at Udaipur, Salumber and Rajasamand in the state of Rajasthan.

The Restated Consolidated financial statements relate to the Company and its subsidiary companies namely:

- (i) Haique Stones Private Limited (100% Wholly Owned Subsidiary)
- (ii) Addwaya Chemicals Private Limited (51% is held by the Company)
- (iii) Haique Stones Inc. (100% Wholly Owned Subsidiary)

2 Significant accounting policies

1) Basis of Preparation of Restated Consolidated Financial Statements

1 The Restated Consolidated Financial Statements of the Company comprise of the Consolidated Balance Sheet as at 31st March 2024, 31st March 2023 and 31st March, 2022, the related Consolidated Statements of Profit & Loss, the Consolidated Statements of Cash Flows for year ended 31st March 2024, year ended 31st March 2023, and year ended 31st March 2022 and of the significant accounting policies and explanatory notes (hereinafter collectively referred to as "Consolidated Statements" or "Statements").

2 These Statements have been prepared by management specifically for inclusion in the Red Herring Prospectus ("RHP") and approved by the directors of Company at their meeting held on 05 July 2024 in connection with the proposed Initial Public Offer ("IPO") of equity shares on NSE SME/ Emerge platform, in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") as issued by the Securities and Exchange Board of India ("SEBI") on 11th September 2018 as amended from time to time.
- c) Guidance Note on Reports in Company Prospectus (Revised 2019) as issued by the Institute of Chartered Accountants of India ("ICAI")

3 The Restated Consolidated Financial Statement has been compiled from

a) Audited Consolidated Financial Statements of the Company as at and for year ended 31 March 2024 and for the year ended 31 March 2023 and 2022 prepared in accordance with the accounting principles generally accepted in India ("Indian GAAP") as prescribed under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been approved by the Board of Directors at their meeting held on 05 July 2024

The Restated Financial Statement have been prepared for the Company as a going concern on the basis of relevant accounting principles generally accepted in India that are effective as at 05 July 2024;

b) Further there are no change in accounting policies during the above referred year hence no adjustment is required to be made on that account.

c) There are no remarks / comments in the Auditor's report on the financial statements of the Company for aforesaid period which require any corrective adjustments in the restated Standalone Financial Statements for aforesaid years.

4 This note provides a list of the significant accounting policies adopted in the preparation of the Consolidated Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Statements have been prepared on a historical cost basis.

5 The Consolidated Statements are presented in Indian Rupees "INR" and all values are stated as INR Lakhs, except when otherwise indicated.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

II) Principles and details of consolidation

The consolidated financial statements relate to Esprit Stones Limited ('the Company') and its subsidiary companies namely:

- (i) Haique Stones Private Limited (100% Wholly Owned Subsidiary)
- (ii) Addwaya Chemicals Private Limited (51% is held by the Company)
- (iii) Haique Stones Inc. (100% Wholly Owned Subsidiary)

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- d) Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) The Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- g) The books of accounts of foreign subsidiaries are in US Dollars however for preparation of the financials in Indian Rupees (INR), Accounting Standard (AS) 11 - "The Effects of Changes in Foreign Exchange Rates" as issued by Institute of Chartered Accounts of India has been followed. Accordingly, translation is done as a) The items of income and expenditure are translated at Average exchange rate of INR 82.7875 per USD except Intra-group transactions. b) The assets and liabilities are translated at closing exchange rates. c) Intra-group transactions and balances are translated at the conversion rates being used by Foreign Companies to facilitate elimination for preparation of consolidated financial statements. The resulting exchange difference is accumulated in the Foreign Currency Translation Reserve and is shown under Reserves and Surplus.
- h) there were no material amounts which have been adjusted for, in arriving at profit / loss of the respective periods; and
- i) there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited General Purpose Interim Consolidated Financial Statements of the Group as at and for the year ended 31 March 2024 and the requirements of the SEBI Regulations.

III) Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

2.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

2.3 Revenue Recognition

- (a) The company recognises revenues on the sale of products, net of discounts, when the products are dispatched / delivered to the customer/ dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer/ dealer.
- (b) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (c) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (d) Dividend income is recognized when the company's right to receive dividend is established.
- (e) Export entitlements under the duty remission scheme are recognized as income on accrual basis

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

2.4 Recognition of Expenditure

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

2.5 Tangible fixed assets

- (a) Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any.
- (b) The cost of Fixed Asset comprises its purchase price including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use. Subsequent upgradation / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not regular nature are written off over the estimated useful life of relevant assets.
- (c) All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.
- (d) The depreciation has been charged as per below useful life:

Asset Name	Useful life
Buildings	05 to 30 years
Solar plants	15 years
Plant and machinery	15 years
Electrical installations	10 years
Furniture and fixtures	10 years
Office equipment's	5 years
Lab equipment's	10 years
Vehicles	8 years
Computers	3 to 6 years

2.6 Intangible Assets and amortization

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful life of 3 years

2.7 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.8 Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

2.9 Depreciation and amortization

(a) Owned assets

- (i) Depreciation on fixed assets is provided on straight line method, at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. In case of plant and machinery used for double or triple shift, depreciation is increased to 150% and 200% of normal depreciation respectively.
- (ii) Significant components of assets having a life shorter than the main asset, if any is depreciated over the shorter life.

(b) Leased assets:

- (i). Leasehold lands are amortised over the period of lease.
- (ii). Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.
- (iii). In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

2.10 Investments

Current investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. However, provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

2.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined using the weighted average cost method for all categories of inventories. Cost includes in case of Raw materials, Stores & spares, Packing material and consumables the purchase price and attributable direct cost less discounts. In case of Work-in-Progress and finished goods cost includes direct labour, material costs and production overheads

2.12 Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are normally recorded on the initial recognition in the reported currency using the exchange rates prevailing on the date of transaction.
- (b) Monetary assets & liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted in the period in which they arise
- (c) Any income or expense on account of exchange difference either on settlement or on translation of monetary items are recognized in the Statement of Profit and Loss for the period in which they arise.
- (d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

2.13 Earning Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

As per Accounting Standard -20 on Earning Per Share, If the number of equity or potential equity shares outstanding increases as a result of a bonus issue or share split or decreases as a result of a reverse share split (consolidation of shares), the calculation of basic and diluted earnings per share should be adjusted for all the periods presented. If these changes occur after the balance sheet date but before the date on which the financial statements are approved by the board of directors, the per share calculations for those financial statements and any prior period financial statements presented should be based on the new number of shares. Accordingly the EPS has been calculated on number of shares after bonus issue made on 29 December 2023 for all reporting period.

2.14 Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over 12 months) to get ready for its intended use or sale. Other interest and borrowing costs are charged to statement of Profit & Loss.

2.15 Employee Benefits

(a) Short Term Employee Benefits:

All employee benefits payable wholly within 12 months of rendering service are classified as short term employee benefit. Benefits such as Salaries, Wages, performance incentives, expected cost of bonus, exgratia are recognised during the period in which employee renders related service.

(b) Post-employment Benefits:

Defined contribution plans: Company's contribution paid / payable during the year to employees state insurance scheme, Provident Fund and Labour welfare fund are recognised during the period.

Defined benefit plans: For defined benefit schemes in the form of gratuity fund, provident fund and post retirement medical benefits, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

Actuarial gains/losses are recognised in full in the statement of profit and loss, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

- (c) **Termination benefits** : Termination benefits are recognised as an expense in the period in which they are incurred.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

2.16 Leases

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company as a lessee:

(i) **Operating lease:** Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease.

(ii) **Finance leases:** Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

2.17 Provisions, Contingent Liabilities, Contingent Assets and commitments

(a) Provisions:

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(c) Contingent Assets:

Contingent Assets are neither recognised nor disclosed in the financial statements

(d) Commitments:

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

2.18 Accounting for Taxes on Income

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961 and Delaware and US Federal for foreign subsidiaries.

(b) Deferred Tax

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(c) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2.19 Segment reporting

Each of the reportable segments derives its revenues from the main products and hence these have been identified as reportable segments by the management of the group. Segment revenue, result, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and unallocated corporate liabilities respectively.

2.20 Government Grants

The Company has received government grants related to revenue expenses, which are deducted from related revenue expenses for the year.

2.21 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023	31 March 2022
3 Equity Share Capital			
(a) Authorised share capital			
2,50,00,000 equity shares of ₹ 10 each	2,500.00	-	-
1,00,00,000 equity shares of ₹ 10 each	-	1,000.00	-
10,00,000 equity shares of ₹ 100 each	-	-	1,000.00
(b) Issued, subscribed and paid up share capital			
1,61,50,000 equity shares of ₹ 10 each	1,615.00	-	-
95,00,000 equity shares of ₹ 10 each	-	950.00	-
950,000 equity shares of ₹ 100 each	-	-	950.00
	1,615.00	950.00	950.00

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Equity Shares

	31 March 2024		31 March 2023		31 March 2022	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
At the beginning of the period	95,00,000	950.00	95,00,000	950.00	9,50,000	950.00
Less: Old shares of INR 100 each*	-	-	-	-	(9,50,000)	-
Add: New shares of INR 10 each*	-	-	-	-	95,00,000	-
Add: Bonus Shares Issued during the year	66,50,000	665.00	-	-	-	-
At the end of the year	1,61,50,000	1,615.00	95,00,000	950.00	95,00,000	950.00

*During the year ended 31 March 2022, the Company has did the subdivision of equity shares from face value of Rs 100 to Rs 10.

Notes:

1. The Company has increased its authorised share capital from INR 10 crores to INR 25 crores on 16 December 2023.

2. The Company has issued bonus shares date on 29th December 2023 to its existing shareholders as 7 shares for every 10 shares held as on record date 20th December 2023. Accordingly 66.50 lakhs shares were issued during the year.

(d) The company has only one class of shares referred to as equity shares having at par value Rs. 10/- (Subdivision from Rs 100/- each in FY 2021-22). Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the ordinary shareholders are entitled to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholdings.

(e) The Company does not have any Holding Company/ Ultimate Holding Company.

(f) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestments as at the Balance Sheet date.

(g) No Shares have been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

(h) No Securities converted into Equity/preference Shares have been issued by the Company during the year.

(i) No Calls are unpaid by any Director or Officer of the Company during the year.

(j) Further there are no shares that have been allotted by the Company without payment being received in cash, or by way of bonus shares as on Balance Sheet date except disclosed

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

(k) Details of shares held

Equity Shares

	31 March 2024		31 March 2023		31 March 2022	
	No of shares	% Holding	No of shares	% Holding	No of shares	% Holding
Mangilal Lunawath	13,98,590	8.66%	23,20,000	24.42%	23,20,000	24.42%
Sayar Kumari Lunawath	12,92,000	8.00%	1,10,000	1.16%	1,10,000	1.16%
Pradeep Lunawath	14,00,205	8.67%	10,20,000	10.74%	10,20,000	10.74%
Vijay Shree Lunawath	12,92,000	8.00%	-	0.00%	-	0.00%
Sunil Lunawath	22,10,000	13.68%	13,00,000	13.68%	13,00,000	13.68%
Anushree Lunawath	4,82,205	2.99%	-	0.00%	-	0.00%
	80,75,000	50.00%	47,50,000	50.00%	47,50,000	50.00%
Sangeeta Gattani	28,09,250	17.39%	10,00,000	10.53%	10,00,000	10.53%
Nitin Gattani	45,39,000	28.11%	26,70,000	28.11%	26,70,000	28.11%
Shubh Gattani	7,26,750	4.50%	10,80,000	11.37%	10,80,000	11.37%
	80,75,000	50.00%	47,50,000	50.00%	47,50,000	50.00%
	1,61,50,000	100.00%	95,00,000	100.00%	95,00,000	100.00%

(l) Details of shares held by promoters at the end of the period*

Equity Shares

	31 March 2024			31 March 2023			31 March 2022		
	Number of shares	% of total shares	% change	Number of shares	% of total shares	% change	Number of shares	% of total shares	% change
Mangilal Lunawath*	-	-	-	23,20,000	24.42%	0.00%	23,20,000	24.42%	0.00%
Pradeep Lunawath	14,00,205	8.67%	-2.07%	10,20,000	10.74%	0.00%	10,20,000	10.74%	0.00%
Anushree Lunawath*	4,82,205	2.99%	100.00%	-	0.00%	0.00%	-	0.00%	0.00%
Sunil Lunawath	22,10,000	13.68%	0.00%	13,00,000	13.68%	0.00%	13,00,000	13.68%	0.00%
Sangeeta Gattani*	28,09,250	17.39%	100.00%	-	0.00%	0.00%	-	0.00%	0.00%
Nitin Gattani	45,39,000	28.11%	0.00%	26,70,000	28.11%	0.00%	26,70,000	28.11%	0.00%
	1,14,40,660	70.84%	-6.11%	73,10,000	76.95%	0.00%	73,10,000	76.95%	0.00%

*the disclosure of promoters' share holding is prepared based on the identified promoters as on date of signing of these financial statements. Accordingly Shri Mangilal Lunawath ceased to be a promoter and also resigned as director of the Company and Mrs. Sangeeta Gattani and Mrs. Anushree Lunawath is identified as promoter of the Company.

4 Reserves and surplus

(a) Surplus in Statement of Profit and Loss

	31 March 2024	31 March 2023	31 March 2022
Balance at the beginning of the year	5,286.64	4,943.32	3,092.71
Less: Utilized for issue of bonus shares	(665.00)	-	-
Add: Profit for the year	1,015.77	343.32	1,850.61
Balance at the end of the year	5,637.41	5,286.64	4,943.32

(b) Other reserves

Foreign currency translation reserve

	31 March 2024	31 March 2023	31 March 2022
Balance at the beginning of the year	(8.83)	-	-
Add: Additions during the year	(4.78)	(8.83)	-
Balance at the end of the year	(13.61)	(8.83)	-
	5,623.80	5,277.81	4,943.32

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023	31 March 2022
5 Long-term borrowings			
(a) Term Loans			
Term loan(s) from HDFC Bank Limited	1,887.17	2,562.08	2,240.53
Term loan(s) from ICICI Bank Limited	2,053.33	2,410.43	764.58
	3,940.50	4,972.51	3,005.11
Less: Current maturities under "Short-term borrowings" (refer note 9)			
Term loan(s) from HDFC Bank Limited	(889.71)	(712.16)	(641.91)
Term loan(s) from ICICI Bank Limited	(357.10)	(357.10)	(27.31)
	(1,246.81)	(1,069.26)	(669.22)
Non-current maturities of Secured Loans	2,693.69	3,903.25	2,335.89
(b) Finance Lease Obligations			
Vehicle loan(s) from Axis Bank Limited	-	-	8.78
Vehicle loan(s) from Mahindra & Mahindra Finance Limited	-	-	-
Vehicle loan(s) from HDFC Bank Limited	115.16	144.40	103.66
Less: Current maturities under "Other current liabilities" (refer note 9)			
Vehicle loan(s) from Axis Bank Limited	-	-	(8.78)
Vehicle loan(s) from Mahindra & Mahindra Finance Limited	-	-	-
Vehicle loan(s) from HDFC Bank Limited	(53.15)	(37.41)	(46.91)
Non-current maturities of finance lease obligations	62.01	106.99	56.75
(c) Unsecured loans			
From related parties	2,356.01	1,684.32	334.85
Non-current maturities of Unsecured loans	2,356.01	1,684.32	334.85
	5,111.71	5,694.56	2,727.49

5.1 Particulars of secured loans

(a) Term Loans

Sr	Name of Lender	Sanctioned Amount	Tenure/ repayment of schedule	Primary and Collateral Security	Interest rate
1	HDFC Bank Limited*	1,428.64	Tenure - 53 months and repayment in 53 monthly EMI from April 2021.	Prime- Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts. Collateral- Equitable mortgage of the self-occupied below mentioned property being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd at Industrial property-Khasra No. 1106, 1109, Badgaon, Lakhawali, Udaipur.	3 months T-bills + 3.00%.
2	HDFC Bank Limited*	673.22	Tenure - 53 months and repayment in 53 monthly EMI beginning from April 2021.		3 months T-bills + 3.00%
3	HDFC Bank Limited	600.00	Tenure - 48 months and repayment in 36 monthly EMI beginning from May 2022.		9.25%
4	HDFC Bank Limited	390.00	Tenure - 60 months and repayment in 36 monthly EMI beginning from July 2023.		Repo Rate + 2.75 %
5	HDFC Bank Limited	650.00	Tenure - 96 months and repayment in 84 monthly EMI beginning from July 2023.	Prime- Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral- Aaraji No. 10-11, Negadiya, Delwara, Rathunjana, Udaipur-Nathdwara Highway, Delwara, Rajasamand, Rajasthan.	3 months T-bills + 3.00%
6	ICICI Bank Limited	2,500.00	Tenure - 96 months and repayment in 84 monthly instalments beginning from January 2023.	Primary Security- Exclusive Charge on Current Assets and movable fixed assets. Collateral Security- Exclusive charge on Immovable fixed assets at Negadia Village, -Nathdwara Highway, 313001, Udaipur, Rajasthan, India	Repo Rate + 2.75%

*due to flexible interest rates, the EMI and tenure may increase/ reduce due to change in interest rates.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

31 March 2024 31 March 2023 31 March 2022

(b) Vehicle Loans

Sr	Name of Lender	Sanctioned Amount	Tenure/ repayment of schedule	Primary and Collateral Security	Interest rate
1	HDFC Bank Limited	7.54	37 monthly EMI of Rs. 22,763 beginning from 05/07/2021	Hypothecation on Equipment and accessories	7.18% p.a
2	HDFC Bank Limited	36.35	37 monthly EMI of Rs. 1,09,800 beginning from 01/07/2021	Hypothecation on Equipment and accessories	7.18% p.a
3	HDFC Bank Limited	37.34	37 monthly EMI of Rs. 1,12,515 beginning from 01/05/2022	Hypothecation on Vehicle	7.01% p.a.
4	HDFC Bank Limited	86.67	39 monthly EMI of Rs. 2,55,100 beginning from 05/05/2023	Hypothecation on Vehicle	8.50% p.a.
5	HDFC Bank Limited	31.68	39 monthly EMI of Rs. 93,400 beginning from 05/02/2024	Hypothecation on Vehicle	8.60% p.a.

6 Deferred tax liabilities (net)

Deferred tax liabilities:

On excess of WDV of fixed assets in books in comparison

596.04	522.31	410.66
<u>596.04</u>	<u>522.31</u>	<u>410.66</u>

Deferred tax assets:

On provision for doubtful debts

On unabsorbed depreciation under Income-tax Act, 1961

On expenses allowable under Income-tax Act, 1961 on

(33.56)	-	-
(77.18)	(36.71)	-
(31.62)	(21.30)	(15.45)
<u>(142.36)</u>	<u>(58.01)</u>	<u>(15.45)</u>

<u>453.68</u>	<u>464.30</u>	<u>395.21</u>
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7 Long-term provisions

Provision for employee benefits - Gratuity

54.92	37.39	23.15
<u>54.92</u>	<u>37.39</u>	<u>23.15</u>

8 Short-term borrowings

(a) Working Capital Loans

Cash Credit from HDFC Bank Limited (refer note 8.1)

Cash Credit from ICICI Bank Limited (refer note 8.2)

Overdraft against fixed deposits from Karnataka Bank Limited

Packing Credit Loan from HDFC Bank Limited (refer note 8.1)

4,130.83	3,014.58	68.76
490.47	584.83	-
36.84	40.66	800.65
1,472.10	1,438.25	1,477.95

Current Maturities of the Long Term Borrowings (refer note 5)

- Term Loan(s) from HDFC Bank Limited

- Term Loan(s) from ICICI Bank Limited

- Finance Lease Obligation

889.71	712.16	641.91
357.10	357.10	27.31
53.15	37.41	55.69

<u>7,430.20</u>	<u>6,184.99</u>	<u>3,072.27</u>
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8.1 Working capital facilities from HDFC Bank Limited are in form of Cash Credit and Packing Credit (INR & USD). These facilities are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides and guarantee of the Directors. These are renewed on yearly basis and carry fluctuating interest rates at 3months T Bill + 2.75%p.a.

8.2 Working capital facilities from ICICI Bank Limited are in form of Cash Credit and these facilities are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future and guarantee of the Directors. These are renewed on yearly basis and carry fluctuating interest rates at Repo Rate + 2.75%p.a.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023	31 March 2022
9 Trade Payables			
(a) total outstanding dues of micro and small enterprises; and	235.12	1,279.00	973.00
(b) total outstanding dues of other than micro and small enterprises	4,847.03	2,566.28	3,346.37
	<u>5,082.15</u>	<u>3,845.28</u>	<u>4,319.37</u>
9.1 Trade Payables ageing schedule			
Micro and small enterprises			
Not due	235.12	943.62	973.00
Less than 1 year	-	335.39	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	<u>235.12</u>	<u>1,279.00</u>	<u>973.00</u>
Others - undisputed			
Not due	3,924.96	1,686.76	1,089.90
Less than 1 year	921.85	865.56	2,250.67
1-2 years	0.22	13.06	3.60
2-3 years	-	0.90	0.40
More than 3 years	-	-	1.80
	<u>4,847.03</u>	<u>2,566.28</u>	<u>3,346.37</u>
9.2 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the company. Further, In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.			
10 Other current liabilities			
Creditors for capital expenditure	221.75	266.54	857.89
Advances from customers	1,308.93	770.99	515.35
Interest accrued but not yet due	8.51	12.81	11.14
Employee payables	104.74	110.34	61.81
Provision for expenses	107.24	49.83	119.97
Provision for Bonus	62.59	50.06	38.26
Statutory dues			
PF Payable	7.53	6.12	5.09
ESIC Payable	1.16	1.19	1.36
TDS Payable	37.26	33.86	18.62
RCM Payable under IGST, CGST and SCGT	3.13	3.60	2.17
	<u>1,862.84</u>	<u>1,305.34</u>	<u>1,631.66</u>
11 Short-term provisions			
Provision for taxes	189.42	22.90	-
	<u>189.42</u>	<u>22.90</u>	<u>-</u>

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

12 Property, Plant and Equipments and Intangible assets

Particulars	Land	Buildings	Solar plants	Plant and machinery	Electrical installations	Furniture and fixtures	Office equipments	Lab equipments	Vehicles	Computers	Total Property, Plant and Equipments	Softwares	Capital WIP*
Gross Block as at 01 April 2021	196.76	1,737.05	820.83	4,308.89	235.40	115.60	6.03	1.17	168.67	8.74	7,599.14	1.46	748.83
Add: Additions during the year	29.40	72.62	-	860.68	47.13	8.34	1.84	-	70.71	9.71	1,100.43	-	2,235.50
Less: Disposals during the year	-	-	-	(5.87)	-	-	-	-	-	-	(5.87)	-	(748.83)
Gross Block as at 31 March 2022	226.16	1,809.67	820.83	5,163.70	282.53	123.94	7.87	1.17	239.38	18.45	8,693.70	1.46	2,235.50
Accumulated depreciation as at 01 April 2021	-	157.14	58.40	1,149.47	42.70	17.45	2.46	0.36	19.43	3.87	1,451.28	1.13	-
Add: Depreciation for the year	-	56.85	51.99	454.32	24.37	11.18	1.28	0.11	21.80	2.92	624.82	0.27	-
Less: Accumulated depreciation on disposals	-	-	-	(0.30)	-	-	-	-	-	-	(0.30)	-	-
Accumulated depreciation as at 31 March 2022	-	213.99	110.39	1,603.49	67.07	28.63	3.74	0.47	41.23	6.79	2,075.80	1.40	-
Net Block as at 31 March 2022	226.16	1,595.68	710.44	3,560.21	215.46	95.31	4.13	0.70	198.15	11.66	6,617.90	0.06	2,235.50
Gross Block as at 01 April 2022	226.16	1,809.67	820.83	5,163.70	282.53	123.94	7.87	1.17	239.38	18.45	8,693.70	1.46	2,235.50
Add: Additions during the year	114.36	1,316.32	209.94	3,599.15	357.58	17.95	11.46	7.05	119.19	13.94	5,766.94	7.50	-
Less: Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(2,235.50)
Gross Block as at 31 March 2023	340.52	3,125.99	1,030.77	8,762.85	640.11	141.89	19.33	8.22	358.57	32.39	14,460.64	8.96	-
Accumulated depreciation as at 01 April 2022	-	213.99	110.39	1,603.49	67.07	28.63	3.74	0.47	41.23	6.79	2,075.80	1.40	-
Add: Depreciation for the year	-	85.19	52.45	497.95	44.22	12.51	2.98	0.37	30.41	5.84	731.92	1.19	-
Less: Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2023	-	299.18	162.84	2,101.44	111.29	41.14	6.72	0.84	71.64	12.63	2,807.72	2.59	-
Net Block as at 31 March 2023	340.52	2,826.81	867.93	6,661.41	528.82	100.75	12.61	7.38	286.93	19.76	11,652.92	6.37	-
Gross Block as at 01 April 2023	340.52	3,125.99	1,030.77	8,762.85	640.11	141.89	19.33	8.22	358.57	32.39	14,460.64	8.96	-
Add: Additions during the year	-	25.61	0.07	198.31	8.12	11.37	5.43	0.61	41.73	8.02	299.27	0.63	756.35
Less: Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Block as at 31 March 2024	340.52	3,151.60	1,030.84	8,961.16	648.23	153.26	24.76	8.83	400.30	40.41	14,759.91	9.59	756.35
Accumulated depreciation as at 01 April 2023	-	299.18	162.84	2,101.44	111.29	41.14	6.72	0.84	71.64	12.63	2,807.72	2.59	-
Add: Depreciation for the year	-	133.75	61.97	582.54	61.17	13.81	3.55	0.80	44.82	8.38	910.79	2.50	-
Less: Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2024	-	432.93	224.81	2,683.98	172.46	54.95	10.27	1.64	116.46	21.01	3,718.51	5.09	-
Net Block as at 31 March 2024	340.52	2,718.67	806.03	6,277.18	475.77	98.31	14.49	7.19	283.84	19.40	11,041.40	4.50	756.35

*All Capital work-in-progress/ Intangible assets under development (ITAUD) are for a period of less than 1 year and are projects in progress.

Esprit Stones Limited

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Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023	31 March 2022
13 Long-term loans and advances			
<i>Unsecured and considered good</i>			
Security deposit with sales-tax department (NSC)	0.30	0.30	0.30
Security deposit with Ajmer Vidyut Vitran Nigam Limited (AVVNL)	74.87	74.73	59.21
Security deposit against solar plants	13.98	13.98	13.98
Security deposit against rental properties	7.47	5.08	4.65
Security deposit - CDSL	0.90	-	-
Security deposit - NSDL	0.45	-	-
Security deposit - Others	91.75	41.09	-
Advances against capital expenditure	284.89	326.70	820.80
Less: Provision for doubtful advances	(76.03)	-	-
	208.86	326.70	820.80
	398.58	461.88	898.94
14 Inventories			
<i>Lower of cost or net realisable value</i>			
Raw material	983.19	959.17	724.24
Consumables	215.63	141.60	94.58
Packing material	29.89	26.14	10.60
Traded goods	82.45	80.67	-
Traded goods (in transit)	227.02	234.07	-
Finished goods	3,297.34	2,752.96	2,142.25
Finished goods (in transit)	1,299.80	1,113.72	525.96
	6,135.32	5,308.33	3,497.63
15 Trade receivables			
Unsecured and considered good			
Receivables outstanding for a period exceeding six months	1,001.76	589.71	283.95
Other receivables	6,242.72	3,548.99	2,201.40
	7,244.48	4,138.70	2,485.35
Unsecured and considered doubtful			
Receivables outstanding for a period exceeding six months	60.44	-	-
Other receivables	-	-	-
Less: Provision for doubtful debts	(57.30)	-	-
	3.14	-	-
	7,247.62	4,138.70	2,485.35

Esprit Stones Limited

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Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

31 March 2024 31 March 2023 31 March 2022

15.1 Trade Receivables ageing schedule as at

Outstanding for following periods from due date of payment

(i) Undisputed Trade receivables - considered good

Not due	3,130.06	1,449.34	1,383.40
Less than 6 months	3,112.65	2,099.65	818.00
6 months - 1 year	485.92	327.80	119.40
1-2 years	404.03	175.20	8.65
2-3 years	0.03	4.06	1.00
More than 3 years	-	30.72	16.00
	7,132.69	4,086.77	2,346.45

(ii) Undisputed Trade receivables - considered doubtful

Not due	-	-	-
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	7.74	-	-
2-3 years	6.33	-	-
More than 3 years	46.37	-	-
	60.44	-	-

(iii) Disputed trade receivables - considered good

Not due	-	-	-
Less than 6 months	-	-	-
6 months - 1 year	-	-	60.50
1-2 years	72.00	31.08	19.70
2-3 years	39.79	8.71	11.40
More than 3 years	-	12.14	47.30
	111.79	51.93	138.90

(iv) Disputed trade receivables - considered doubtful

Not due	-	-	-
Less than 6 months	-	-	-
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
	-	-	-

Trade receivables	7,304.92	4,138.70	2,485.35
Less: Provision for doubtful debts	(57.30)	-	-
Trade receivables (net of provisions)	7,247.62	4,138.70	2,485.35

Esprit Stones Limited

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Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023	31 March 2022
16 Cash and bank balances			
(a) Cash and cash equivalents			
Cash-in-hand	9.41	16.35	11.62
Balance with banks in current accounts	18.60	57.01	126.64
	<u>28.01</u>	<u>73.36</u>	<u>138.26</u>
(b) Other bank balances			
Deposits with maturity more than 3 months but less than 12 months (including fixed deposits marked as lien)	296.50	216.44	1,070.74
	<u>296.50</u>	<u>216.44</u>	<u>1,070.74</u>
	<u><u>324.51</u></u>	<u><u>289.80</u></u>	<u><u>1,209.00</u></u>
17 Short-term loans and advances			
<i>Unsecured and considered good</i>			
Advances to vendors	459.96	220.35	221.55
Income-tax refund receivable	11.51	121.33	83.52
Input tax credit receivable (IGST, CGST, SGST)	392.25	822.28	252.60
GST refund receivable	226.70	455.09	406.44
GST demand paid under protest	30.95	12.81	-
Export benefits or subsidies receivable	298.43	234.31	38.19
Insurance claims receivable	30.69	-	-
Employee advances	4.62	17.11	7.71
Prepaid expenses	76.99	52.70	6.12
	<u>1,532.10</u>	<u>1,935.98</u>	<u>1,016.13</u>
18 Other current assets			
Preliminary expenses	-	-	2.42
Interest accrued on fixed deposits	18.97	8.26	106.81
	<u>18.97</u>	<u>8.26</u>	<u>109.23</u>

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Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

	for the year ended 31 March 2024	for the year ended 31 March 2023	for the year ended 31 March 2022
19 Revenue from operations			
(a) Sale of products	27,009.90	17,015.69	18,504.61
(b) Other operating revenue			
Export incentives	279.12	425.40	141.04
	<u>27,289.02</u>	<u>17,441.09</u>	<u>18,645.65</u>
20 Other income			
Interest earned on fixed deposits	16.70	41.00	70.42
Interest earned on loans and advances	4.21	1.30	25.18
Interest on income-tax refund	2.71	-	-
Foreign exchange difference (net)	87.99	83.40	225.92
Balances written back	13.15	-	-
Profit on sale of fixed assets	-	-	1.93
Other income	64.04	39.73	33.50
	<u>188.80</u>	<u>165.43</u>	<u>356.95</u>
21 Cost of material consumed			
Opening stock of raw material	959.17	724.24	447.81
Add: Purchases during the year/ period	16,031.33	10,869.80	11,185.18
Less: Closing stock of raw material	(983.19)	(959.17)	(724.24)
	<u>16,007.31</u>	<u>10,634.87</u>	<u>10,908.75</u>
Consumption during the period			
22 Purchase of traded goods			
Quartz and miscellaneous items	1,332.16	721.85	363.61
	<u>1,332.16</u>	<u>721.85</u>	<u>363.61</u>
23 Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Finished goods			
Opening Stock	3,866.68	2,668.21	1,378.49
Less: Closing Stock	(4,597.14)	(3,866.68)	(2,668.21)
Changes in inventories of finished goods	<u>(730.46)</u>	<u>(1,198.47)</u>	<u>(1,289.72)</u>
Traded goods			
Opening Stock	314.74	-	-
Less: Closing Stock	(309.47)	(314.74)	-
Changes in inventories of finished goods	<u>5.27</u>	<u>(314.74)</u>	<u>-</u>
24 Employee benefit expenses			
Salaries and wages to factory staff	1,034.26	878.06	909.44
Salaries and wages to other employees	441.74	461.06	232.46
Director's Remuneration	54.00	54.00	48.60
Bonus, Incentives etc.	101.02	55.75	44.39
Contribution to provident fund and others	42.78	30.68	22.12
Gratuity	17.54	14.24	10.34
Staff welfare expenses	125.35	91.60	79.00
Covid-19 safety expenses	-	-	7.42
	<u>1,816.69</u>	<u>1,585.39</u>	<u>1,353.77</u>
25 Finance expenses			
Interest on term loans	371.07	349.33	176.08
Interest on working capital loans	452.66	220.64	67.58
Interest on unsecured loans	38.85	17.34	12.36
Interest on vehicle and other loans	9.59	5.89	7.83
Interest on delayed payment of government payments	1.15	0.14	1.42

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Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

	for the year ended 31 March 2024	for the year ended 31 March 2023	for the year ended 31 March 2022
Bank commission and charges	44.32	28.92	60.16
Others	79.47	11.98	-
	997.11	634.24	325.43

26 Other expenses

Manufacturing expenses			
Stores and spare parts consumed	1,215.25	1,215.87	1,461.25
Primary packing material consumed	382.70	203.52	306.17
Power, fuel and utility charges	473.03	423.05	469.65
General plant expenses (manufacturing)	51.17	52.38	99.96
Slurry removal expenses	40.42	46.55	53.06
Job work charges	419.00	192.97	218.75
Repair and maintenance expenses			
- on plant and machinery	49.22	32.28	71.96
Selling and distribution expenses			
Secondary packing material consumed	308.11	224.21	339.36
Transportation, ocean freight and clearing expenses	1,587.04	1,190.91	868.20
Exhibition and marketing expenses	346.41	160.40	62.19
Commission/ Incentive on sales	-	-	53.98
Other selling expenses	143.40	60.40	37.39
Other administrative expenses			
Repair and maintenance expenses			
- on buildings	10.25	7.90	15.64
- on others	1.39	3.24	9.09
Travelling and accommodation expenses	196.11	108.45	31.27
Office and administrative expenses	51.55	35.60	29.43
Rent expenses	47.70	20.62	6.30
Vehicle running and maintenance expenses	28.49	37.47	30.54
Security expenses	15.93	14.11	15.42
Printing and stationery	4.69	5.87	7.30
Membership, subscriptions Etc.	1.66	2.27	0.35
Insurance expenses	35.46	26.34	18.67
Charity/ Donation expenses	1.18	3.67	1.07
Payment to auditors			
- for statutory audit	16.00	3.00	2.00
- for tax audit	-	-	-
- for others	4.00	-	-
Legal and professional expenses	87.37	78.78	85.24
Preliminary expenses amortized	-	-	1.68
Quality claims accepted on sold material	28.22	36.89	15.48
Miscellaneous expenses	7.58	5.69	3.82
Bad debts	4.55	-	-
Provision for doubtful debts and bad debts	133.33	-	-
Goods damaged by accidents	-	44.20	-
Corporate Social Responsibility (CSR) expenses	35.56	42.39	33.11
	5,726.77	4,279.03	4,348.33

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

27 Contingent liabilities and commitments

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Contingent Liabilities not provided for:			
(i) Letter of credits outstanding	313.82	246.45	578.21
(ii) GST Related Matters for which company preferred appeal (refer note a1)	362.88	-	-
(iii) GST Related Matters for which company preferred appeal (refer note a2)	21.63	-	-

a1 The Company has received orders dated 30 October 2023 from Central Goods and Service Tax (CGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 181.44 lakhs for financial year 2018-19, 2019-20 and 2020-21 plus an equal amount of penalty. The Company has filed appeal against these order with the Honorable Appellate Authority CGST, Jodhpur on 25 January 2024 and the management believes that basis of ground of appeals, the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority CGST, accordingly, no liability has been provided.

a2 The Company has received orders dated 24 April 2024 from State Goods and Service Tax (SGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 11.08 lakhs for the financial year 2018-19 plus INR 10.55 lakhs for interest and others. The Company will file appeal against these order within due date with the Honorable Appellate Authority and the management believes that basis of ground of appeals, and the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority, accordingly, no liability has been provided.

(iv) Custom duties on import of quartz surfaces in the USA

The Company's subsidiary imports Quartz Surfaces in the United States of America (USA) from India. In the USA, the Quartz Surfaces from India is currently being imported under Anti-dumping duty (ADD) and Countervailing Duty (CVD) deposits. Further, based on the application from Importers and Exporters, The U.S. Department of Commerce (US-DOC) conducts an yearly Administrative Review (AR) of the ADD and CVD order on import of quartz surface products from India.

During the period of these financial statements the applicable CVD deposit rates were from 1.57% to 2.17% and ADD deposit rates were from 1.02% to 3.19% on import of quartz surfaces from India. Subsequently, w.e.f 20 November 2023, the ADD for import of quartz surfaces from few of the exporters in the USA from India was reduced to Nil/ Zero including Esprit Stones Limited. Further, below is the status of Administrative Review (AR) of the ADD and CVD order on import of quartz surface products from India in the USA:

Countervailing Duty (CVD) on import of quartz surfaces from India

Period under review	Status of Review	Financial Impact on Company
Upto 31 May 2021	US DOC has finalised CVD rates	No impact
June 1, 2021 to May 31, 2022	AR-2 is not filed by importers/ exporters	No impact
June 1, 2022 to May 31, 2023	AR-3 is filed by exporters	No impact, as estimated*

Antidumping Duty (ADD) on import of quartz surfaces from India

Period under review	Status of Review	Financial Impact on Company
Upto 31 May 2021	US DOC has finalised ADD rates	No impact
June 1, 2021 to May 31, 2022	US DOC has given final order	No impact
June 1, 2022 to May 31, 2023	AR-3 is filed by exporters	No impact, as estimated*

*the Company has internally assessed the outcome of the results of ongoing Administrative Review and based on the past results of these Administrative Reviews, it expects the judgement of current Administrative Reviews not to be against the Company and hence does not expects any impact on its financial

(b) Commitments

The Company has imported plant and machinery under EPCG scheme without paying custom duty, as a consequences in the event that certain terms and conditions are not fulfilled, the company is committed to pay the consequential taxes, levies etc. The Company has issued required Bank Guarantee in favour of DGFT (Director General of Foreign Trade) against the same. The outstanding bank guarantee as on 31 March 2024 is INR 102.80 lakhs (31 March 2023 : INR 102.80 lakhs). The total export obligation against these licenses is USD 9,311,311 (31 March 2023 : 8,682,906), USD 9,311,311 (31 March 2022: 8,682,906). The Company has completed obligations under some of the licenses and redemption is under process.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

28 Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

(a) List of related parties where control exists and related parties with whom transactions have taken place and relationships

Group	<p>Ultimate Holding Company Esprit Stones Limited [Formerly Esprit Stones Private Limited]</p> <p>Subsidiaries A 100% - Haique Stones Private Limited (w.e.f 20-Aug-21) B 51% - Addwaya Chemicals Private Limited (w.e.f 01-Feb-21) C 100% - Haique Stones Inc, USA (w.e.f 01-Apr-2022)</p>
Directors	<p>In Holding Company 2 Pradeep Lunawath 3 Sunil Lunawath 4 Nitin Gattani</p> <p>In Subsidiaries 5 Rajendra Om Prakash Jain 6 Sumeet Gattani w.e.f Aug'22 7 Pranav Banthia till Aug'22</p>
Director's relative	<p>8 Krishna Gopal Gattani 9 Saumya Gattani 10 Shubh Gattani 11 Sayar Kumari Lunawath 12 Anushree Lunawath 13 Siddhanth Lunawath 14 Arnav Lunawath 15 Seema Banthia 16 Vijay Shree Lunawath 17 Sangeeta Gattani 18 Tanushree Gattani</p>
Key Managerial Personnel (KMP)	<p>19 Prakash Manghani, CFO (w.e.f 05 Feb 2024) 20 Anjali Pandey, Company Secretary and Compliance Officer (w.e.f 05 Feb 2024)</p>
Enterprises in which directors' are interested	<p>21 Aravali Minerals and Chemicals Industries Private Limited 22 Rose Marble Private Limited 23 Mahaveer Trading Company 24 Gattani Resorts Private Limited 25 Shreya Petrochem Private Limited 26 Esprit Ventures Private Limited 27 Rajasthan Packaging Company Private Limited 28 Pranav Marbles 29 Aravali Quartz 30 Alask Stones 31 S O and Co. 32 K K Enterprises 33 Quality Suitings Private Limited 34 Saumya Energy Private Limited</p>

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

28 Related party transactions (continued)

(b) Transactions during the period and balances at the period-end with related parties after elimination of intra-group transactions and balances

Sr No	Transaction	For the period ended 31 March 2024										31 March 2024
		Issue of shares	Loans taken/ (granted)	Loans (repaid)/ received back	Interest on Loans received/ (paid)	Revenue Income (Sales etc.)	Salaries	Other revenue expenses (Purchases etc.)	Capital Receipts/ Sale of Investments	Capital Expenses/ Investments	Expenses Reimbursed/ (on behalf)	Balances at year end (Payable)/ Receivable
1	Mangilal Lunawath	-	67.45	(44.63)	-	-	-	-	-	-	-	(380.00)
2	Pradeep Lunawath	-	85.00	(80.17)	-	1.77	19.50	-	-	-	-	(286.98)
3	Sunil Lunawath	-	137.00	(90.50)	-	-	19.50	-	-	-	-	(71.50)
4	Nitin Gattani	-	356.00	(36.50)	-	-	19.50	-	-	-	-	(688.50)
5	Rajendra Om Prakash Jain	-	95.00	(35.00)	(19.68)	-	-	-	-	-	-	(241.73)
6	Sumeet Gattani	-	-	-	-	-	18.60	-	-	-	-	-
7	Pranav Banthia	-	-	-	(10.63)	-	-	18.00	-	-	-	(115.54)
8	Krishna Gopal Gattani	-	-	-	-	-	-	-	-	-	-	-
9	Saumya Gattani	-	-	-	-	-	15.60	-	-	-	-	-
10	Shubh Gattani	-	-	-	-	-	13.00	-	-	-	-	-
11	Sayar Kumari Lunawath	-	20.00	-	-	-	-	-	-	-	-	(80.00)
12	Anushree Lunawath	-	25.00	(146.98)	-	-	-	-	-	-	-	(103.00)
13	Siddhanth Lunawath	-	-	-	-	-	31.85	-	-	-	0.41	(0.01)
14	Arnav Lunawath	-	24.55	-	-	-	40.60	-	-	-	-	(25.24)
15	Seema Banthia	-	225.50	(100.00)	(8.55)	-	-	-	-	-	-	(133.19)
16	Vijay Shree Lunawath	-	90.00	(183.00)	-	-	-	-	-	-	-	-
17	Sangeeta Gattani	-	228.00	-	-	-	12.00	-	-	-	-	(228.69)
18	Tanushree Gattani	-	-	-	-	-	8.50	-	-	-	-	-
19	Prakash Manghani	-	-	-	-	-	4.39	-	-	-	-	-
20	Anjali Pandey	-	-	-	-	-	0.65	-	-	-	-	-
21	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	-	38.37	-	9.00	-	-	-	5.04
22	Rose Marble Private Limited	-	-	-	-	14.48	-	60.27	-	-	-	(0.11)
23	Mahaveer Trading Company	-	-	-	-	7.41	-	0.78	-	-	-	1.53
24	Gattani Resorts Private Limited	-	-	-	-	-	-	9.54	-	-	-	(1.01)
25	Shreya Petrochem Private Limited	-	-	-	-	3.17	-	87.29	-	-	-	-
26	Esprit Ventures Private Limited	-	-	-	-	-	-	-	-	-	-	-
27	Rajasthan Packaging Company Private Limited	-	-	-	-	-	-	-	-	-	-	-
28	Pranav Marbles	-	-	-	-	12.65	-	2,019.82	-	-	-	(555.30)
29	Aravali Quartz	-	-	-	-	15.00	-	4.89	-	-	-	82.68
30	Alask Stones	-	-	-	-	-	-	-	-	-	-	-
31	S O and Co.	-	-	-	-	2.27	-	38.65	-	-	-	(0.90)
32	K K Enterprises	-	-	-	-	-	-	1,444.34	-	-	-	(0.80)
33	Quality Suitings Private Limited	-	-	-	-	-	-	29.13	-	-	-	(21.07)
34	Saumya Energy Private Limited	-	-	-	-	-	-	51.64	-	-	-	-

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

(b) Transactions during the period and balances at the period-end with related parties after elimination of intra-group transactions and balances (continued)

Sr No	Transaction	For the year ended 31 March 2023										31 March 2023
		Issue of shares	Loans taken/ (granted)	Loans (repaid)/ received back	Interest on Loans received/ (paid)	Revenue Income (Sales etc.)	Salaries	Other revenue expenses (Purchases etc.)	Capital Receipts/ Sale of Investments	Capital Expenses/ Investments	Expenses Reimbursed/ (on behalf)	Balances at year end (Payable)/ Receivable
1	Mangilal Lunawath	-	357.18	-	-	-	-	-	-	-	-	(357.17)
2	Pradeep Lunawath	-	173.32	-	-	3.02	19.35	-	-	-	-	(282.15)
3	Sunil Lunawath	-	25.00	-	-	-	19.35	-	-	-	-	(23.00)
4	Nitin Gattani	-	245.00	(1.00)	-	-	19.35	-	-	-	-	(369.00)
5	Rajendra Om Prakash Jain	-	106.50	-	(8.51)	-	-	-	-	-	-	(164.01)
6	Sumeet Gattani	-	-	-	-	-	17.08	-	-	-	-	(1.49)
7	Pranav Banthia	-	50.00	-	(6.97)	-	-	-	-	-	-	(105.97)
8	Krishna Gopal Gattani	-	-	-	-	-	-	-	-	-	-	-
9	Saumya Gattani	-	-	-	-	-	15.60	-	-	-	-	-
10	Shubh Gattani	-	-	-	-	-	12.98	-	-	-	-	-
11	Sayar Kumari Lunawath	-	60.00	-	-	-	-	-	-	-	-	(60.00)
12	Anushree Lunawath	-	224.97	-	-	-	-	-	-	-	-	(224.98)
13	Siddhanth Lunawath	-	-	-	-	-	31.54	-	-	-	-	(0.01)
14	Arnav Lunawath	-	-	-	-	-	34.30	-	-	-	-	(2.90)
15	Seema Banthia	-	-	-	-	-	-	-	-	-	-	-
16	Vijay Shree Lunawath	-	93.00	-	-	-	-	-	-	-	-	(93.00)
17	Sangeeta Gattani	-	-	-	-	-	6.00	-	-	-	-	(3.90)
18	Tanushree Gattani	-	-	-	-	-	7.08	-	-	-	-	-
19	Prakash Manghani	-	-	-	-	-	-	-	-	-	-	-
20	Anjali Pandey	-	-	-	-	-	-	-	-	-	-	-
21	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	-	94.78	-	1.48	-	-	-	(7.81)
22	Rose Marble Private Limited	-	-	-	-	944.77	-	18.58	-	7.00	-	707.49
23	Mahaveer Trading Company	-	-	-	-	23.19	-	5.85	-	-	-	14.47
24	Gattani Resorts Private Limited	-	-	-	-	-	-	6.19	-	-	-	(1.04)
25	Shreya Petrochem Private Limited	-	-	-	(11.69)	-	-	903.35	-	-	-	(577.01)
26	Esprit Ventures Private Limited	-	-	-	-	-	-	-	-	-	-	-
27	Rajasthan Packaging Company Private Limited	-	-	-	-	-	-	12.19	-	-	-	(2.45)
28	Pranav Marbles	-	-	-	-	0.22	-	1,021.90	-	-	-	(317.93)
29	Aravali Quartz	-	-	-	-	9.00	-	15.21	-	-	-	50.22
30	Alask Stones	-	-	-	-	-	-	18.16	-	-	-	(0.75)
31	S O and Co.	-	-	-	-	-	-	40.68	-	-	-	(12.09)
32	K K Enterprises	-	-	-	(0.30)	-	-	60.26	-	-	-	(60.56)
33	Quality Suitings Private Limited	-	-	-	-	-	-	-	-	-	-	-
34	Saumya Energy Private Limited	-	-	-	-	-	-	-	-	-	-	-

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

(b) Transactions during the period and balances at the period-end with related parties after elimination of intra-group transactions and balances (continued)

Sr No	Transaction	For the year ended 31 March 2022										31 March 2022
		Issue of shares	Loans taken/ (granted)	Loans (repaid)/ received back	Interest on Loans received/ (paid)	Revenue Income (Sales etc.)	Salaries	Other revenue expenses (Purchases etc.)	Capital Receipts/ Sale of Investments	Capital Expenses/ Investments	Expenses Reimbursed/ (on behalf)	Balances at year end (Payable)/ Receivable
1	Mangilal Lunawath	-	-	(2.00)	-	-	-	-	-	-	-	-
2	Pradeep Lunawath	-	-	(90.39)	(5.56)	-	17.06	-	-	-	-	(111.85)
3	Sunil Lunawath	-	-	(5.00)	-	-	17.06	-	-	-	0.28	-
4	Nitin Gattani	-	-	(98.49)	(6.80)	-	17.06	-	-	-	-	(125.00)
5	Rajendra Om Prakash Jain	-	32.43	-	-	-	-	-	-	-	-	(49.00)
6	Sumeet Gattani	-	-	-	-	-	15.26	-	-	-	-	(0.05)
7	Pranav Banthia	-	32.06	-	-	-	-	-	-	-	-	(49.00)
8	Krishna Gopal Gattani	-	-	-	-	-	-	0.41	-	-	-	-
9	Saumya Gattani	-	-	-	-	-	15.55	-	-	-	-	-
10	Shubh Gattani	-	-	-	-	-	12.15	-	-	-	-	-
11	Sayar Kumari Lunawath	-	-	(1.00)	-	-	-	-	-	-	-	-
12	Anushree Lunawath	-	-	(2.00)	-	-	-	-	-	-	-	-
13	Siddhanth Lunawath	-	-	-	-	-	26.80	-	-	-	-	(0.01)
14	Arnav Lunawath	-	-	-	-	-	22.80	-	-	-	-	-
15	Seema Banthia	-	-	-	-	-	-	-	-	-	-	-
16	Vijay Shree Lunawath	-	-	-	-	-	-	-	-	-	-	-
17	Sangeeta Gattani	-	-	-	-	-	-	-	-	-	-	-
18	Tanushree Gattani	-	-	-	-	-	-	-	-	-	-	-
19	Prakash Manghani	-	-	-	-	-	-	-	-	-	-	-
20	Anjali Pandey	-	-	-	-	-	-	-	-	-	-	-
21	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	-	68.91	-	3.78	-	-	-	21.24
22	Rose Marble Private Limited	-	-	-	-	790.65	-	21.08	-	-	-	468.69
23	Mahaveer Trading Company	-	-	-	-	-	-	18.26	-	-	-	-
24	Gattani Resorts Private Limited	-	-	-	-	-	-	2.81	-	-	-	0.48
25	Shreya Petrochem Private Limited	-	-	-	-	-	-	-	-	-	-	-
26	Esprit Ventures Private Limited	-	-	535.68	25.17	-	-	-	-	-	-	-
27	Rajasthan Packaging Company Private Limited	-	-	-	-	-	-	37.69	-	-	-	-
28	Pranav Marbles	-	-	-	-	-	-	1,202.90	-	-	-	(231.45)
29	Aravali Quartz	-	-	-	-	15.00	-	73.26	-	-	-	12.43
30	Alask Stones	-	-	-	-	-	-	-	-	-	-	-
31	S O and Co.	-	-	-	-	-	-	-	-	-	-	-
32	K K Enterprises	-	-	-	-	-	-	-	-	-	-	-
33	Quality Suitings Private Limited	-	-	-	-	-	-	-	-	-	-	-
34	Saumya Energy Private Limited	-	-	-	-	-	-	-	-	-	-	-

Esprit Stones Limited

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Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

28 Related party transactions (continued)

(c) Intra group eliminated transactions

	for year ended 31 March 2024	for the year ended 31 March 2023	for the year ended 31 March 2022
1 Revenue from operations			
of Esprit Stones Limited from Addwaya Chemicals Private Limited	36.64	181.05	-
of Esprit Stones Limited from Haique Stones Private Limited	100.80	169.83	-
of Esprit Stones Limited from Haique Stones Inc., USA	8,155.56	1,241.58	-
of Haique Stones Private Limited from Esprit Stones Limited	100.90	-	-
of Haique Stones Private Limited from Haique Stones Inc., USA	-	2,114.93	-
of Addwaya Chemicals Private Limited from Esprit Stones Limited	3,294.21	2,146.56	-
of Addwaya Chemicals Private Limited from Haique Stones Private Limited	50.19	520.28	-
2 Interest & income earned on advances and guarantee			
of Esprit Stones Limited from Addwaya Chemicals Private Limited	92.28	25.98	5.78
of Esprit Stones Limited from Haique Stones Private Limited	100.58	79.41	14.95
3 Other income			
of Haique Stones Private Limited from Addwaya Chemicals Private Limited	1.01	0.51	-
of Haique Stones Private Limited from Esprit Stones Limited	0.06	-	-
of Esprit Stones Limited from Haique Stones Private Limited	2.21	-	-
of Esprit Stones Limited from Haique Stones Inc.	58.85	-	-
4 Investments in subsidiaries			
by Esprit Stones Limited in Addwaya Chemicals Private Limited	-	-	-
by Esprit Stones Limited in Haique Stones Private Limited	-	-	1.00
by Esprit Stones Limited in Haique Stones Inc., USA	0.19	8.00	-
5 Inter-corporate loans and advances given / (received back)			
by Esprit Stones Limited to Addwaya Chemicals Private Limited	146.50	86.80	244.06
by Esprit Stones Limited to Haique Stones Private Limited	519.95	(374.00)	814.50

(d) Intra group eliminated balances

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
1 For Esprit Stones Limited			
Trade payables			
Addwaya Chemicals Private Limited	1,783.40	1,063.06	-
Haique Stones Private Limited	0.05	-	-
Other current liabilities			
Haique Stones Inc.	-	8.00	-
Trade receivables			
Haique Stones Inc.	927.54	314.88	-
Haique Stones Private Limited	20.62	2.33	-
Addwaya Chemicals Private Limited	38.49	-	-
Investment in subsidiaries			
Haique Stones Inc.	8.19	8.00	-
Haique Stones Private Limited	1.00	1.00	1.00
Addwaya Chemicals Private Limited	7.65	7.65	7.65
Intercompany loans			
Haique Stones Private Limited	960.45	440.50	814.50
Addwaya Chemicals Private Limited	516.50	370.00	283.20
Interest accrued on inter-corporate loans			
Haique Stones Private Limited	121.20	72.68	13.46
Addwaya Chemicals Private Limited	61.29	23.99	5.20
2 For Haique Stones Private Limited			
Trade payables			
Addwaya Chemicals Private Limited	54.42	32.03	-
Trade receivables			
Haique Stones Inc.	-	302.50	-

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

29 Statement of Adjustments to the Restated Consolidated Financial information

(a) Summarised below are the restatement adjustments made to the shareholders' fund for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, and their consequential impact on the equity of the Group:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
A Total Shareholders' fund as per Audited Consolidated Financial Statement	7,238.80	6,227.81	5,893.32
B Adjustments			
Material restatement adjustments	-	-	-
(i) Audit qualifications	-	-	-
(ii) Adjustments due to prior period items / other adjustment	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
(iv) Current tax impact on adjustments in (i) and (ii), as applicable	-	-	-
C Total impact of adjustments	-	-	-
D Total equity as per restated consolidated financial information (A+C)	<u>7,238.80</u>	<u>6,227.81</u>	<u>5,893.32</u>

(b) Summarised below are the restatement adjustments made to the net profit after tax for the period / years ended 31 March 2024, 31 March 2023 and 31 March 2022 their impact on the profit / (loss) of the Group:

	for year ended 31 March 2024	for the year ended 31 March 2023	for the year ended 31 March 2022
A Net Profit after tax as per Audited Consolidated Financial Statements	1,031.73	355.72	1,850.53
B Adjustments			
Material restatement adjustments	-	-	-
(i) Audit qualifications	-	-	-
(ii) Adjustments due to prior period items / other adjustment	-	-	-
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable	-	-	-
(iv) Current tax impact on adjustments in (i) and (ii), as applicable	-	-	-
C Total impact of adjustments	-	-	-
D Total equity as per restated consolidated financial information (A+C)	<u>1,031.73</u>	<u>355.72</u>	<u>1,850.53</u>

30 The reconciliation of income tax expense calculated as per tax rates applicable to individual entities with income tax expense is as follows:

The Individual entities in the group has different rates of taxes viz. 25.168% for Esprit Stones Limited, 17.16% for Haique Stones Private Limited and Addwaya Chemicals Private Limited and 29.70% for Haique Stones Inc. USA. Accordingly, a simplified table is presented below for reconciliation of income-tax expenses.

	for year ended 31 March 2024	for the year ended 31 March 2023	for the year ended 31 March 2022
A Profit before tax	1,409.68	531.24	2,367.34
B Income tax expense at tax rates applicable to individual entities	386.11	106.46	557.93
C Deferred tax assets (recognised)/ reduced on Unabsorbed depreciation	(40.47)	(36.71)	-
D Deferred tax assets (recognised)/ reduced on expenses allowable under Income-tax on payment basis.	(10.32)	(5.85)	(11.72)
E Deferred tax assets (recognised)/ reduced on expenses allowable under Income-tax on realised basis.	(33.56)	-	-
F Impact of change in rates on moving to new tax regime	-	-	(59.81)
G Deferred tax liabilities recognised/ (reduced) on difference in depreciation expenses as per Income-tax act and Companies Act.	73.73	111.65	29.77
H Prior period tax expenses	2.46	(0.03)	0.64
I Tax expenses as per financials statements	<u>377.95</u>	<u>175.52</u>	<u>516.81</u>

These Consolidated financial statements are prepared as per Accounting Standards and as required changes in components of deferred tax assets and liabilities are only shown under Statement of Profit and Loss. Accordingly, no further disclosures are made with respect to bifurcation of tax expenses and movement in deferred tax assets and liabilities.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

31 Segment reporting

Currency : in Lakhs INR (₹)

(a) Information about Primary Segments - Business Segments

As at and for the year ended 31 March 2024						
Particulars	Business Segments		Other operations	Inter-company eliminations	Total	
	Engineered Stones	Unsaturated Polyester Resin				
I Segment revenue						
External revenue	19,138.51	8,150.51	-	-	27,289.02	
Inter-segment revenue	-	3,344.40	36.64	(3,381.04)	-	
Total revenue	19,138.51	11,494.91	36.64	(3,381.04)	27,289.02	
II Segment results						
Segment results before finance costs, exceptional items and tax	1,700.25	517.74	-	-	2,217.99	
Less: Unallocated corporate expenses					-	
Operating profits					2,217.99	
Add : Other income					188.80	
Less: Finance costs					(997.11)	
Less: Exceptional items					-	
Less: Tax expenses					(377.95)	
Profit after tax					1,031.73	
III Particulars of segment assets and liabilities						
Segment assets	22,879.53	7,404.34	-	(2,824.52)	27,459.35	
Segment liabilities	15,677.82	7,331.62	-	(2,824.52)	20,184.92	
IV Particulars of other segment information						
Capital expenditure	883.07	176.16	-	-	1,059.23	
Segment depreciation	860.52	60.21	-	(7.44)	913.29	
Non-cash expenditure other than depreciation	141.46	-	-	-	141.46	

As at and for the year ended 31 March 2023						
Particulars	Business Segments		Other operations	Inter-company eliminations	Total	
	Engineered Stones	Unsaturated Polyester Resin				
I Segment revenue						
External revenue	14,877.87	2,563.22	-	-	17,441.09	
Inter-segment revenue	-	2,666.84	181.55	(2,848.39)	-	
Total revenue	14,877.87	5,230.06	181.55	(2,848.39)	17,441.09	
II Segment results						
Segment results before finance costs, exceptional items and tax	831.28	168.77			1,000.05	
Less: Unallocated corporate expenses					-	
Operating profits					1,000.05	
Add : Other income					165.43	
Less: Finance costs					(634.24)	
Less: Exceptional items					-	
Less: Tax expenses					(175.52)	
Profit after tax					355.72	
III Particulars of segment assets and liabilities						
Segment assets	21,624.13	3,900.91	-	(1,722.80)	23,802.24	
Segment liabilities	15,415.79	3,861.77	-	(1,722.80)	17,554.76	
IV Particulars of other segment information						
Capital expenditure	3,127.56	547.30	-	(38.67)	3,636.19	
Segment depreciation	700.24	40.31	-	(7.44)	733.11	
Non-cash expenditure/ (income) other than depreciation	(37.38)	-	-	-	(37.38)	

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

As at and for the year ended 31 March 2022					
Particulars	Business Segments		Other operations	Inter-company eliminations	Total
	Engineered Stones	Unsaturated Polyester Resin			
I Segment revenue					
External revenue	18,645.65	-	-	-	18,645.65
Inter-segment revenue	-	-	-	-	-
Total revenue	18,645.65	-	-	-	18,645.65
II Segment results					
Segment results before finance costs, exceptional items and tax	2,335.98	(0.16)	-	-	2,335.82
Less: Unallocated corporate expenses					-
Operating profits					2,335.82
Add : Other income					356.95
Less: Finance costs					(325.43)
Less: Exceptional items					-
Less: Tax expenses					(516.81)
Profit after tax					1,850.53
III Particulars of segment assets and liabilities					
Segment assets	17,635.19	434.55	-	-	18,069.74
Segment liabilities	11,749.44	419.71	-	-	12,169.15
IV Particulars of other segment information					
Capital expenditure	2,768.92	349.79	-	(20.73)	3,097.98
Segment depreciation	625.09	-	-	-	625.09
Non-cash expenditure/ (income) other than depreciation	(35.03)	-	-	-	(35.03)

Notes:

- The group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system and which is also the basis on which the management reviews and assess the Group's performances. The operations predominantly relate to Engineered Stones and Unsaturated Polyester Resin.
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on reasonable basis.

(b) Information about Secondary Segments - Geographical

	31 March 2024	31 March 2023	31 March 2022
I Sale of products			
Within India	11,425.64	4,636.37	686.79
Outside India (including USA)	15,863.38	12,804.72	17,958.86
Total	27,289.02	17,441.09	18,645.65
II Segment assets			
Within India	25,724.10	22,501.11	16,626.94
Outside India (including USA)	1,735.25	1,301.13	1,442.80
Total	27,459.35	23,802.24	18,069.74
III Capital expenditure			
Within India	1,059.23	3,636.19	3,097.98
Outside India (including USA)	-	-	-
Total	1,059.23	3,636.19	3,097.98

Notes:

- The group has disclosed geographical segment as the secondary segment which have been identified taking into account the geographical location of the customers and which is also the basis on which the management reviews and assess the Group's performances. The customers are based within India or outside India (including USA). Further, the export incentives received are considered as revenue from outside India as these are directly related and accrued on exports.

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

32 Earning per share

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
Profit attributable to the equity shareholders (A)*	1,015.77	343.32	1,850.61
Weighted average number of equity shares (after bonus issue)	95,00,000	95,00,000	95,00,000
Add: Bonus shares issued on 29 December 2023	66,50,000	66,50,000	66,50,000
Weighted average number of equity shares (after bonus issue) (B)	1,61,50,000	1,61,50,000	1,61,50,000
Basic and diluted earning per share (C = A/B)	6.29	2.13	11.46

*The Company has issued bonus shares date on 29th December 2023 to its existing shareholders as 7 shares for every 10 shares held as on record date 20th December 2023. Accordingly 66.50 lakhs shares were issued during the year.

33 Operating leases

The company has operating leases for land and residential premises for its staff, these are renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months. The Company has recognised following expenses against these leases

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
Expenses against operating leases	47.7	20.62	6.3

34 Foreign currency exposure

(a) Payables in foreign currency

	As at		
	31 March 2024	31 March 2023	31 March 2022
<u>In foreign currency</u>			
Unhedged - USD	12,150.00	2,56,725.00	7,59,494.23
Unhedged - Euro	-	35,289.00	-
<u>In INR lakhs</u>			
Unhedged - USD	10.13	214.61	578.57
Unhedged - Euro	-	32.19	-

(b) Receivables in foreign currency

	As at		
	31 March 2024	31 March 2023	31 March 2022
<u>In foreign currency</u>			
Unhedged - USD	11,30,514.42	16,02,684.53	19,03,615.94
Hedged - USD	9,50,000.00	-	-
<u>In INR lakhs</u>			
Unhedged - USD	942.91	1,301.13	1,442.80
Hedged - USD	792.35	-	-

35 Other disclosures for income and expenses in foreign currency

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
a) Value of imports calculated on C.I.F basis in respect of:			
Raw materials	88.69	214.31	15.59
Consumables	17.22	157.25	124.35
Plant and machineries	193.52	66.37	1,360.14
b) Earning in foreign currency:			
Revenue from sales of goods on FOB basis from India (including sales to foreign subsidiary)	13,900.25	10,697.69	15,471.00
c) Expenditure in foreign currency:			
Other charges	0.44	4.91	0.56
Against trade exhibitions	52.31	3.87	-
Against retainership agreement (lawyer)	1.14	8.54	24.02

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

36 Disclosures related to employee benefits

The Company has classified various employee benefits as under:

A Defined contribution plans

i) Provident Fund

ii) Employer's Contribution to Employee State Insurance Corporation (ESIC)

The Provident fund and Pension scheme are operated by regional PF Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement schemes to fund the benefits.

The Company as recognised the following amounts in the Statement of Profit and Loss:

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
Contribution to Provident fund (net of government grants)	33.53	22.07	14.59
Contribution to Employee State Insurance Corporation (ESIC)	7.16	6.79	6.21

B Retirement benefit plans

i) Gratuity based on actuarial valuations

The Company has carried out actuarial valuation of Gratuity accordingly the below disclosures are limited to applicable tables from actuarial

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
I. Actuarial Assumptions			
Mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Discount rate	7.20%	7.15%	7.15%
Salary growth rate p.a.	7.00%	7.00%	7.00%
Expected rate of return on planned assets			
Withdrawal rates p.a.			
25 years and below	10.00%	10.00%	10.00%
25 to 35 years	8.00%	8.00%	8.00%
35 to 45 years	6.00%	6.00%	6.00%
45 to 55 years	4.00%	4.00%	4.00%
55 and above	2.00%	2.00%	2.00%
II. Funded status of the plan			
Present value of unfunded obligations	54.92	37.39	23.15
Present value of funded obligations	-	-	-
Fair value of plan assets	-	-	-
Unrecognised Past Service Cost	-	-	-
Net Liability (Asset)	54.92	37.39	23.15

Esprit Stones Limited

[Formerly known as Esprit Stones Private Limited]

Notes to the restated consolidated financial statements (continued)

Currency : in Lakhs INR (₹)

36 Disclosures related to employee benefits (continued)

B Retirement benefit plans (continued)

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
III. Profit and loss for the period			
Present value of obligations at beginning of the year	-	-	-
Current service cost	17.74	14.49	10.34
Interest on obligations	2.73	1.65	-
Expected return on plan assets	-	-	-
Net actuarial loss/(gain)	(2.93)	(1.90)	-
Recognised Past Service Cost-Vested	-	-	-
Recognised Past Service Cost-Unvested	-	-	-
Loss/(gain) on curtailments and settlement	-	-	-
Total included in 'Employee Benefit Expense'	17.54	14.24	10.34

IV. Reconciliation of defined benefit obligation

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
Opening Defined Benefit Obligation	37.39	23.15	12.81
Transfer in/(out) obligation	-	-	-
Current service cost	17.74	14.49	10.34
Interest cost	2.73	1.65	-
Actuarial loss (gain)	-2.93	-1.90	-
Past service cost	-	-	-
Loss (gain) on curtailments	-	-	-
Liabilities extinguished on settlements	-	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-	-
Exchange differences on foreign plans	-	-	-
Benefit paid from fund	-	-	-
Benefits paid by company	-	-	-
Closing Defined Benefit Obligation	54.93	37.39	23.15

V. Reconciliation of net defined benefit liability

	for the year ended		
	31 March 2024	31 March 2023	31 March 2022
Net opening provision in books of accounts	37.39	23.15	12.81
Transfer in/(out) obligation	-	-	-
Transfer (in)/out plan assets	-	-	-
Employee Benefit Expenses as per above	17.54	14.24	10.34
Benefits paid by the Company	-	-	-
Contributions to plan assets	-	-	-
Closing provision in books of accounts	54.93	37.39	23.15

37 Previous year's figures have been regrouped, rearranged and reclassified, wherever considered necessary, and are rounded off to nearest lakhs, in order to conform to the presentation of the restated financial statements.

As per our report attached

For A. Bafna & Co.

Chartered Accountants

Firm Reg. No. : 003660C

For and on behalf of Board of Directors of

Esprit Stones Limited

SP-1, Udyog Vihar Sukher Industrial Area, Udaipur

CIN: U74999RJ2016PLC056284

Vivek Gupta

Partner

Membership Number : 400543

Sunil Lunawath

Manging Director

DIN : 01105117

Nitin Gattani

Jt. Manging Director

DIN: 00173258

Place : Udaipur

Date: 05 July 2024

Prakash Manghani

Chief Financial Officer

Anjali Pandey

Company Secretary

ICSI Membership No. : A45660

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, together with all the annexures, schedules and notes thereto (“**Financial Statements**”) are available at www.espritstones.com/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; or (i) the Red Herring Prospectus; or (iii) 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 Financial Statements 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 and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor Book Running Lead Managers, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from Restated Financial Information required to be disclosed under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are set forth below:

Particulars	<i>(₹ in Lakhs except per share data or unless otherwise stated)</i>		
	As on/For the Year/Period ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Basic Earnings Per Share (EPS)	6.29	2.13	11.46
Diluted Earnings Per Share (EPS)	6.29	2.13	11.46
Return on Net worth	15.09%	5.66%	37.25%
Net Assets Value (NAV) per Share	44.82	38.56	36.49
EBITDA	3,320.08	1,898.59	3,317.86

The ratios have been computed as under:

1. *Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year.*
2. *Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year.*
3. *Return on Net Worth (%) = Net Profit after tax, as restated attributable to the parent for the end of the year/ period divided by Average Net worth as at the end of the year.*
4. *Average Net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year.*
5. *Net Asset Value per share = Net Worth at the end of the year/period divided by weighted average no. of equity shares outstanding during the year.*
6. *EBITDA: Aggregate of restated profit/(loss) before tax, finance cost, depreciation and amortization*

Related Party Transactions

For details of the Related Party Transactions, as per the requirements under applicable Accounting Standards read with the SEBI ICDR Regulations, for Financial Years ended March 31, 2024, 2023, 2022, see “**Restated Financial Information- Note 28- Related Party Transactions**” on page 230.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2024, derived from our Restated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "*Risk Factors*", "*Restated Financial Information*" and "*Management Discussion and Analysis of Financial Position Results of Operations*", on pages 39, 205, and 251 respectively.

(₹ in lakhs)

Particulars	Pre-Issue as at March 31, 2024	As Adjusted for the Issue
Borrowings		
Short-Term Borrowings [#] (A)	6,130.24	6,130.24
Long-Term Borrowings [#] (B)	6,411.67	6,411.67
Total Borrowings (C)	12,541.91	12,541.91
Shareholder's Fund		
Share Capital [#]	1,615.00	2,194.52
Reserves and Surplus [#]	5,623.80	10,079.70
Minority Interest	35.63	35.63
Total Shareholder's Fund (D)	7,274.43	12,309.85
Long-Term Borrowings/ Total Shareholder's Fund (B/D)	0.88	0.52
Total Borrowings/ Total Shareholder's Fund (C/D)	1.72	1.02

As certified by A P Sanzgiri & Co., Chartered Accountants vide certificate dated July 31, 2024

[#]These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.

Notes:

1. The amounts disclosed above are derived from the Restated Financial Information.
2. Long-Term Borrowings include current maturities of long term borrowings.
3. The data in the "As adjusted for the Issue" column reflects changes in Equity Share capital and Other Equity only on account of the proceeds from the Fresh Issue of ₹ 5,035.42* lakhs, out of which ₹ 579.52* lakhs has been adjusted towards Equity Share capital and ₹ 4,455.90* lakhs has been adjusted towards Other Equity. Further, the Other Equity amount has not been adjusted for share issue expenses on account of the Issue.

*Subject to finalization of Basis of Allotment

FINANCIAL INDEBTEDNESS

Our Company avails loans in its ordinary course of business for purposes such as working capital, business requirements and other general corporate purposes. For details regarding the borrowing powers of our Board, see “*Our Management – Borrowing powers of our Board*” on page 184.

The details of aggregate indebtedness of our Company as on May 31, 2024 is provided below:

<i>(in ₹ lakhs)</i>		
Category of Borrowing	Sanctioned Amount	Amount outstanding as on May 31, 2024*
Secured		
(i) Fund Based		
(a) Vehicle Loans	199.57	104.84
(b) Term Loans	6,241.86	3,751.98
(c) Working Capital Facilities- Cash Credit/ Overdraft/ Pre-Shipment Credit Facility	7,230.00	5,896.68
(ii) Non-Fund Based		
(a) Letter of Credit/Bank Guarantee	1,552.10	666.53
(b) Letter of Credit- Bill discounting (DRUL)	500.00	-
(c) Pre-Settlement Risk (PSR)	700.00	-
(iii) Unsecured		
(a) Loans from Related Parties	2,356.01	2,356.01
Total Borrowings		12,109.51[#]

*As certified by M/s A P Sanzgiri & Co., pursuant to their certificate dated July 18, 2024.

[#]Excluding the non-fund based working capital facilities which comprises of bank guarantees/ letter of credit, DRUL, PSR amounting to ₹666.53 lakhs.

For details in relation to financial indebtedness of our Company, see “*Restated Financial Information – Note 5 and 8 - Borrowings*” on page 221.

Key terms of our secured borrowings (fund based) are disclosed below:

(a) Vehicle Loans

Name of Lender	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024 (In Lakhs)
HDFC Bank	7.54	7.18%	Vehicle	37 monthly EMI of Rs. 22,763 beginning from 05/07/2021	0.45
HDFC Bank	36.35	7.18%	Vehicle	37 monthly EMI of Rs. 1,09,800 beginning from 01/07/2021	2.18
HDFC Bank	86.67	8.50%	Vehicle	39 monthly EMI of Rs. 2,55,100 beginning from 05/05/2023	60.38

Name of Lender	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024 (In Lakhs)
HDFC Bank	37.34	7.01%	Vehicle	37 monthly EMI of Rs. 1,12,515 beginning from 01/05/2022	13.00
HDFC Bank	31.68	8.60%	Vehicle	39 monthly EMI of Rs. 93,400 beginning from 05/02/2024	28.82
Total	199.57				104.84

(b) **Term Loans**

Name of Lender	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024*
HDFC Bank	390.00	9.25%	Prime-Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral-Equitable mortgage of the self-occupied below mentioned property being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd. 1. Industrial property-Khasra No. 1106, 1109, Badgaon, Lakhawali, Udaipur.	60 Months	387.00
HDFC Bank	673.22	8.91% ((3 months t-bills + 3.00%)	Prime-Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral-Equitable mortgage of the self-occupied below mentioned property being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd.	53 Months	256.18

Name of Lender	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024*
			1. Industrial property-Khasra No. 1106, 1109, Badgaon, Lakhawali, Udaipur.		
HDFC Bank	1,428.64	8.91% ((3 months t-bills + 3.00%))	Prime-Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral-Equitable mortgage of the self-occupied below mentioned property being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd. 1. Industrial property-Khasra No. 1106, 1109, Badgaon, Lakhawali, Udaipur.	53 Months	357.37
HDFC Bank	600.00	9.25%	Prime-Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral-Equitable mortgage of the self-occupied below mentioned property being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd. 1. Industrial property-Khasra No. 1106, 1109, Badgaon, Lakhawali, Udaipur.	48 Months	210.91

Name of Lender	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024*
HDFC Bank	650.00	8.91 (linked with 3m treasury bill)	Prime-Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral- 1. Industrial Property-AARAJI NO 10-11, NEGDIYA, DELWARA, RATHUJANA, Udaipur Nathdwara Highway, Delwara. 2. Industrial Property-KHASRA NO.-1106 TO 1109, TEHSIL BADGAON, VILLAGE BHILWARA, BADGAON, 313004, Udaipur, Rajasthan	96 months including 12 months of moratorium	546.72
ICICI Bank	2,500.00	9.25% (Repo rate + 2.75%)	Primary Security- Exclusive Charge on Current Assets and movable fixed assets Collateral Security- Exclusive charge on Immovable fixed assets- Negadia Village, Nathdwara Highway, 313001, Udaipur, Rajasthan, India Personal gurantee of Nitin Gattani & Sunilkumar Lunawath Corporate Gurantee- Esprit Stones Ltd	84 equal monthly installments. Tenure should not exceed 96 months including moratorium of 12 months	1,993.81
Total	6,241.86				3,751.98

(c) **Cash Credit/Overdraft/Pre-shipment Credit Facility**

Name of Lender	Nature of Borrowing	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024*
HDFC Bank	Cash Credit	1,500.00	8.81 (3 months t-bills + 2.54%)	Prime-Hypothecation by way of first and exclusive charges	Repayable on Demand	1,440.83

Name of Lender	Nature of Borrowing	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024*
			9	on all present & future current assets inclusive of Stocks & book debts Collateral- Equitable mortgage of the self-occupied below mentioned property being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd. 1. Industrial property-Khasra No. 1106,1109, Badgaon, Lakhawali, Udaipur.		
HDFC Bank	Pre-shipment Credit Facility	1,500.00	5.4% (3 months t-bills + 3.00% - 3% interest subvention)	Prime-Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral- Equitable mortgage of the self-occupied below mentioned property being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd. 1. Industrial property-Khasra No. 1106, 1109, Badgaon, Lakhawali, Udaipur.	6 months	1,495.00
Karnataka Bank	Overdraft against Fixed Deposit	40.00	7.4%	Fixed Deposit (Face Value- Rs. 51,42,612)	Repayable on Demand	36.77
HDFC Bank	Overdraft against Fixed Deposit	790.00	8.94% (FD rate + 0.5%)	Fixed Deposit	12 months	-
HDFC Bank	Cash Credit	2,900.00	8.95(linked with 3m)	Prime-Hypothecation by	Repayable on Demand	2,443.82

Name of Lender	Nature of Borrowing	Sanctioned Amount (In Lakhs)	Rate of Interest	Primary and Collateral Security	Repayment Terms	Amount outstanding as on May 31, 2024*
			treasury bill	way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts Collateral- 1. Industrial Property- AARAJI NO 10-11, NEGADIYA, DELWARA, RATHUJANA, Udaipur Nathdwara Highway, Delwara. 2. Industrial Property- KHASRA NO.- 1106 TO 1109, TEAHSIL BADGAON, VILLAGE BHILWARA, BADGAON, 313004, Udaipur, Rajasthan		
ICICI Bank	Cash Credit	500.00	9.25% (Repo rate + 2.75%)	Primary Security- Exclusive Charge on Current Assets and movable fixed assets Collateral Security- Exclusive charge on Immovable fixed assets- Negadia Village, - Nathdwara Highway, 313001, Udaipur, Rajasthan, India Personal gurantee of Nitin Gattani & Sunilkumar Lunawath Corparate Gurantee- Esprit Stones Ltd	Repayable on Demand	480.26
Total		7,230.00				5,896.68

Key terms of our unsecured borrowings are disclosed below:

(a) **Loans from Related Parties**

Name of Lender	Rate of Interest	Repayment Terms	Amount outstanding as on May 31, 2024*
Loan from Promoters:			
Sunilkumar Lunawath	10%	Repayable on Demand	71.50
Nitin Gattani	10%	Repayable on Demand	688.50
Pradeep Kumar Lunawath	10%	Repayable on Demand	290.00
Anushree Lunawath	10%	Repayable on Demand	103.00
Sangeeta Gattani	10%	Repayable on Demand	228.00
Loan from Other Related Parties	10%	Repayable on Demand	975.01
Total			2,356.01

Other Terms:

- Pre-payment:** The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, including upon giving notice to the concerned lender, subject to such prepayment penalties as laid down in the facility agreements. The prepayment penalty for the facilities availed by us, where specified, ranges typically between 2% to 4% of the amount outstanding or the amount to be prepaid as specified in the agreements with lenders. For certain facilities pre-payment is not disclosed however can be made after mutual negotiation between the lenders & the borrower on the pre-paid amount.
- Default/ Penal Interest:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations. These include, inter alia, breach of financial covenants, non-submission of annual financial statements and stock statements, diversion of funds, non-perfection of security within permitted timelines, irregularity / overdrawn in the account etc. Further, the default interest payable on the facilities availed by us is charged at up to 2% per annum. Additional interest as specified by the lenders may be charged in case of continuation of the noncompliance beyond a certain period.
- Restrictive Covenants:** Certain borrowing arrangements entered into by us contain restrictive covenants which requires us to take prior written consent of the respective lender before undertaking certain activities, including:
 - change or alternation in the capital structure;
 - effect any scheme of amalgamation or reconstruction;
 - undertake any project or implementation of new scheme of expansion/ diversification;
 - declaration of payment of dividend;
 - withdraw or allow to be withdrawn during the currency of the loan any moneys brought in by the borrower;
 - invest any funds by way of deposits or loans or in share capital of any other concern;
 - borrow or obtain credit facilities from any bank or financial institution;
 - appoint sole selling agents.
 - create any charge, lien or encumbrance over undertaking or any part thereof in favour of any bank, financial institution, firm or person;
 - enter into any contractual obligation which will be detrimental to interest of lender;
 - sell, assign, mortgage, or otherwise dispose off any of the fixed assets charged to the lender;
 - change in accounting policies; and
 - carry on any general trading activity other than trading for own products.
- Events of Default:** The term loan and other facilities availed by us contain certain standard events of default, including:
 - change in the constitution, control, management, majority directors or in the shareholding pattern or profit sharing of our Company without the consent of the lenders to our Company;
 - failure or inability by our Company to repay any amount due under principal amount or interest;

- c. failure to comply with any provision of the financing documents;
- d. cease to carry on the business or threatens to carry on the business;
- e. use of borrowing for purposes other than those agreed with lenders;
- f. breach of any covenants, conditions, representations or warranties of financing documents;
- g. cross default under any arrangement for the facilities extended by lender;
- h. any misstatement, misrepresentation or misleading information in financing documents;
- i. entering into any arrangement or composition creditors or the committing any act of insolvency or any act the consequence of which may lead to the insolvency or winding up;
- j. obligation under financing arrangement or end use of amount borrowed becomes illegal or unlawful;
- k. occurrence of any event or existence of any circumstances which jeopardizes interest of lender or threatens the security in respect of the facilities;
- l. repudiation of a financing document or evidencing an intention to repudiate a finance document;
- m. failure to obtain or maintain inadequate insurance; and
- n. occurrence or existence of such events or circumstances, which in the opinion of the lender, could have a material adverse effect.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information which have been included in this Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Consolidated Financial Information for financial years ended March 31, 2024, 2023 and 2022 including the related notes and reports, included in this Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI (ICDR) Regulations 2018, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Consolidated Financial Information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader’s level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “Risk Factors” and “Forward Looking Statements” on pages 39 and 22 respectively, and elsewhere in this Prospectus.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

Business Overview

We are one of the key Engineered Stone players in the Indian Market. (Source: CARE Report). We are primarily engaged in the manufacturing of Engineered Stone such as: (i) engineered quartz surfaces; and (ii) engineered marble surfaces. Our Company majorly manufactures engineered quartz surfaces and through its Subsidiary, HSPL, we manufacture engineered marble surfaces. Engineered Stone is a composite material formed out of crushed stone that is held together by an adhesive. Engineered Stone’s non-porous characteristics, offer superior scratch, stain and heat resistance, making them extremely durable and therefore get an edge over competing products such as laminate and other manufactured solid surfaces. The strength, consistency, durability and appearance of our Engineered Stones, as well as their low maintenance makes it ideal for its application for vanities & bathroom surfaces, kitchen countertops, floors and wall cladding furniture, and other interior surfaces that are used in a variety of residential and non-residential applications. Through our innovative design and manufacturing processes, we are able to offer our product in wide variety of colours, styles, designs and textures.

Key Performance Indicators

In evaluating our business, we consider and use certain key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these key performance indicators is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information included in this Prospectus. We present these key performance indicators because they are used by our management to evaluate our operating performance. Further, these key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. A list of our KPIs for the Financial Years ended March 31, 2024, 2023 and 2022 is set out below:

Particulars	(₹ in lakhs, unless stated otherwise)		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Financial			
Revenue from Operations ⁽¹⁾	27,289.02	17,441.09	18,645.65
EBITDA ⁽²⁾	3,320.08	1,898.59	3,317.86
EBITDA Margin ⁽³⁾ (in %)	12.17%	10.89%	17.79%

Net Profit after tax ⁽⁴⁾	1,031.73	355.72	1,850.53
Net Profit Margin ⁽⁵⁾ (in %)	3.78%	2.04%	9.92%
Return on Net Worth ⁽⁶⁾ (in %)	15.09%	5.66%	37.25%
Return on Capital Employed ⁽⁷⁾ (in %)	12.39%	7.60%	25.05%
Debt-Equity Ratio ⁽⁸⁾	1.72	1.90	0.98
Days Working Capital ⁽⁹⁾	97	91	42

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 18, 2024.

Notes:

1. Revenue from operations represents the revenue from sale of products and other operating revenue of our Company as recognized in the Restated financial information.
2. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation, and amortization expense.
3. EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
4. Net Profit after tax represents the restated profits of our Company after deducting all expenses.
5. Net Profit margin is calculated as restated profit/ (loss) for the year divided by revenue from operations.
6. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year divided by Average Net worth. Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year.
7. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year).
8. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings and lease liabilities. Total equity is the sum of equity share capital, reserves and surplus and minority interest.
9. Days Working Capital is arrived at by dividing average working capital (current assets excluding cash and cash equivalents less current liabilities excluding short term borrowings) by revenue from operations multiplied by the number of days in the year (365).

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business activities or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factors**” on page 39. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Our Manufacturing Facilities are concentrated in the periphery of Udaipur, Rajasthan. Any disruption, breakdown or shutdown of our Manufacturing Facilities may have a material adverse effect on our business, financial condition, results of operations and cash flow.
2. Our manufacturing activity is subject to availability of raw material and the costs of the raw materials. Any shortage in availability or fluctuations in raw material prices, may have a material adverse effect on our business, financial condition, results of operations and cash flows.
3. A significant majority of our revenues from operations are derived from a limited number of customers.
4. Major portion of our revenues are derived from exports to the United States of America and any adverse developments in this market or restrained economic or political relations of India with the United States of America could adversely affect our business.
5. Under-utilisation of our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared in accordance with Indian Generally accepted Accounting

Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies has been consistently applied except where newly issued accounting standard requires a change in the accounting policy hitherto in use.

1.2. USE OF ESTIMATE

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates includes, the useful life of tangible and intangible fixed assets, allowances for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

1.3. FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any.

The cost of Fixed Asset comprises its purchase price including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use. Subsequent up gradation / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not regular nature are written off over the estimated useful life of relevant assets.

All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.

Intangible Assets and amortization

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful life of 3 years

Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

1.4. DEPRECIATION

Owned assets

Depreciation on fixed assets is provided on straight line method, at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. In case of plant and machinery used for double or triple shift, depreciation is increased to 150% and 200% of normal depreciation respectively. Significant components of assets having a life shorter than the main asset, if any are depreciated over the shorter life.

Leased assets:

Leasehold lands are amortised over the period of lease.

Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

Details of useful life of the fixed asset taken as:

Asset	Useful Life Taken	Useful Life As per Schedule II
Building	05 to 60 years	30 Years
Plant and Machinery	15 Years	15 Years
Furniture and Fixture	10 Years	10 Years
Vehicle	8 Years	10 Years
Office Equipment	5 Years	5 Years
Solar Plant	15 Years	15 Years
Electrical Installation	10 Years	10 Years
Computer	3 to 6 Years	3 Years
Lab Equipment	10 Years	10 Years

1.5. INVENTORY VALUATION

Inventories are valued at the lower of cost and net realizable value. Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined using the weighted average cost method for all categories of inventories. Cost includes in case of Raw materials, Stores & spares, Packing material and consumables the purchase price and attributable direct cost less discounts. In case of Work-in-Progress and finished goods cost includes direct labour, material costs and production overheads.

1.6. INVESTMENTS

Current investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. However, provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

1.7. TAXES ON INCOME – CURRENT AND DEFERRED

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961 and Delaware and US Federal for foreign subsidiaries.

Deferred tax assets and liabilities are realized by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are realized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date

1.8. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are normally recorded on the initial recognition in the reported currency using the exchange rates prevailing on the date of transaction.

Monetary assets & liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted in the period in which they arise

Any income or expense on account of exchange difference either on settlement or on translation of monetary items are recognized in the Statement of Profit and Loss for the period in which they arise

In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

1.9. BORROWING COST

Interest and other borrowing costs attributable to qualifying assets are capitalized. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over 12 months) to get ready for its intended use or sale. Other interest and borrowing costs are charged to statement of Profit & Loss.

1.10. LEASES

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company as a lessee:

- (i) **Operating lease:** Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease.
- (ii) **Finance leases:** Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

1.11. REVENUE RECOGNITION

The company recognises revenues on the sale of products, net of discounts, when the products are dispatched / delivered to the customer/ dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer/ dealer.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the company's right to receive dividend is established.

Export entitlements under the duty remission scheme are recognized as income on accrual basis.

1.12. RECOGNITION OF EXPENDITURE

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

1.13. GOVERNMENT GRANT

The Company has received government grants related to revenue expenses, which are deducted from related revenue expenses for the year.

1.14. PROVISIONS AND CONTINGENCIES

Provisions

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made

Contingent Assets:

Contingent Assets are neither recognized nor disclosed in the financial statements

Commitments:

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

1.15. EMPLOYEE BENEFITS

Short Term Employee Benefits:

All employee benefits payable wholly within 12 months of rendering service are classified as short term employee benefit. Benefits such as Salaries, Wages, performance incentives, expected cost of bonus, exgratia are recognised during the period in which employee renders related service.

Post-employment Benefits:

Defined contribution plans: Company's contribution paid / payable during the year to employees state insurance scheme, Provident Fund and Labour welfare fund are recognised during the period.

Defined benefit plans: For defined benefit schemes in the form of gratuity fund, provident fund and post-retirement medical benefits, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

Actuarial gains/losses are recognised in full in the statement of profit and loss, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

1.16. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.17. CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.18. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

As per Accounting Standard -20 on Earning Per Share, If the number of equity or potential equity shares outstanding increases as a result of a bonus issue or share split or decreases as a result of a reverse share split (consolidation of shares), the calculation of basic and diluted earnings per share should be adjusted for all the periods presented. If these changes occur after the balance sheet date but before the date on which the financial statements are approved by the board of directors, the per share calculations for those financial statements and any prior period financial statements presented should be based on the new number of shares. Accordingly the EPS has been calculated on number of shares after bonus issue made on 29 December 2023 for all reporting period.

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Set forth below are the principal components of statement of profit and loss from our continuing operations:

Income

Our total income comprises of (i) revenue from operations and (ii) other income.

Revenue from Operations

Revenue from operations comprises of: (i) sale of products; (ii) other operating revenue

Other Income

Other income includes (i) Interest earned on fixed deposits; (ii) Interest earned on loans and advances; (iii) Interest on income-tax refund; (iv) Foreign exchange difference (net);(v) Balances written back; (vi) Profit on sale of fixed assets; (vii) Other income.

Expenses

Our expenses comprises of: (i) cost of materials consumed; (ii) purchases of stock in trade; (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortization expense; and (vii) other expenses.

Cost of Materials Consumed

Cost of materials consumed denote the sum of opening stock and purchases of raw materials less closing stock of raw materials.

Purchases of stock-in-trade

Purchase of stock-in-trade denotes the purchase cost of traded goods.

Changes in Inventories

Changes in inventories denote the difference between opening and closing balance of work in progress, finishedgoods and stock in trade.

Employee Benefits Expense

Employee benefits expenses include (i) Salaries and Wages to factory staff and other employees; (ii) Bonus Expenses and other incentives, (iii) Contributions to Provident and Other Fund, (iv) Directors Remuneration and (v) Gratuity (vi) Staff welfare expenses (vii) Covid-19 Safety expenses.

Finance Cost

Finance cost includes (i) interest on term loans; (ii) interest on working capital loans; (iii) interest on unsecured loans; (iv) interest on vehicle and other loans; (v) interest on delayed payment of government taxes; (vi) bank commission and charges and (vii) others

Depreciation and Amortisation expenses

Depreciation and amortisation expenses primarily include depreciation expenses on land & buildings, solar plants, plant and machinery, electrical installations, furniture and fixtures, office equipment, lab equipment, vehicles, computer and software.

Other Expenses

Other expenses include (i) Stores and spare parts consumed; (ii) Primary packing material consumed; (iii) Power, fuel and utility charges; (iv) General plant expenses(Manufacturing) (v) Technical assistance expenses for manufacturing; (vi) General plant expenses (manufacturing); (vii) Slurry removal expenses; (viii) Job work charges; (ix) Repair and maintenance expenses on plant and machinery; (x) Selling and distribution expenses which includes secondary packing material consumed, transportation, ocean freight and clearing expenses, business development & acquisition expenses, exhibition and marketing expenses, commission/incentive on sales, other selling expenses; (xi) Other administrative expenses such as repair and maintenance expenses, travelling and accommodation expenses, office and administrative expenses, rent expenses, vehicle running and maintenance expenses, security expenses, printing and stationery, membership, subscription etc., insurance expenses, charity/donation expenses, payment to auditors, legal and professional expenses, quality claims accepted on sold material, miscellaneous expenses, provision for doubtful debts and bad debts, goods damaged by accidents, corporate social responsibility expenses, Legal and professional expenses

Our Results of Operations

The following table sets forth selective financial data from our restated consolidated statement of profit & loss for the financial years ended March 31, 2024, 2023 and 2022, the components of which are also expressed as a percentage of revenue from operations for such periods:

Particulars	Restated Results for the Year ended March 31, 2024		Restated Results for the Year ended March 31, 2023		Restated Results for the Year ended March 31, 2022	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Income						
Revenue from operations	27,289.02	100.00%	17,441.09	100.00%	18,645.65	100.00%
Other income	188.80	0.69%	165.43	0.95%	356.95	1.91%
Total Income	27,477.82	100.69%	17,606.52	100.95%	19,002.60	101.91%
Expenses						
Cost of materials consumed	16,007.31	58.66%	10,634.87	60.98%	10,908.75	58.51%
Purchases of stock-in-trade	1,332.16	4.88%	721.85	4.14%	363.61	1.95%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-725.19	-2.66%	(1,513.21)	-8.68%	(1,289.72)	-6.92%
Employee benefits expenses	1,816.69	6.66%	1,585.39	9.09%	1,353.77	7.26%
Finance costs	997.11	3.65%	634.24	3.64%	325.43	1.75%
Depreciation and amortisation expenses	913.29	3.35%	733.11	4.20%	625.09	3.35%
Other expenses	5,726.77	20.99%	4,279.03	24.53%	4,348.33	23.32%
Total expenses	26,068.14	95.53%	17,075.28	97.90%	16,635.26	89.22%
Profit / (Loss) before tax	1,409.68	5.17%	531.24	3.05%	2,367.34	12.70%
Tax expense:						
(a) Current tax expense for current year	(386.11)	-1.41%	(106.46)	-0.61%	(557.93)	-2.99%
(b) Deferred tax expenses	10.62	0.04%	(69.09)	-0.40%	41.76	0.22%
(c) Prior year(s)	(2.46)	-0.01%	0.03	0.00%	(0.64)	0.00%
Profit / (Loss) for the year	1,031.73	3.78%	355.72	2.04%	1,850.53	9.92%

RESULTS OF OPERATIONS INFORMATION FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 COMPARED WITH FINANCIAL YEAR ENDED MARCH 31, 2023

Particulars	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Change in ₹ Lakhs	Change in %
Income				
Revenue from operations	27,289.02	17,441.09	9,847.93	56.46%
Other income	188.80	165.43	23.37	14.13%
Total Income	27,477.82	17,606.52	9,871.30	56.07%
Expenses				
Cost of materials consumed	16,007.31	10,634.87	5,372.44	50.52%
Purchases of stock-in-trade	1,332.16	721.85	610.31	84.55%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-725.19	-1,513.21	788.02	-52.08%
Employee benefits expenses	1,816.69	1,585.39	231.30	14.59%
Finance costs	997.11	634.24	362.87	57.21%
Depreciation and amortisation expenses	913.29	733.11	180.18	24.58%
Other expenses	5,726.77	4,279.03	1,447.74	33.83%
Total expenses	26,068.14	17,075.28	8,992.86	52.67%
Profit / (Loss) before tax	1,409.68	531.24	878.44	165.36%
Tax expense:				
(a) Current tax expense for current year	386.11	106.46	279.65	262.68%
(b) Deferred tax expenses	-10.62	69.09	-79.71	-115.37%
(c) Prior year(s)	2.46	-0.03	2.49	-8300.00%
Profit / (Loss) for the year	1,031.73	355.72	676.01	190.04%

Total Income

Our total income has increased by 56.07% to ₹ 27,477.82 Lakhs in Financial Year ended March 31, 2024 from ₹ 17,606.52 Lakhs in Financial Year ended March 31, 2023 primarily due to overall increase in the revenue from operations and other income.

Revenue from Operations

Revenue from operations comprises of-

- Sale of Products
The increase in the sale of products by 58.74% from ₹17,015.69 lakhs in financial year 2023 to ₹27,009.90 lakhs in Financial Year 2024 is due to below mentioned reasons:
 - The Company's sale of engineered quartz increased from ₹14,349.08 Lakhs in financial year 2023 to ₹17,236.40 lakhs in Financial Year 2024. This is because the Company suffered a setback in Financial Year 2023 pursuant to publication of preliminary administrative review on Anti-dumping duty by US Department of Commerce on certain Quartz surfaces imported from India. Hence the Company's export sales of engineered quartz from India to U.S.A had decreased substantially Financial year 2023. Post the favourable result of administrative review by the US Department of Commerce, the company's business of export sale of engineered quartz started recovering in

- Financial Year 2024.
 - Company's sale of engineered marble increased from ₹103.39 in Financial Year 2023 to ₹1,622.99 in Financial Year 2024. This is because sale of engineered marble was partially operational in Financial Year 2023 which became fully operational in Financial Year 2024.
 - Company's sale of polyester resins increased from ₹2,563.22 in Financial Year 2023 to ₹8,150.51 in Financial Year 2024. During the financial year 2023 the Company's capacity utilization was 33.21% of the total capacity which further increased to 61.55% of total capacity in the Financial year 2024. This ultimately contributed to increase in sales in Financial year 2024.
- Other Operating revenue
 - Other Operating revenue decreased by 34.39% to ₹279.12 Lakhs in Financial Year ended March 31, 2024 from ₹425.40 Lakhs in Financial Year ended March 31, 2023. This is because Company benefitted from first time accrual of income amounting to ₹287.72 Lakhs from RoDTEP in Financial Year ended March 31, 2023.

Other Income

Our other income increased by 14.13% to ₹188.80 Lakhs in Financial Year ended March 31, 2024 as compared to ₹ 165.43 lakhs in Financial Year ended March 31, 2023, which is primarily because of increase in other income by ₹24.31 lakhs, and balances which have been written back amounting to ₹13.15 lakhs. However the increase in other income was partially offset by decrease in interest earned on fixed deposit by ₹24.30 lakhs.

Total Expenses

Our total expenses have increased by 52.67% to ₹ 26,068.14 lakhs in Financial Year ended March 31, 2024 from ₹17,075.28 lakhs in Financial Year ended March 31, 2023. This increase was principally due to ₹ 5,372.44 lakhs increase in cost of material consumed, ₹ 610.31 lakhs increase in purchases of Stock-In-Trade, ₹ 788.02 lakhs increase in changes in inventories of finished goods, work in progress and stock in trade, ₹ 231.30 lakhs increase in employee benefit expenses, ₹ 362.87 lakhs increase in finance costs, ₹ 180.18 increase in depreciation and amortization expenses and ₹ 1,447.74 lakhs increase in other expenses.

Cost of Goods Sold

Cost of Goods Sold represents sum of cost of material consumed, purchases of stock in trade, changes in inventories of finished goods, work in progress, and stock in trade. Cost of Goods Sold has increased by 68.78% from Financial Year ended March 31, 2023 to Financial Year ended March 31, 2024, also as a percentage of revenue, cost of goods sold has increased from 56.44% in Financial year ended March 31, 2023 to 60.88% in Financial year ended March 31, 2024. This is because although the company earned a reasonable margin on sale of engineered quartz and engineered marble, the margins on sale of unsaturated polyester resin were lower. Moreover, due to increased proportion of polyester resins in total sales in the Financial Year 2024 the cost of goods sold has been increased.

Cost of material consumed

Cost of material consumed increased by 50.52% from ₹10,634.87 lakhs in Financial Year ended March 31, 2023 to ₹ 16,007.31 lakhs in Financial Year ended March 31, 2024 as purchases of raw material increased in line with increase in total sales for the Financial Year 2024.

Purchase of stock in trade

The purchase cost has increased by 84.55% to ₹ 1,332.16 lakhs in Financial Year ended March 31, 2024 from ₹ 721.85 lakhs in Financial Year ended March 31, 2023. This is because the Company purchases customized products for its customers on cost plus basis as per requirement.

Changes in Inventories

The change in inventories of Finished Goods, Work-In-Progress and Stock-In-Trade was at ₹ (725.19) lakhs as at the end of March 31, 2024 as compared to ₹(1,513.21) lakhs as at the end of March 31, 2023, a increase of 52.08%

was primarily because of accumulation of inventory at the close of Financial Year ended March 31, 2024.

Employee Benefits Expenses

Employee Benefits Expenses increased by 14.59% from ₹ 1,585.39 lakhs in Financial Year ended March 31, 2023 to ₹ 1,816.69 lakhs in Financial Year ended March 31, 2024. The increase in Employee Benefits Expenses is primarily attributable to the increase in salaries and wages of factory staff due to the full operationalization of manufacturing facilities and year-on-year increment of salaries.

Finance Cost

Finance cost has increased by 57.21% to ₹ 997.11 lakhs in Financial Year ended March 31, 2024 from ₹ 634.24 lakhs in Financial Year ended March 31, 2023. This increase was primarily attributable to increase in finance cost of overdraft facility availed amounting to ₹4,130.83 as on March 31st, 2024.

Depreciation and Amortization Expenses

Depreciation and amortisation expense increased by 24.58 % to 913.29 lakhs in Financial Year ended March 31, 2024 from ₹ 733.11 lakhs in Financial Year ended March 31, 2023. This increase was primarily attributable to depreciation charged for the complete year on the addition of assets of two new manufacturing facilities of engineered marble and polyester resins which were installed in Financial Year 2023 and addition of new assets amounting to ₹ 299.27 in the Financial Year 2024.

Other Expenses

Other expenses increased by 33.83% to ₹ 5,726.77 lakhs in Financial Year ended March 31, 2024 from ₹ 4,279.03 lakhs in Financial Year ended March 31, 2023. This was primarily due to increase in primary packing by ₹179.18 lakhs, Job work charges by ₹226.03 Lakhs, secondary packing material consumed by ₹ 83.90 lakhs, transportation, ocean freight and clearing expenses by ₹396.13 lakhs , Exhibition and marketing expenses by ₹ 186.01 Lakhs, travelling and accommodation expenses by ₹ 87.66 lakhs and recording of provision for doubtful receivables and debts aggregating to ₹137.88 lakhs.

Profit Before Tax

Profit before tax has significantly increased by 165.36% to ₹ 1,409.68 lakhs in Financial Year ended March 31, 2024 from ₹ 531.24 lakhs in Financial Year ended March 31, 2023.

Tax Expenses

Due to an increase in our profit before tax, our current tax expense increased by 262.68% to ₹ 386.11 lakhs in Financial Year ended March 31, 2024 from ₹ 106.46 lakhs in Financial Year ended March 31, 2023 and our deferred tax expense was ₹ (10.62) lakhs in Financial Year ended March 31, 2024, as compared to ₹ 69.09 lakhs in Financial Year ended March 31, 2023.

Profit after Tax

For the various reasons discussed above, we recorded a increase of 190.04% in profit after tax from ₹ 355.72 lakhs in Financial Year ended March 31, 2023 to ₹1,031.73 lakhs in Financial Year ended March 31, 2024.

RESULTS OF OPERATIONS INFORMATION FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 COMPARED WITH FINANCIAL YEAR ENDED MARCH 31, 2022

(₹ in Lakhs unless stated otherwise)

Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Change in ₹ Lakhs	Change in %
Income				

Revenue from operations	17,441.09	18,645.65	(1,204.56)	-6.46%
Other income	165.43	356.95	(191.52)	-53.65%
Total Income	17,606.52	19,002.60	(1,396.08)	-7.35%
Expenses				
Cost of materials consumed	10,634.87	10,908.75	(273.88)	-2.51%
Purchases of stock-in-trade	721.85	363.61	358.24	98.52%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,513.21)	(1,289.72)	(223.49)	17.33%
Employee benefits expenses	1,585.39	1,353.77	231.62	17.11%
Finance costs	634.24	325.43	308.81	94.89%
Depreciation and amortisation expenses	733.11	625.09	108.02	17.28%
Other expenses	4,279.03	4,348.33	(69.30)	-1.59%
Total expenses	17,075.28	16,635.26	440.02	2.65%
Profit / (Loss) before tax	531.24	2,367.34	(1,836.10)	-77.56%
Tax expense:				
(a) Current tax expense for current year	106.46	557.93	-451.47	-80.92%
(b) Deferred tax expenses	69.09	(41.76)	110.85	265.45%
(c) Prior year(s)	(0.03)	0.64	-0.67	-104.69%
Profit / (Loss) for the year	355.72	1,850.53	(1,494.81)	-80.78%

Total Income

Our total income has decreased by 7.35% to ₹ 17,606.52 Lakhs in Financial Year ended March 31, 2023 from ₹ 19,002.60 Lakhs in Financial Year ended March 31, 2022 primarily due to overall decrease in the revenue from operations and other income.

Revenue from Operations

Revenue from operations comprises of

- Sale of products includes sale of Engineered Quartz, Engineered Marble and Unsaturated Polyester resin in Financial Year ended March 31, 2023 as compared to only sale of Engineered Quartz in Financial year ended March 31, 2022. The decrease in the sale of product by 8.05% from ₹18,504.61 Lakhs in financial year 2022 to ₹17,015.69 lakhs in Financial Year 2023 is due to below mentioned reasons:
 - The Company's sale of engineered quartz decreased from ₹18,504.61 Lakhs in financial year 2022 to ₹12,234.15 lakhs in Financial Year 2023. This is because the Company suffered a setback in terms of export sales of engineered quartz from India to USA in Financial Year 2023 pursuant to publication of preliminary administrative review on Anti-dumping duty by US Department of Commerce on certain Quartz surfaces imported from India. The preliminary administrative review suggested an imposition of average anti-dumping margin of 161.56% on such imports with effect from July 8, 2022 onwards. However the final results dated January 9, 2023 released by US Department of Commerce imposed an anti-dumping margin of only 3.19%. Due to preliminary administrative review, the company's export sales declined substantially in the intervening period.
 - The Company's selling price was also impacted by increase in competition in the industry.

However the decrease in revenue was partially offset by the following:

 - The company started a new manufacturing line of engineered marble in Financial Year 2023 but the same being under commissioning stage was operational for part of the year and the same generated revenue of ₹2,218.32 Lakhs in Financial Year 2023.
 - The company started generating revenue from the sale of unsaturated polyester resin for the first time in Financial Year 2023 by an amount of ₹2,563.22 Lakhs which was only 33.21% of the total capacity.
- Other Operating revenue
 - Other Operating revenue increased by 201.62% to ₹425.40 Lakhs in Financial Year ended March 31, 2023 from ₹141.04 Lakhs in Financial Year ended March 31, 2022. This is because Company

benefitted from accrual of income amounting to ₹287.72 Lakhs from RoDTEP for the first time in Financial Year ended March 31, 2023.

Other Income

Our other income decreased by 53.65% to ₹165.43 Lakhs in Financial Year ended March 31, 2023 as compared to ₹ 356.95 lakhs in Financial Year ended March 31, 2022, which is primarily because of decrease in foreign exchange gain by ₹142.52 lakhs, decrease in interest earned on fixed deposits by ₹29.42 lakhs and decrease in interest earned on loans and advances by ₹23.88 lakhs.

The decrease in foreign exchange gain is because the Company had availed pre shipment credit in foreign currency at a lower rate in Financial Year ended March 31, 2022. Since there was an uptrend in Dollar value in Financial Year ended March 31, 2023, revenue was booked at a higher rate but the Company had to repay the credit at a lower rate. This led to accrual of lower foreign exchange gain in Financial Year 2023. Also the company's realizations from receivables were lower in Financial Year 2023.

Total Expenses

Our total expenses have increased by 2.65% to ₹ 17,075.28 lakhs in Financial Year ended March 31, 2023 from ₹16,635.26 lakhs in Financial Year ended March 31, 2022. This increase was principally due to ₹ 273.88 lakhs decrease in cost of material consumed, ₹ 358.24 lakhs increase in purchases of Stock-In-Trade, ₹ 223.49 lakhs decrease in changes in inventories of finished goods, work in progress and stock in trade, ₹ 231.62 lakhs increase in employee benefit expenses, ₹ 308.81 lakhs increase in finance costs, ₹ 108.02 increase in depreciation and amortization expenses and ₹ 69.30 lakhs decrease in other expenses.

Cost of Goods Sold

Cost of Goods Sold represents sum of cost of material consumed, purchases of stock in trade, changes in inventories of finished goods, work in progress, and stock in trade. Cost of Goods Sold has decreased by 1.39% from Financial Year ended March 31, 2022 to Financial Year ended March 31, 2023, however as a percentage of revenue cost of goods sold has increased from 53.54% in Financial year ended March 31, 2022 to 56.44% in Financial year ended March 31, 2023. This is because although the company earned a reasonable margin on sale of engineered quartz, the margins on sale of unsaturated polyester resin were lower. This is further explained below:

Cost of material consumed

Cost of material consumed decreased by 2.51% from ₹10,908.75 lakhs in Financial Year ended March 31, 2022 to ₹ 10,634.87 lakhs in Financial Year ended March 31, 2023 as purchases of raw material were lower on account of decrease in export sales.

Purchase of stock in trade

The purchase cost has increased by 98.52% to ₹ 721.85 lakhs in Financial Year ended March 31, 2023 from ₹ 363.61 lakhs in Financial Year ended March 31, 2022. This is because the Company purchases customized products for its customers on cost plus basis as per requirement.

Changes in Inventories

The change in inventories of Finished Goods, Work-In-Progress and Stock-In-Trade was at ₹ (1,513.21) lakhs as at the end of March 31, 2023 as compared to ₹(1,289.72) lakhs as at the end of March 31, 2022, a decrease of 17.33% was primarily because of accumulation of inventory at the close of Financial Year ended March 31, 2023.

Employee Benefits Expenses

Employee Benefits Expenses increased by 17.11% from ₹ 1,353.77 lakhs in Financial Year ended March 31, 2022 to ₹ 1,585.39 lakhs in Financial Year ended March 31, 2023. This increase was primarily attributable to addition of employees benefit expenses of two new manufacturing facilities of engineered marble (Haique Stones

Private Limited) amounting to ₹ 164.44 Lakhs and unsaturated polyester resin (Addwaya Chemicals Private Limited) amounting to ₹78.36 Lakhs for the first time in financial year 2023.

Finance Cost

Finance cost has increased by 94.89% to ₹ 634.24 lakhs in Financial Year ended March 31, 2023 from ₹ 325.43 lakhs in Financial Year ended March 31, 2022. This increase was primarily attributable to increase in finance cost of two new manufacturing facilities of engineered marble (Haique Stones Private Limited) amounting to 173.83 Lakhs and unsaturated polyester resin (Addwaya Chemicals Private Limited) amounting to 133.69 Lakhs for the first time in financial year 2023.

Depreciation and Amortization Expenses

Depreciation and amortisation expense increased by 17.28 % to 733.11 lakhs in Financial Year ended March 31, 2023 from ₹ 625.09 lakhs in Financial Year ended March 31, 2022. This increase was primarily attributable to addition of assets of two new manufacturing facilities of engineered marble (Haique Stones Private Limited) amounting to ₹177.95 and unsaturated polyester resin (Addwaya Chemicals Private Limited) amounting to ₹ 40.31 for the first time in financial year 2023.

Other Expenses

Other expenses decreased by 1.59% to ₹ 4,279.03 lakhs in Financial Year ended March 31, 2023 from ₹ 4,348.33 lakhs in Financial Year ended March 31, 2022. This was primarily due to decrease in store and spare parts consumed by ₹245.38, primary packing by ₹102.65 lakhs, power and fuel by 46.60 ₹lakhs, general plant expenses by ₹47.58 lakhs, Job work charges by ₹25.78 Lakhs, repair & Maintenance by ₹ 39.68 , secondary packing material consumed by ₹ 115.15 Lakhs, commission/incentive on sales by ₹53.98 Lakhs offset by increase in transportation, ocean freight and clearing expenses by ₹322.71 Lakhs , Exhibition and marketing expenses by ₹ 98.21 Lakhs, quality claims by ₹ 21.41 Lakhs, travelling and accommodation expenses by ₹ 77.18 Lakhs and goods damaged by accident by ₹44.20 Lakhs.

Profit Before Tax

Profit before tax has significantly decreased by 77.56% to ₹ 531.24 lakhs in Financial Year ended March 31, 2023 from ₹ 2,367.34 lakhs in Financial Year ended March 31, 2022.

Tax Expenses

Due to an decrease in our profit before tax, our current tax expense decreased by 80.92% to ₹ 106.46 lakhs in Financial Year ended March 31, 2023 from ₹ 557.93 lakhs in Financial Year ended March 31, 2022 and our deferred tax expense was ₹ 69.09 lakhs in Financial Year ended March 31, 2023, as compared to ₹ 41.76 lakhs in Financial Year ended March 31, 2022.

Profit after Tax

For the various reasons discussed above, we recorded a decrease of 80.78% in profit after tax from ₹ 1,850.53 lakhs in Financial Year ended March 31, 2022 to ₹355.72 lakhs in Financial Year ended March 31, 2023.

Cash Flow

The table below summaries our cash flows from our Restated Consolidated Financial Information for for the financial years ended March 31, 2024, 2023 and 2022:

Particulars	For year ended March 31,		
	2024	2023	2022
			(₹ In lakhs)

Net cash flow generated from/ (utilized in) operating activities (A)	1,422.79	(2,851.54)	2,038.63
Net cash flow generated from/(utilized in) investing activities (B)	(1,129.09)	(2,641.04)	(2,527.83)
Net cash flow generated from/ (utilized in) financing activities (C)	(339.05)	5,427.68	552.14
Net (decrease)/ increase in cash & cash equivalents (A+B+C)	(45.35)	(64.90)	62.94
Cash and cash equivalents at the beginning of the period/ year	73.36	138.26	75.32
Cash and cash equivalents at the end of the period/ year	28.01	73.36	138.26

Cash flow from Operating Activities

For the Financial year ended March 31, 2024

Net cash flow generated from our operating activities was ₹ 1,422.79 lakhs for the financial year ended March 31, 2024. Our operating profit before working capital changes was ₹ 3,440.63 lakhs in the financial year ended March 31, 2024, which was the result of the profit before tax for the year of ₹ 1,409.68 lakhs adjusted primarily for depreciation and amortization of ₹ 913.29 lakhs, finance costs of ₹997.11 lakhs, interest income of ₹20.91 lakhs, provision for doubtful debts of ₹133.33 lakhs and unrealized foreign currency loss of ₹8.13. Our movements in working capital primarily consisted of an increase in trade payables of ₹1,236.87 lakhs, an increase in trade receivables of ₹3,174.35 lakhs, an increase in inventories of ₹826.99 lakhs, increase in other current liabilities ₹606.59 lakhs, decrease in short term loans and advances of ₹294.06 lakhs, increase in long term provision of ₹17.53 lakhs, increase in long term loans and advances of ₹ 54.54 lakhs, impact of receivables and payables due to translation from foreign currency of 4.78 lakhs, income tax paid of ₹112.23 lakhs.

For the Financial year ended March 31, 2023

Net cash flow utilized in our operating activities was ₹ 2,851.54 lakhs for the financial year ended March 31, 2023. Our operating profit before working capital changes was ₹ 1,818.91 lakhs in the financial year ended March 31, 2023, which was the result of the profit before tax for the period/year of ₹ 531.24 lakhs adjusted primarily for depreciation and amortization of ₹ 733.11 lakhs, finance costs of ₹634.24 lakhs and interest income of ₹42.30 lakhs, unrealized foreign exchange gain of ₹37.38 Lakhs. Our movements in working capital primarily consisted of an decrease in trade payables of ₹474.67 lakhs, an increase in trade receivables of ₹1,595.85 lakhs, an increase in inventories of ₹1,810.70 lakhs, increase in other current liabilities ₹263.36 lakhs, an decrease in other current assets of ₹2.42 lakhs and increase in short term loans and advances of ₹882.04 lakhs, increase in long term provision of ₹14.24 Lakhs, increase in long term loans and advances of ₹ 57.04 Lakhs, impact of receivables and payables due to translation from foreign currency of 8.83 lakhs, income tax paid of ₹121.34 lakhs.

For the Financial year ended March 31, 2022

Net cash flow generated from our operating activities was ₹ 2,038.63 lakhs for the financial year ended March 31, 2022. Our operating profit before working capital changes was ₹ 3,185.30 lakhs in the financial year ended March 31, 2022, which was the result of the profit before tax for the period/year of ₹ 2,367.34 lakhs adjusted primarily for depreciation and amortization of ₹ 625.09 lakhs, finance costs of ₹325.43 lakhs and interest income of ₹ 95.60 lakhs, unrealized foreign exchange gain of ₹35.03 Lakhs and net gain on disposal of property, plant & equipment of ₹1.93 lakhs. Our movements in working capital primarily consisted of increase in trade payables of ₹ 949.62 lakhs, increase in trade receivables of ₹845.41 lakhs, an increase in inventories of ₹ 1,601.62 lakhs, increase in other current liabilities ₹301.97 lakhs, decrease in other current assets of ₹0.09 lakhs, decrease in short term loans and advances of ₹ 659.05 lakhs, increase in long term loans and advances of ₹ 6.55 Lakhs and increase in long term provision of ₹10.34 Lakhs, income tax paid of ₹614.16 lakhs

Cash flow from Investing Activities

For the Financial year ended March 31, 2024

Net cash used in investing activities was ₹1,129.09 lakhs for the financial year ended March 31, 2024. This reflected the capital expenditure made towards fixed assets and changes in capital work-in-progress for ₹ 1,059.23 lakhs and investment in fixed deposit of ₹296.50 lakhs, offset by proceeds from maturity of fixed deposit of ₹216.44 and receipt of interest income of ₹ 10.20 lakhs.

For the Financial year ended March 31, 2023

Net cash used in investing activities was ₹2,641.04 lakhs for the financial year ended March 31, 2023. This reflected the capital expenditure made towards fixed assets for ₹ 3,636.19 lakhs and investment in fixed deposit of ₹216.44 Lakhs, offset by proceeds from maturity of fixed deposit of ₹1,070.74 and receipt of interest income of ₹ 140.85 lakhs.

For the Financial year ended March 31, 2022

Net cash used in investing activities was ₹ 2527.83 lakhs for the financial year ended March 31, 2022. This reflected the capital expenditure made towards fixed assets for ₹3097.98 lakhs and investment in fixed deposit of 1070.74 Lakhs, offset by proceeds from maturity of fixed deposits of ₹1,056.15, Loans and advance from other corporates of ₹ 540.68 and receipt of interest income of ₹ 44.06 lakhs.

Cash flow from Financing Activities

For the Financial year ended March 31, 2024

Net cash used in financing activities was ₹ 339.05 lakhs for the financial year ended March 31, 2024 consisting of repayment of long term loans from banks of ₹ 1,061.25 lakhs, proceeds of long term loans from others of ₹671.69 akhs, proceeds of short term Loans from Banks of ₹ 1,051.92 lakhs and interest expense paid of ₹ 1,001.41 lakhs.

For the Financial year ended March 31, 2023

Net cash generated from financing activities was ₹ 5,427.68 lakhs for the financial year ended March 31, 2023 consisting of Proceeds of long term loans from banks of ₹ 1,999.36 lakhs, proceeds of long term loans from other of ₹1,349.47 Lakhs, Proceeds of short term Loans from Banks of ₹ 2,711.42 lakhs and interest expense paid of ₹ 632.57 lakhs.

For the Financial year ended March 31, 2022

Net cash generated from financing activities was ₹ 552.14 lakhs for the financial year ended March 31, 2023 consisting of Proceeds of long term loans from banks of ₹ 362.24 lakhs, proceeds of long term loans from other of ₹107.47 Lakhs, Proceeds of short term Loans from Banks of ₹ 396.72 lakhs and interest expense paid of ₹ 314.29 lakhs.

Financial Indebtedness

As on March 31, 2024 the total outstanding borrowings of our Company was ₹ 12,541.91 lakhs. The following table sets out the details of the total borrowings outstanding as on March 31, 2024.

	<i>(₹ in Lakhs)</i>
Particulars	As at March 31, 2024
Secured	
(a) Term Loans	3,940.50

Particulars	As at March 31, 2024
(b) Vehicle Loans	115.16
(c) Working Capital Facilities- Cash Credit/Overdraft/Pre-Shipment Credit Facility	6,130.24
Unsecured	
(a) Loans from Related Parties/Others	2,356.01
Total Borrowings	12,541.91

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Contingent Liabilities

The following table sets forth our contingent liabilities as at March 31, 2024, March 31, 2023, March 31, 2022 and as per the Restated Consolidated Financial Information:

Particulars	(₹ In Lakhs)		
	March 31, 2024	March 31, 2023	March 31, 2022
(i) Letter of credits outstanding	313.82	246.45	578.21
(ii) GST Related Matters for which company preferred appeal*	362.88	-	-
(iii) GST Related Matters for which company will prefer appeal#	21.63	-	-
Total	698.33	246.45	578.21

*The Company has received orders dated 30 October 2023 from Central Goods and Service Tax (CGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 181.44 lakhs for financial year 2018-19, 2019-20 and 2020-21 plus an equal amount of penalty. The Company has filed appeal against these order with the Honorable Appellate Authority CGST, Jodhpur on 25 January 2024 and the management believes that basis of ground of appeals, the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority CGST, accordingly, no liability has been provided.

#The Company has received orders dated 24 April 2024 from State Goods and Service Tax (SGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 11.08 lakhs for the financial year 2018-19 plus INR 10.55 lakhs for interest and others. The Company will file appeal against these order within due date with the Honorable Appellate Authority and the management believes that basis of ground of appeals, and the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority, accordingly, no liability has been provided.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Effect of Inflation

We are affected by inflation as it has an impact on the material cost, wages, etc. in line with changing inflation rates; we rework our margins so as to absorb the inflationary impact.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Restated Consolidated Financial Information*” on page 205, there have been no reservations, qualifications and adverse remarks.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last six Financial Years.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations. There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as disclosed below.

The U.S. Department of Commerce (US-DOC) conducts an yearly Administrative Review (AR) of the ADD and CVD order on import of quartz surface products from India. During the period of the financial statements the applicable CVD deposit rates were from 1.57% to 2.17% and ADD deposit rates were from 1.02% to 3.19% on import of quartz surfaces from India. Subsequently, w.e.f 20 November 2023, the ADD for import of quartz surfaces from few of the exporters in the USA from India was reduced to Nil/ Zero including Esprit Stones Limited. Further, below is the status of Administrative Review (AR) of the ADD and CVD order on import of quartz surface products from India in the USA:

Counterveiling Duty (CVD) on import of quartz surfaces from India:

Period under review	Status of Review	Financial Impact on Company
Upto 31 May 2021	US DOC has finalised CVD rates	No impact
June 1, 2021 to May 31, 2022	AR-2 is not filed by importers/ exporters	No impact
June 1, 2022 to May 31, 2023	AR-3 is filed by exporters	No impact, as estimated*

Antidumping Duty (ADD) on import of quartz surfaces from India:

Period under review	Status of Review	Financial Impact on Company
Upto 31 May 2021	US DOC has finalised ADD rates	No impact
June 1, 2021 to May 31, 2022	US DOC has given final order	No impact
June 1, 2022 to May 31, 2023	AR-3 is filed by exporters	No impact, as estimated*

*The Company has internally assessed the outcome of the results of ongoing Administrative Review and based on the past results of these Administrative Reviews, it expects the judgement of current Administrative Reviews not to be against the Company and hence does not expect any impact on its financial position.

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operation

Other than as described in the section titled "**Risk Factors**" on page 39 and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known

Other than as described in chapter titled "**Risk Factors**" on page 39 and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Our business has been affected and we expect that it will continue to be affected by the trends identified above and the uncertainties described in the section “*Risk Factors*” on page 39. Changes in revenue in the last three Financial Years are as described in —Results of Operations Information for the Financial Year ended March 31, 2024 compared with Financial Year ended March 31, 2023, Financial Year ended March 31, 2023 compared with Financial Year ended March 31, 2022.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

We operate in only one major segment.

Status of any Publicly Announced New Products or Business Segments

As on the date of the Prospectus, 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 a Single or Few Customers

The percentage of revenue from operations derived from our top customers is given below:

(₹ in Lakhs)

Sr. No.	Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
		Revenue	%	Revenue	%	Revenue	%
1	Revenue from Top 5 customers	13,954.48	51.66	8,705.77	51.16	13,445.29	72.66
2	Revenue from Top 10 customers	16,833.20	62.32	10,879.39	63.94	15,477.20	83.64

As certified by A P Sanzgiri & Co., Chartered Accountants pursuant to their certificate dated July 18, 2024.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; (d) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, its Subsidiaries, its Directors, its Promoters, and its Group Companies in the last five Fiscals, including outstanding action; or (e) Material Civil Litigation or Arbitration Proceedings (as defined below); involving our Company, its Subsidiaries, its Directors, its Promoters, and its Group Companies ("**Relevant Parties**").*

*Our Board, in its meeting held on February 6, 2024, determined that outstanding legal proceedings involving the Relevant Parties will be considered as material civil litigation ("**Material Civil Litigation**") (i) if the aggregate amount involved exceeds 5% of the consolidated profit after tax as per the latest fiscal in Restated Financial Statements i.e ₹51.59 lakhs; or (ii) are outstanding litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; or (iii) the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold.*

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.

Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated February 6, 2024. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding 5% of trade payables as per the Restated Consolidated Financial Statements of our Company disclosed in this Prospectus, would be considered as material creditors. The trade payables of our Company as on March 31, 2024 were ₹5,082.15 Lakhs. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure pertains to that litigation only.

I. Litigation involving our Company.

A. Litigation filed against our Company.

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Company.*

1. **Criminal proceedings**

i. ***Esprit Stones Private Limited vs. Ma Karani Marbles - Case No. 39627/2023***

Esprit Stones Private Limited (“**Complainant**”) has filed a criminal complaint under section 138 of Negotiable Instrument Act, 1881 against Ma Karani Marbles (“**Accused**”) bearing number 39627 of 2023. The Complainant sold various types of artificial stones, marbles and tiles from the Accused on credit basis. The Accused, through various cheques paid-off the consideration at various instances and thereafter issued a cheque for the balance consideration amounting to ₹ 34,51,296 bearing no. 000129 dated March 20, 2023 (“**Cheque**”). However, when the Complainant presented the Cheque to its bank for the payment it was returned dishonored with remarks, “*Funds Insufficient*”. Aggrieved by the same the Complainant has filed this Complaint seeking a claim of twice the amounting of the outstanding consideration of ₹ 34,51,296 from the Accused along with a letter of apology. The matter is still pending and the next date of hearing is yet to be notified.

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. lakhs) [^]
Direct Tax	8*	0.79
Indirect Tax	2 [#]	392.72
Total	10	393.52

[^]Rounded off to the closest decimal

*Includes TDS defaults amounting to ₹620 for the financial year 2016-17; ₹10,130 for the financial year 2017-18; ₹11670 for the financial year 2018-19; ₹5,030 for the financial year 2019-20; ₹23,430 for the financial year 2021-22; ₹22,330 for the financial year 2022-23; and ₹6,140 for the financial year 2023-24

[#]Includes outstanding GST demand amounting to ₹3,62,87,360 for the period wrongly availed and utilized input tax credit for the period March, 2019 to March, 2021 vide order dated October 30, 2023; and GST demand amounting to ₹29,85,172.52 for the period December 2023. Our Company has filed an appeal dated January 25, 2024 against the October 30, 2023 order, praying for it to be set aside. The appeal is presently pending.

II. **Litigation involving our Subsidiaries**

A. *Litigation filed against our Subsidiaries*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

B. *Litigation filed by our Subsidiaries*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. lakhs)
Direct Tax	3*	0.04
Indirect Tax	Nil	Nil
Total	3	0.04

*Includes TDS defaults pertaining to our Subsidiaries: Addwaya Chemicals amounting to ₹570 for the financial year 2023-24; and, HSPL amounting to ₹250 for the financial year 2021-22; and ₹3,200 for the financial year 2022-23

III. Litigation involving our Directors (other than Promoters)

A. *Litigation filed against our Directors (other than Promoters)*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Gaggar Enterprises Private Limited ("GEL") received a notice dated January 8, 2020, from the Officer of the Inspector of Legal Metrology, Bhayandar Division ("The Officer"). During his inspection/visit on January 8, 2020, to the premises of M/s Kunal Enterprises in Thane, the Officer observed that some packages of drinking water (gallons) kept for sale in the aforesaid firm bears the address of GEL as the manufacturer. Regarding declarations declared on the packages kept for sale by M/s Kunal Enterprises & distributed by GEL, the Officer observed that the retail sales price was not declared, which constituted as an irregularity. Due to this alleged irregularity, the packages were seized from the said premises on January 8, 2020. The Officer believed that GEL has contravened Section 18(1) of Legal Metrology Act, 2009 r/w Rule 2(m) of Legal Metrology (Packaged Commodities) Rules, 2011 which is P/U Section 36(1) of the said Act/Rules. Vide provisions of Section 48 of Standards of Legal Metrology Act, 2009, this contravention is compoundable by the Deputy/Assistant Controller of Legal Metrology by virtue of powers vested in him. Our Promoter, Nitin Gattani was a director at GEL at the time of receipt of the notice. However, as of October 20, 2023, he has resigned from his directorship at GEL.

3. Material civil proceedings

Nil

B. *Litigation filed by our Directors (other than Promoters)*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. lakhs)
Direct Tax	1*	0.10
Indirect Tax	Nil	Nil
Total	1	0.10

**Includes outstanding tax demand pertaining to our Director, Sunil Gattani amounting to ₹10,140 under section 143(1)(a) of the IT Act for the financial year 2021-22*

IV. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. Litigation filed by our Promoters

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. Tax proceedings

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. lakhs)
Direct Tax	11*	2.60
Indirect Tax	Nil	Nil
Total	11	2.60

**Includes outstanding tax demands against our Promoter Sunilkumar Lunawath, ₹2,272 for the financial year 2006-07; and ₹46,585 for the financial year 2019-20; ₹13,432 for the financial year 2021-22; and ₹58,700 for the financial year 2022-23; our Promoter Anushree Lunawath amounting to ₹1,09,397 for the financial year 2009-10 and ₹59,700 for the financial year 2017-18; and outstanding tax demands against our Promoter Pradeepkumar Lunawath amounting to ₹13,928 for the financial year 2021-22, ₹61,635 for the financial year 2022-23 and as well as TDS defaults pertaining to our Promoter Pradeepkumar Lunawath amounting to ₹170 for the financial year 2009-10; 3,600 for the financial year 2021-22; and ₹300 for the financial year 2022-23.*

Outstanding dues to creditors

Our Board, in its meeting held on February 6, 2024 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company, to whom an amount exceeding 5% of our total outstanding trade payables as on the date of the latest period in the Restated Financial Statements was outstanding, were considered material creditors.

Based on this criterion, details of outstanding dues (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 at March 31, 2024, by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (in Rs. lakhs)
Material creditors	4	1,779.67
Micro, Small and Medium Enterprises	47	235.12
Other creditors	381	3,067.36

Total	432	5,082.15
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The details pertaining to net outstanding dues towards our material creditors as on March 31, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at <https://espritstones.com/material-contracts/>.

Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after March 31, 2024*" on beginning on page 252, there have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company and our Material Subsidiaries which are considered material and necessary for the purpose of undertaking this Issue and carrying on our present business activities. In view of these key approvals, our Company can undertake this Issue and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section “**Risk Factors**” beginning on page 39, these material approvals are valid as of the date of this Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “**Key Regulations and Policies**” on page 167.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its present business activities.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

Our Company is in the process to submit necessary application(s) with all regulatory authorities for change of its name in the approvals, licenses, registrations and permits issued to our Company.

II. Material approvals obtained in relation to the Issue

- a. The Board of Directors has, pursuant to a resolution passed at its meeting held on February 5, 2024, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- b. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on February 6, 2024, authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- c. The Company has obtained the in-principle listing approval from the Emerge Platform of NSE, dated June 04, 2024.

III. Material approvals obtained by our Company and Material Subsidiaries in relation to our business and operations

Our Company and our Material Subsidiaries have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

A. Incorporation details of our Company

- a. Our Company was originally incorporated as a private limited company in the name of ‘*Esprit Stones Private Limited*’ vide Certificate of Incorporation dated October 19, 2016, issued by the Registrar of Companies, Central Registration Centre.
- b. Fresh Certificate of Incorporation dated February 5, 2024 issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from ‘*Esprit Stones Private Limited*’ to ‘*Esprit Stones Limited*’.

B. Tax related approvals obtained by our Company

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent	AAECE4280D	Income Tax	October	Valid till

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Account Number (PAN)		Department	19, 2016	cancelled
2.	Tax Deduction Account Number (TAN)	JDHE01119G	Income Tax Department	March 10, 2017	Valid till cancelled
3.	GST Registration Certificate - Rajasthan	08AAECE4280 D1ZU	Goods and Services Tax Department	October 26, 2020	Valid till cancelled
4.	GST Registration Certificate – Mumbai [#]	27AAECE4280 D1ZU	Goods and Services Tax Department	November 27, 2019	Valid till cancelled

[#]The addresses of our Mumbai office and storage facility has not been updated in our GST registration for Mumbai. Our Company has made an application dated February 9, 2024 bearing ARN number AA2702240664169 for amendment of the GST registration to change its address of principle place of business to the address of our storage facility in Mumbai along with the addition of our Mumbai office as an additional place of business.

C. Regulatory & labour / employment related approvals obtained by our Company:

Sr. No.	Nature of Registration/ License	Registration/License/ Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Provident Fund Code	RJUDR1671136000	Employees' Provident Organisation, Ministry of Labour and Employment, Government of India	December 9, 2017	Valid till cancelled
2.	ESIC Registration Code	– 16000545400000999	Employees' State Insurance Corporation, Ministry of Labour and Employment, Government of India	December 9, 2017	Valid till cancelled
3.	Importer-Exporter Code Registration	1316922341	Ministry of Commerce and Industry	December 14, 2016	Valid till cancelled
4.	Factory License – Manufacturing Facility I	RJ/32153	Chief Inspector of Factories and Boilers Rajasthan, Government of Rajasthan	November 20, 2017	March 31, 2027
5.	Consent to Establish under the Air Act – Manufacturing Facility I	F(Tech)/Udaipur(Girwa)/4070(1)/2017-2018/1645-1646	Rajasthan State Pollution Control Board	June 10, 2019	-

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
6.	Consent to Establish under the Water Act – Manufacturing Facility I	F(Tech)/Udaipur(Girwa)/4070(1)/2017-2018/1647-1648	Rajasthan State Pollution Control Board	June 10, 2019	-
7.	Consent to Operate under Air Act – Manufacturing Facility I	F(Tech)/Udaipur(Girwa)/4070(1)/2017-2018/326-327	Rajasthan State Pollution Control Board	April 7, 2020	March 31, 2025
8.	Consent to Operate under the Water Act – Manufacturing Facility I	F(Tech)/Udaipur(Girwa)/4070(1)/2017-2018/324-325	Rajasthan State Pollution Control Board	April 7, 2020	March 31, 2025
9.	Fire NOC – Manufacturing Facility I	LSG/UDAIPUR/FIRE NOC/2023-24/17488	Municipal Corporation, Udaipur	May 30, 2024	May 29, 2025
10.	Certificate for DG Set situated at our Manufacturing Facility I	EID/2023-24/G/49723	Chief Electrical Inspector	February 1, 2024	Valid till cancelled
11.	Certificate for DG Set situated at our Manufacturing Facility I	EID/2023-24/G/49078	Chief Electrical Inspector	January 29, 2024	Valid till cancelled
12.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-9.5 M.T.	A.P./ES/01/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
13.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/02/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
14.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-	A.P./ES/03/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	4.5 M.T.				
15.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/04/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
16.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/05/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
17.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/06/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
18.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/07/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
19.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-9.5 M.T.	A.P./ES/08/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
20.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-	A.P./ES/09/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	4.5 M.T.				
21.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/10/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
22.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/11/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
23.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/12/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
24.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/13/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
25.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - EOT Crane, SWL-4.5 M.T.	A.P./ES/14/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
26.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - Arm Chain Hoist	A.P./ES/15/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	SWL-0.9 M.T.				
27.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - Hydra Crane, Regn. No.-RJ-EA-5004	A.P./ES/16/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	February 28, 2025
28.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - VERTICAL AIR RECEIVER, Sr. No. B17V1994, AR-1, Cap.-1000 lit.	A.P./ES/17/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	August 31, 2024
29.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - VERTICAL AIR RECEIVER, Sr. No. B17V3473, AR-2, Cap.-1000 lit.	A.P./ES/18/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	August 31, 2024
30.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility I - VERTICAL AIR RECEIVER, Sr. No. 24516, AR-3, Cap.-01 M3.	A.P./ES/19/2024	Anurodh Prashant, Competent Person, CIFB	March 1, 2024	August 31, 2024
31.	Report of Examination of	A.P./ES/20/2024	Anurodh Prashant,	March 1, 2024	August 31, 2024

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Lifting Machines/Tackles & Hoists – Manufacturing Facility I – VERTICAL AIR RECEIVER, Sr. No. 389, AR-4, Cap.-01 M3.		Competent Person, CIFB		
32.	Legal Metrology Certificate – Manufacturing Facility I	198935	Executive Standards Laboratory (Udaipur), Consumer Affairs Department (Legal Metrology Cell), Government of Rajasthan	May 15, 2024	May 14, 2025
33.	Factory License – Manufacturing Facility II	RJ/34224	Chief Inspector of Factories and Boilers Rajasthan, Government of Rajasthan	October 21, 2021	March 31, 2031
34.	Consent to Establish– Manufacturing Facility II	F(Tech)/Udaipur (Salumbar)/1095(1)/2020-2021/1030-1031	Rajasthan State Pollution Control Board	January 04, 2021	December 31, 2025
35.	Consent to Operate under Air Act – Manufacturing Facility II	F(Tech)/Udaipur(Salumbar)/1095(1)/2020-2021/1044-1045	Rajasthan State Pollution Control Board	January 18, 2021	January 17, 2026
36.	Registration Certificate – Shops and Establishment – Rajasthan*	SCA/2024/27/132553	Department of Labour, Government of Rajasthan	January 16, 2024	Valid till cancelled
37.	Intimation Receipt – Shops and Establishments – Mumbai Storage Facility	890825283/KE Ward/Commercial II	Chief Facilitator, Mumbai	February 9, 2024	Valid till cancelled
38.	Intimation Receipt – Shops and Establishments – Mumbai Office	890825311/KE Ward/Commercial II	Chief Facilitator, Mumbai	February 9, 2024	Valid till cancelled
39.	Registration Certificate of	CLPE/2022/27/132551	Department of Labour,	January 23, 2024	Valid till cancelled

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Contract Labour		Government of Rajasthan		
40.	UDYAM Registration Certificate	UDYAM-RJ-33-0006659	Ministry of Micro, Small and Medium Enterprises, Government of India	January 8, 2021	Valid till cancelled
41.	Udyog Aadhaar Registration Certificate	RJ33B0004809	Ministry of Micro, Small and Medium Enterprises, Government of India	February 6, 2017	Valid till cancelled
42.	Certificate of Registration – Three Star Export House	JPRSTATAPPLY00000096AM24	Directorate General of Foreign Trade	October 1, 2023	March 31, 2028
43.	Registration Certificate - ISO 45001:2018 – Occupational Health and Safety Management Systems	RI91/9722	International Certification Services Private Limited	March 23, 2018	March 22, 2027
44.	Registration Certificate – ISO 14001:2015 – Environmental Management Systems	RI91/9722	International Certification Services Private Limited	March 23, 2018	March 22, 2027
45.	Registration Certificate – ISO 9001:2015 – Quality Management Systems	RI91/9722	International Certification Services Private Limited	March 23, 2018	March 22, 2027
46.	NSF Certificate – NSF/ANSI 51	C0493917-01	NSF International	January 9, 2020	Valid till cancelled
47.	NSF Certificate – Facility – NSF/ANSI 51	C0493920-01	NSF International	January 9, 2020	Valid till cancelled
48.	Greenguard Certificate of Compliance – Vein Series	142277-410	Greenguard	March 19, 2019	March 19, 2025
49.	Greenguard Certificate of Compliance – Italian/ Statuario Series	142270-410	Greenguard	March 19, 2019	March 19, 2025

Sr. No.	Nature of Registration/ License	Registration/License/ Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
50.	Greenguard Certificate of Compliance – Ice Series	142272-410	Greenguard	March 19, 2019	March 19, 2025
51.	Greenguard Certificate of Compliance – Fine Series	142276-410	Greenguard	March 19, 2019	March 19, 2025
52.	Greenguard Certificate of Compliance – Stardust Series	142274-410	Greenguard	March 19, 2019	March 19, 2025
53.	Greenguard GOLD Certificate of Compliance – Ice Series	142272-420	Greenguard	March 19, 2019	March 19, 2025
54.	Greenguard GOLD Certificate of Compliance – Fine Series	142276-420	Greenguard	March 19, 2019	March 19, 2025
55.	Greenguard GOLD Certificate of Compliance – Vein Series	142277-420	Greenguard	March 19, 2019	March 19, 2025
56.	Greenguard GOLD Certificate of Compliance – Italian/ Statuario Series	142270-420	Greenguard	March 19, 2019	March 19, 2025
57.	Greenguard GOLD Certificate of Compliance – Stardust Series	142274-420	Greenguard	March 19, 2019	March 19, 2025

**The proposed Storage facility of the Company in Rajasthan is under construction and once the construction is completed, the Company shall make application and thereafter obtain a shop and establishment registration certificate under Rajasthan Shops and Commercial Establishments Act, 1958.*

IV. Material Approvals Related to our Material Subsidiaries

A. Incorporation details of our Material Subsidiaries

- Our Subsidiary in the name of “Addwaya Chemicals Private Limited” was incorporated vide a certificate of incorporation dated August 28, 2020, issued by the Registrar of Companies.
- Our Subsidiary in the name “Haique Stones Private Limited” was incorporated vide a certificate of incorporation dated August 19, 2021, issued by the Registrar of Companies.
- Our Subsidiary in the name “Haique Stones Inc., USA” was incorporated August 13, 2021 vide certificate of incorporation issued by the State of Delaware.

B. Tax related approvals obtained by our Material Subsidiaries

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
<i>Haique Stones Private Limited</i>					
1.	Permanent Account Number (PAN)	AAFCH9111B	Income Tax Department	August 19, 2021	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	JDHH04248G	Income Tax Department	August 19, 2021	Valid till cancelled
3.	GST Registration Certificate	08AAFCH9111 B1ZY	Goods and Services Tax Department	August 31, 2021	Valid till cancelled
<i>Addwaya Chemicals Private Limited</i>					
1.	Permanent Account Number (PAN)	AATCA8869K	Income Tax Department	August 6, 2020	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	JDHA13274C	Income Tax Department	August 14, 2020	Valid till cancelled
3.	GST Registration Certificate	08AATCA8869 K1ZL	Goods and Services Tax Department	August 31, 2020	Valid till cancelled

C. Regulatory approvals of our Material Subsidiaries

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
<i>Haique Stones Private Limited</i>					
1.	Provident Fund Code	RJUDR2445321 000	Employees' Provident Fund Organisation, Ministry of Labour and Employment, Government of India	August 19, 2021	Valid till cancelled
2.	ESIC Registration Code	– 16000574370000 999	Employees' State Insurance Corporation, Ministry of Labour and Employment, Government of India	August 19, 2021	Valid till cancelled
3.	Importer-Exporter Code Registration	AAFCH9111B	Ministry of Commerce and Industry	September 8, 2021	Valid till cancelled
4.	Factory License – Manufacturing Facility IV	RJ/35536	Chief Inspector of Factories and Boilers Rajasthan, Government of Rajasthan	August 12, 2023	March 31, 2028
5.	Consent to Establish – Manufacturing	F(Tech)/Rajsama nd(Nathdwara)/6 699(1)/2022-	Rajasthan State Pollution Control Board	May 24, 2022	April 30, 2027

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
6.	Facility IV Consent to Operate – Manufacturing Facility IV	2023/794-795 F(Tech)/Rajsama nd(Nathdwara)/6 699(1)/2022-2023/1285-1286	Rajasthan State Pollution Control Board	May 24, 2022	April 30, 2032
7.	Certificate for DG Set situated at our Manufacturing Facility IV	EID/2023-24/G/49303	Chief Electrical Inspector	January 29, 2024	Valid till cancelled
8.	Acknowledgment Certificate - eclaration of Intent under section 5 of the Rajasthan Micro, Small and Medium Enterprise (Facilitation of Establishment and Operation) Act, 2019 to set up an enterprise	MSME/2021/12567	Bureau of Investment Promotion, Udhog Bhawan, Tilak Marg, Jaipur 302005, Rajasthan	February 2, 2022	February 1, 2025
9.	Legal Metrology Certificate – Manufacturing Facility IV	286110	Executive Standards Laboratory (Udaipur), Consumer Affairs Department (Legal Metrology Cell), Government of Rajasthan	June 19, 2024	18 June, 2025
10.	Report of External Testing/examination of pressure vessels – Manufacturing Facility IV - Vertical Air Receiver	A.P./HSPL/01/2024	Anurodh Prashant, Competent Person, CIFB	February 4, 2024	August 3, 2024
11.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility IV – EOT Crane	A.P./HSPL/02/2024	Anurodh Prashant, Competent Person, CIFB	February 4, 2024	February 3, 2025
12.	Report of Examination of Lifting Machines/Tack	A.P./HSPL/03/2024	Anurodh Prashant, Competent Person, CIFB	February 4, 2024	February 3, 2025

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	les & Hoists – Manufacturing Facility IV – EOT Crane				
13.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility IV – EOT Crane	A.P./HSPL/04/2024	Anurodh Prashant, Competent Person, CIFB	February 4, 2024	February 3, 2025
14.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility IV – EOT Crane	A.P./HSPL/05/2024	Anurodh Prashant, Competent Person, CIFB	February 4, 2024	February 3, 2025
15.	Report of Examination of Lifting Machines/Tackles & Hoists – Manufacturing Facility IV – EOT Crane	A.P./HSPL/06/2024	Anurodh Prashant, Competent Person, CIFB	February 4, 2024	February 3, 2025
Addwaya Chemicals Private Limited					
1.	Provident Fund Code	RJUDR2163623000	Employees' Provident Fund Organisation, Ministry of Labour and Employment, Government of India	August 20, 2020	Valid till cancelled
2.	ESIC – Registration Code	16000561330000301	Employees' State Insurance Corporation, Ministry of Labour and Employment, Government of India	August 20, 2020	Valid till cancelled
3.	Importer-Exporter Code Registration	AATCA8869K	Ministry of Commerce and Industry	December 29, 2022	Valid till cancelled
4.	Factory License – Manufacturing Facility III	RJ/35595	Chief Inspector of Factories and Boilers Rajasthan, Government of Rajasthan	September 11, 2023	March 31, 2028
5.	Consent to Establish – Manufacturing	F(Tech)/Rajsama nd(Nathdwara)/6700(1)/2022-	Rajasthan State Pollution Control Board	June 7, 2022	May 31, 2027

Sr. No.	Nature of Registration/License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
	Facility III	2023/840-841			
6.	Fire NOC – Manufacturing Facility III	NPR/Fire/2023-24/3/43	Office of Municipal Council Rajasmand, District Rajasmand	December 18, 2023	December 17, 2024
7.	Acknowledgment Certificate - Declaration of Intent under section 5 of the Rajasthan Micro, Small and Medium Enterprise (Facilitation of Establishment and Operation) Act, 2019 to set up an enterprise	MSME/2023/20709	Bureau of Investment Promotion, Udhayog Bhawan, Tilak Marg, Jaipur 302005, Rajasthan	August 25, 2023	August 24, 2028
8.	ToR for Unsaturated Polyester Resin Manufacturing Unit for Manufacturing Facility IV	F1(4)/SEIAA/SEAC-Raj/Sectt/Project/Cat.5(f)(22750)/2022-23	State Level Environment Impact Assessment Authority, Rajasthan	June 6, 2023	-
9.	Certificate for DG Set situated at our Manufacturing Facility III	EID/2023-24/G/49062	Chief Electrical Inspector	January 29, 2024	Valid till cancelled
10.	Sanstha Aadhaar Number for Storage Facility located at Kishangarh	800568878600001	Department of Statistics, Directorate of Economics & Statistics Rajasthan, Jaipur	July 13, 2024	Valid till canceled
Haique Stones Inc., USA					
11.	Employer Identification number	37-2013534	Department of Treasury Internal Revenue Services, Cincinnati	September 01, 2021	Valid till cancelled

V. Material approvals or renewals for which applications are currently pending before relevant authorities

Sr. No.	Details of Application	Application number	Date of Application
1.	Application to the Secretary, Urban Improvement Trust, Udaipur, Rajasthan for conversion of land adjacent to existing industrial unit for Industrial Use.	-	December 17, 2021
2.	Fire NOC – Manufacturing Facility II	LSG/SALUMBER/FIR ENOC/2023-24/26611	February 12, 2024
3.	The State Government of Rajasthan has	SW/120978/2023	February 2, 2023

Sr. No.	Details of Application	Application number	Date of Application
	<p>passed The Rajasthan Micro, Small & Medium Enterprise (Facilitation of establishment and Operation) Act, 2019 which provides exemptions to small and medium enterprises established post 2019 from obtaining approval and licenses for a period of five years from the date of obtaining valid acknowledgment certificate under section 6 of The Rajasthan Micro, Small & Medium Enterprise (Facilitation of establishment and Operation) Act, 2019 (“Rajasthan MSME Act”). Addwaya Chemicals has obtained the said acknowledgment certificate and therefore in light of the Rajasthan MSME Act, Adwaya Chemical is exempted from obtaining approvals and licenses required under various state and central legislation including approval from Rajasthan state pollution control board for period of five years till August 8, 2028*.</p> <p>However, Addwaya Chemicals in order to be compliant with all laws, irrespective of the available exemption, had initially made an application dated June 7, 2022 to obtain the consent to operate for Manufacturing Facility III. However, the Rajasthan State Pollution Control Board (“RPCB”) issued a Show Cause Notice as to why the application dated June 7, 2022 should not be refused on grounds of not obtaining environmental clearance required under the Ministry of Environment, Forest and Climate Change of India (“MOEFCCI”) notification dated September 14, 2006 applicable on production of unsaturated polyester resin. Accordingly, Addwaya has made an application February 2, 2023 bearing number SW/120978/2023 to the MOEFCCI for which public hearing was conducted on December 27, 2023 by Rajasthan Pollution Control Board. Once Addwaya Chemicals receives the environmental clearance, it will again approach the RPCB to obtain the consent to operate for our Manufacturing Facility III.</p>		

VI. Material approvals expired and renewal yet to be applied for

Nil


VII. Material approvals required but not obtained or applied for

Nil*



**The proposed Storage facility of the Company in Rajasthan is under construction and once the construction is completed, the Company shall make application and thereafter obtain a shop and establishment registration certificate under Rajasthan Shops and Commercial Establishments Act, 1958.*

VIII. Intellectual Property

As on the date of this Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Date of Issue	Particulars of the Mark	Trade Mark No.	Class of Registration
May 26, 2017	“ESPRIT STONES”	3413834	19
November 2, 2023	“ELEVATED LIVING”	4340757	19
February 26, 2021	“HAIQUE”	4615422	19
			
December 24, 2018	“PREMIUM QUARTZ”	3813886	19
August 20, 2020	“HAIQUE”	4340758	19

IX. Pending Intellectual property related approvals Application

Date of Application	Particulars of the Mark	Application Number	Class of Registration	Status
February 2, 2024		6284779	19	Objected
February 2, 2024	“Addwaya Chemicals”	6293028	1	Accepted and Advertised
February 2, 2024		6284780	1	Accepted and Advertised

For risk associated with our intellectual property see, “*Risk Factors*” on page 39.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by the board of directors by passing a resolution in the Board Meeting dated February 5, 2024, and the Issue has been authorized by the members by passing a special resolution in the Extraordinary General Meeting, dated February 6, 2024.

The Red Herring Prospectus has been approved by our Board pursuant to its resolution passed on July 19, 2024.

The Prospectus has been approved by our Board pursuant to its resolution passed on July 31, 2024.

Our Company has received in-principle approvals from NSE Emerge for the listing of the Equity Shares pursuant to its letter dated June 4, 2024.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, members of the promoter group and our directors have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Our Promoters and Directors are not directors or promoters of any other company which is debarred from accessing the capital market under any order or direction passed by SEBI or any other authorities.

Our Promoters and our Directors have not been declared as Fugitive Economic Offenders under section 12 of Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company, our Subsidiaries, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoters have been identified as a wilful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" on page 271.

Association with Securities Market

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Directors, our Promoters and members of Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Prospectus.

Eligibility for the Issue

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our Company, nor our Promoters, promoter group nor directors are debarred from accessing the capital market by the Board.
- Neither our Promoters, nor any directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Company, nor our Promoters, Promoter Group nor our directors, are Willful Defaulters or a Fraudulent Borrower.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.

- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital is more than ten (10) crores and upto twenty-five (25) crore rupees and can issue Equity Shares to the public and propose to list the same on the SME Platform of National Stock Exchange of India Limited.

We further confirm that:

- (i). In accordance with Regulation 260 of the SEBI ICDR Regulations, this issue is 100% underwritten and that the Book Running Lead Managers shall underwrite minimum 15% of the Issue Size.
- (ii). In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (four) days of such intimation. If such money is not repaid within 4 (four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- (iii). In terms of Regulation 246(1) of the SEBI ICDR Regulations, 2018, a copy of the offer document will be filed with the SEBI through the BRLMs immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246(2) of the SEBI ICDR Regulations, 2018, The SEBI shall not issue any observation on the offer document.

Further, in terms of Regulation 246(3) of the SEBI ICDR Regulations, 2018 the Book Running Lead Managers will also submit a due diligence certificate as per format prescribed by SEBI along with the offer document to SEBI.

Further, in terms of Regulation 246(4) of the SEBI (ICDR) Regulations, 2018 the offer document will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Book Running Lead Managers and the Emerge Platform of NSE. Moreover, in terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, a copy of offer document shall also be furnished to the SEBI in a soft copy.

- (iv). In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated July 18, 2024 with the Book Running Lead Managers and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge Platform of NSE.

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, we confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under

- ***Incorporation: The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.***

Our Company is incorporated under the Companies Act, 2013 in India.

- **Track Record**

The Company should have a track record of at least 3 years

Our Company was incorporated on October 19, 2016 under the provisions of the Companies Act, 2013 vide certificate of incorporation issued by Registrar of Companies, Jaipur, Rajasthan. Therefore, we are in compliance with criteria of having track record of 3 years.

- **Post Issue Paid up Capital: The post issue paid up capital of our Company (face value) shall not be more than Rs. 25 crores**

The present paid up capital of our company is ₹ 16,15,00,000 and the Issue is of 57,95,200 Equity shares of ₹10 each at Issue price of ₹ 87 per Equity Share including share premium of ₹ 77 per Equity Share, aggregating to ₹ 5,035.42 lakhs. Hence our post-Issue paid-up capital will be up to ₹ 2,194.52 lakhs. So, our Company has fulfilled the criteria of post issue paid up capital shall not be more than ₹25 Crores.

- **Net-worth: Positive Net-worth**

As per Restated Financial Statement, the net-worth of our Company is ₹ 7,238.80 lakhs as on March 31, 2024.

- **Operating Profit (earnings before interest, depreciation and tax) from operations for atleast 2 (two) out of 3 (three) financial years:**

Our Company is having operating profit, details are mentioned as below.

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth [#]	7,238.80	6,227.81	5,893.32
Operating Profit (earnings before interest, depreciation and tax)*	3,131.28	1,733.16	2,960.91

[#]Excluding Minority Interest

*Excluding Other Income

- Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- Our Company has not received any winding up petition admitted by a NCLT/Court.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our Company
- Our Company has a website: www.espritstones.com

Other Disclosures:

We further confirm that:

- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of our Promoters.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company and Promoters during the past three years.
- There are no litigations record against our Company, Promoters, Directors and Subsidiaries except disclosed on page 271 in section "**Outstanding Litigation and Other Material Developments**".
- There are no criminal cases/investigation/offences filed against the director of our Company.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, CHOICE CAPITAL ADVISORS PRIVATE LIMITED AND SRUJAN ALPHA CAPITAL ADVISORS LLP HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN ON FORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, CHOICE CAPITAL ADVISORS PRIVATE LIMITED AND SRUJAN ALPHA CAPITAL ADVISORS LLP HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 19, 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

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC, Rajasthan at Jaipur including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC, Rajasthan at Jaipur including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company and the Book Running Lead Managers

Our Company, our Promoters, our Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.espritstones.com would be doing so at his or her own risk.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Managers and our Company on February 9, 2024 and the Underwriting Agreement dated July 18, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated July 18, 2024 entered into among the Market Maker and our Company.

All information were made available by our Company and the Book Running Lead Managers 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 collection centres or elsewhere. Neither our Company nor any member of the Syndicate are liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or

associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Disclaimer in respect of jurisdiction

This Issue is made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), 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, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Jaipur, Rajasthan, 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 Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable U.S. state securities laws.

Applicants are advised to ensure that any Applications from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Applicant where required must agree in the Allotment Advice that such Applicants 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of the EMERGE Platform of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/3500 dated June 04, 2024, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to

independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under the U.S. Securities Act, 1933

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “**U.S. persons**” (as defined in Regulations of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India

Filing

The Draft Red Herring Prospectus and the Red Herring Prospectus is being filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed. National Stock Exchange of India Limited is located at the Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Red Herring Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and this Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of this Prospectus, along with the material contracts and documents required to be filed under Section 26 of the Companies Act, 2013 would be filed with the ROC office situated at C/6-7, 1st Floor, Residency Area, Civil Lines, 1st Floor, Ashok Nagar, Jaipur, Rajasthan – 302 001, India through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Listing

Application will be made to the Emerge platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

Our Company has received an In-principle Approval letter dated June 4, 2024 from NSE for using its name in this Issue Document for listing our shares on the Emerge Platform of NSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within four days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company

and every Director of our Company who is an officer in default shall, on and from such expiry of fourth days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within such period from the Issue Closing Date as may be required under the applicable laws.

Consents

Consents in writing of (a) our Directors, our Promoters, our Company Secretary & Compliance Officer, our Chief Financial Officer, Senior Managerial Personnel (SMP), our Peer Reviewed Statutory Auditor, Banker(s) to the Company, Independent Chartered Accountant, Chartered Engineer; (b) Book Running Lead Managers, Registrar to the Issue, Banker(s) to the Issue, Legal Counsel to the Issue, Underwriter to the Issue, Market Maker to the Issue and Syndicate Members to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Experts

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

Our Company has received written consent dated February 15, 2024 from M/s A Bafna & Co., Chartered Accountants, the Peer Reviewed Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Peer Reviewed Auditor and in respect of its examination report dated July 05, 2024 on our restated financial information in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent dated February 14, 2024 from, M/s A P Sanzgiri & Co., Independent Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of various certifications and its report dated July 18, 2024 on the statement of special tax benefits issued by them in their capacity as Independent Chartered Accountants to our Company and such consent has not been withdrawn as on the date of filing of this Prospectus.

Our Company has received written consent dated June 26, 2024 from Priyal Kothari, Independent Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the chartered engineer; and such consent has not been withdrawn as on the date of this Prospectus.

The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act

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 to action under section 447 of the Companies, Act 2013

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees 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 fifty lakh rupees or with both.

Particulars regarding Public or Rights Issues during the last five (5) years and performance vis-à-vis objects

Our Company has not made any previous public during the last five (5) years preceding the date of this Prospectus, further for details in relation to right issue made by our Company during the five years preceding the date of this Prospectus, please refer to section titled "*Capital Structure*" on page 93.

Performance vis-à-vis objects – issue of subsidiaries/ listed promoters

As on date of this Prospectus, our Company does not have any listed subsidiaries. Further, as on date of this Prospectus, our Company does not have any corporate promoters.

Previous issues of Equity Shares otherwise than for cash

Other than as disclosed in the section titled "*Capital Structure*" on page 93, our Company has not undertaken a capital issue in the last three years preceding the date of this Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Performance vis-à-vis objects –Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Promoters, Promoter Group, Group Company or any subsidiary company has not undertaken any previous public or right issue during the period of last five years.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments

Our Company does not have any outstanding debentures or bonds or preference redeemable shares as on the date of filing this Prospectus.

Partly Paid-up Shares

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

Option to Subscribe

Equity Shares being offered through the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus can be applied for in dematerialized form only.

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PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUED HANDLED BY THE BRLMs:

1. Price information of past issues handled by Choice Capital Advisors Private Limited

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing*	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing*	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing*
1.	Vishnu Prakash R Punglia Limited	308.88	99.00	September 5, 2023	165.00	66% (-0.71%)	106.87% (3.54%)	79.29% (14.32%)
2.	Ramdevbaba Solvent Limited	50.27	85.00	April 23, 2024	112.00	14.53% (1.03%)	NA	NA

Summary Statement of Disclosure:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day*			Nos. of IPOs trading at premium - 30 th calendar day from listing day*			Nos. of IPOs trading at discount - 180 th calendar day from listing day*			Nos. of IPOs trading at premium - 180 th calendar day from listing day*		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
MAINBOARD IPO														
2023-2024	1	308.88	-	-	-	1	-	-	NA	NA	NA	NA	NA	NA
SME IPO														
2024-2025	1-	50.27	-	-	-	-	-	1	-	-	-	-	-	-

Break -up of past issues handled by Choice Capital Advisors Private Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2022-2023	-	-
2023-2024	0	1
2024-2025	1	0

Notes:

1. Source: All share price data is from www.nseindia.com.
2. NSE Nifty is considered as the Benchmark Index.
3. In case 30th/ 90th is not a trading day, closing price on NSE of the previous trading day for the respective Scrip has been considered, however, if scrip is not traded on that previous trading day then last trading price has been considered.

2. Price information of past issues handled by Srujan Alpha Capital Advisors LLP

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing*	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing*	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing*
1.	Dharni Capital Services Limited	10.74	20.00	January 31, 2023	21.00	+1.50% [-0.23%]	+3.00% [+3.03%]	+20.05% [+11.72%]
2.	Kontor Space Limited	15.62	93.00	October 10,2023	122.00	-10.43% [-1.25%]	-16.77% [+9.26%]	-14.73% [15.12%]

Summary Statement of Disclosure:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day*			Nos. of IPOs trading at premium - 30 th calendar day from listing day*			Nos. of IPOs trading at discount - 180 th calendar day from listing day*			Nos. of IPOs trading at premium – 180 th calendar day from listing day*		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-2024	1 ⁽²⁾	15.62	-	-	1	-	-	-	-	-	1	-	-	-
2022-2023	1 ⁽¹⁾	10.74	-	-	-	-	-	1	-	-	-	-	-	1
2021-2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) The scrip of Dharni Capital Services Limited was listed on January 31, 2023

(2) The Scrip of Kontor Space Limited was listed on October 10,2023

Break -up of past issues handled by Srujan Alpha Capital Advisors LLP:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2021-2022	-	-
2022-2023	1	-
2023-2024	1	-

Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
2. Source: www.bseindia.com and www.nseindia.com
3. Rights Issues lead managed by BRLMs have not been included in the abovementioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

For details regarding the track record of the Book Running Lead Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the website of the Book Running Lead Managers as set forth in the table below:

Sr. No.	Name of the Book Running Lead Managers	Website
1.	Choice Capital Advisors Private Limited	www.choiceindia.com/merchant-investment-banking
2.	Srujan Alpha Capital Advisors LLP	www.srujanalpha.com

Stock market data of the Equity Shares

As the Issue is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least eight (8) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the grievances of our security holders. For further details on the Stakeholders Relationship Committee, please refer to section titled "**Our Management**" on page 179.

The Company Secretary of our Company shall serve as the secretary of the Stakeholders' Relationship Committee.

Our Company has appointed Anjali Pandey, Company Secretary and the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Anjali Pandey

Company Secretary & Compliance officer
SP1, Udyog Vihar,
Sukher Industrial Area,
Udaipur, Rajasthan – 313 004, India
Telephone No.: +91 91166 52582
E-mail: legal@espritstones.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 08, 2011, SEBI has launched a centralized web-based complaints redress system "**SCORES**". This would enable investors to lodge and follow up their complaints

and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Other confirmations

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

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

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, this Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Authority for the Issue

The present Public Issue of Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on February 5, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meeting held on February 6, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see, “*Main Provisions of Article of Association*” on page 354.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI Listing Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, see “*Dividend Policy*” and “*Main Provisions of Article of Association*” on page 204 and 354 respectively.

Face Value, Issue Price & Price Band

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band was ₹ 82 per Equity Share (“**Floor Price**”) and at the higher end of the Price Band was ₹ 87 per Equity Share (“**Cap Price**”). The Anchor Investor Issue Price was ₹ 87 per Equity Share.

The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, were pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price was

determined by our Company and in consultation with the BRLMs, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

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 Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI Listing Regulations, MOA and AOA of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., see “*Main Provisions of the Articles of Association*” on page 354.

Allotment only in Dematerialized Form

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated December 13, 2023 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated January 19, 2024 between CDSL, our Company and Registrar to the Issue.

Employee Discount

Employee discount, if any, was offered to Eligible Employees bidding in the Employee Reservation Portion. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band could have made 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 were required to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 1600 Equity Shares and the same

may be modified by the NSE Emerge (*SME platform of NSE*) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1600 Equity Shares is subject to a minimum allotment of 1600 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Udaipur, Rajasthan, India.

The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 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, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they were deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, and the rules framed thereunder, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 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/ of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys 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 Issue is in dematerialized form, there was no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Bid / Issue Period

BID/ISSUE OPENED ON	Friday, July 26, 2024 ⁽¹⁾
BID/ISSUE CLOSED ON	Tuesday, July 30, 2024 ⁽²⁾⁽³⁾

⁽¹⁾ The Anchor Investor Bid/Issue Period shall be 1 (one) Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾

⁽³⁾UPI mandate end time and date was 5.00 PM on Bid/Issue Closing Date.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
BID/ISSUE OPENING DATE	Friday, July 26, 2024
BID/ISSUE CLOSING DATE	Tuesday, July 30, 2024
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE (T+1)	On or about Wednesday, July 31, 2024
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT (T+2)*	On or about Thursday, August 01, 2024
CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES (T+2)	On or about Thursday, August 01, 2024
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE (T+3)	On or about Friday, August 02, 2024

* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 (four) Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 10 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 in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding 4 (four) Working Days from the Bid/Offer Closing Date, 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 four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with 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 and SEBI Circular no: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 (three) Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

On the Bid/ Issue Closing Date, the Bids were 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 were permitted by the Stock Exchange,

in case of Bids by Retail Individual Bidders.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount were not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, were rejected.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders were not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders were allowed to revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue was made on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Minimum Subscription and Underwriting

This Issue was not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 (thirty) days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed.

In terms of Regulation 272(2) of SEBI (ICDR) Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within (two) days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within 4 (four) days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, see “*General Information - Underwriting*” on page 89.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board. If the Paid-up Capital of the company is more than ₹10 crores

but below ₹25 crores and if the company fulfils the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the NSE Emerge (SME platform of NSE), wherein the BRLMs to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE.

For further details of the agreement entered into between the Company the BRLMs and the Market Maker, see “*General Information*” on page 80.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 1600 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue:

The current provisions of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 , provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management Act and regulations and rules made therein, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI’s, FPI’s, VCF’s, AIF’s registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions, if any on transfer and transmission of shares and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled “*Capital Structure*” on page 93, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For further details, see “*Main Provisions of the Articles of Association*” on page 354.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company, after registering the Red Herring Prospectus with the RoC published a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper (Hindi being the regional

language of Rajasthan, where our Registered Office and Corporate Office are located) and shall be made available to the Stock Exchange for the purpose of uploading on its website

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre issue advertisements were published, within 2 (two) days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLMs through, the Registrar of the issue, shall notify the SCSBs and the Sponsor Bank, as applicable, to unblock the bid amounts in bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank to release the Bid Amounts of the Anchor Investors and any other investors, as applicable, within 1 (one) working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the filing of Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus with Registrar of Companies.

The above information is given for the benefit of the Applicants. The Applicants were advised to make their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants were advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

ISSUE STRUCTURE

This Issue was made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“*SME Exchange*”, in this case being the NSE Emerge (SME platform of NSE)). For further details regarding the salient features and terms of such an issue see “*Terms of the Issue*” and “*Issue Procedure*” on page 305 and 317 respectively.

Issue Structure

Initial Public Issue of 57,95,200* Equity Shares of ₹10 each for cash at a price of ₹87 per Equity Share (including a Share Premium of ₹ 77 per Equity Share), aggregating up to ₹ 5,035.42 Lakhs by the our Company.

**Subject to finalization of Basis of Allotment*

The Issue comprises a reservation of 1,28,000 Equity Shares, aggregating up to ₹ 104.96 Lakhs, for subscription by Eligible Employees (“**Employee Reservation Portion**”) and reservation of 2,91,200 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (the “**Market Maker Reservation Portion**”) and Net Issue to Public of 55,04,000 Equity Shares of ₹ 10 each (the “**Net Issue**”). The Issue and the Net Issue constituted 26.41 % and 25.08 %, respectively of the post Issue paid up equity share capital of the Company. The Issue was being made through the Book Building Process. This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time.

Particulars ⁽²⁾	Market Maker Reservation Portion	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders / Investors	Retail Individual Bidders / Investors
Number of Equity Shares available for Allotment/ allocation*	2,91,200 Equity Shares	Up to 1,28,000 Equity Shares ^{##}	Not more than 26,88,000 Equity Shares,	Not less than 8,06,400 Equity Shares were made available for allocation or to QIBs and Retail Individual Bidders	Not less than 18,81,600 Equity Shares were made available for allocation or to QIBs and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	5.02 % of the Issue Size	The Employee Reservation Portion constituted 0.58 % of the post-Issue Equity capital of our Company	Not more than 50% of the Net Issue were available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion were made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also be eligible for	Not less than 15% of the Net Issue.	Not less than 35% of the Net Issue.

Particulars ⁽²⁾	Market Maker Reservation Portion	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders / Investors	Retail Individual Bidders / Investors
			allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion were added to the Net QIB Portion		
Basis of Allotment ⁽³⁾	Firm Allotment	Proportionate [#] ; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee were not to exceed ₹2.00 lakhs (net of the Employee Discount). In the event of under-subscription for the Employee Reservation Portion, the unsubscribed portion were to be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹2.00 lakhs, subject to total Allotment to an Eligible Employee not exceeding ₹5.00 lakhs	Proportionate as follows (excluding the Anchor Investor Portion): (a) 54,400 Equity Shares were made available for allocation on a proportionate basis to Mutual Funds only; and (b) 10,75,200 Equity Shares were made available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to 16,12,800 Equity Shares were allocated on a discretionary basis to Anchor Investors of which one-third were available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate basis subject to minimum allotment of 1600 Equity Shares and further allotment in multiples of 1600 Equity Shares	Proportionate basis subject to minimum allotment of 1600 Equity Shares
Mode of Bidding	Only through the ASBA process	Through process	ASBA only	Through process	ASBA only

Particulars ⁽²⁾	Market Maker Reservation Portion	Eligible Employees [#]	QIBs ⁽¹⁾	Non-Institutional Bidders / Investors	Retail Individual Bidders / Investors
		(including the UPI Mechanism)	(excluding the UPI Mechanism) except for Anchor Investors	(including the UPI Mechanism for a Bid size of up to ₹5.00 lakhs)	(including the UPI Mechanism)
Minimum Bid	2,91,200 Equity Shares	1600 Equity Shares	Such number of Equity Shares in multiples of 1600 Equity Shares, such that the Bid Amount exceeds ₹2.00 lakhs	Such number of Equity Shares in multiples of 1600 Equity Shares, such that the Bid Amount exceeds ₹2.00 lakhs	1600 Equity Shares
Maximum Bid	2,91,200 Equity Shares	Such number of Equity Shares in multiples of 1600 Equity Shares, so that the maximum Bid Amount by each Eligible Employee in the Net Issue Portion does not exceed ₹5.00 lakhs, less Employee Discount, if any	Such number of Equity Shares in multiples of 1600 Equity Shares not exceeding the size of the Net Issue (excluding the Anchor Investor Portion), subject to applicable limits under applicable law	Such number of Equity Shares in multiples of 1600 Equity Shares not exceeding the size of the Net Issue (excluding the QIB Portion), subject to applicable limits under applicable law	1600 Equity Shares
Mode of Allotment	Compulsorily in dematerialised form				
Trading Lot	1600 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	1600 Equity Shares and multiples thereof	1600 Equity Shares and multiples thereof	1600 Equity Shares and multiples thereof	1600 Equity Shares and multiples thereof
Who can apply⁽³⁾⁽⁴⁾		Eligible Employees	Public financial institutions as specified in section 2(72) of the Companies Act, scheduled commercial banks, mutual funds, VCFs, FVCI registered with SEBI and multilateral	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts and individuals,	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the Karta)

Particulars ⁽²⁾	Market Maker Reservation Portion	Eligible Employees [#]	QIBs ⁽¹⁾	Non- Institutional Bidders / Investors	Retail Individual Bidders / Investors
			bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with certain minimum corpus pension funds (subject to applicable law) with certain minimum corpus of, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies	corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI.	
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount were payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾</p> <p>In case of all other Bidders: Full Bid Amount were blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>				

* Assuming full subscription in the Issue.

[#]Eligible Employees Bidding in the Employee Reservation Portion could have Bid up to a Bid Amount of ₹5.00 lakhs. However, a Bid by an Eligible Employee in the Employee Reservation Portion was considered for allocation, in the first instance, for a Bid Amount of up to ₹2.00 lakhs. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion were to be made available for allocation and Allotment, proportionately to all Eligible Employees who made the Bid in excess of ₹2.00 lakhs, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹5.00 lakhs (net of the Employee Discount). An Eligible Employee Bidding in the

Employee Reservation Portion could have also Bid in the Net Issue and such Bids were not treated as multiple Bids subject to applicable limits. Eligible Employee could have also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion were to be treated as multiple Bids, only if Eligible Employee made an application of more than ₹2.00 lakhs (net of Employee Discount) in the Employee Reservation Portion. The undersubscribed portion, if any, in the Employee Reservation Portion were to be added back to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of such undersubscription were to be permitted from the Employee Reservation Portion. For details, see “**Terms of the Issue**” on page 305.

^{##} Further, our Company may, in consultation with the BRLMs, offered a discount of 5.75% to the Issue Price to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which were announced at least two Working Days prior to the Bid / Issue Opening Date. The Employee Reservation Portion did not exceed 5% of our post -Issue paid-up equity share capital subject to valid Bids being received at or above the Issue Price, net of Employee Discount, if any.

⁽¹⁾ One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.

⁽²⁾ In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue was made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

⁽³⁾ Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, were allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Stock Exchange, subject to applicable laws.

⁽⁴⁾ Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on pages 329 and having 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 same PAN) may be proportionately distributed.

If the Bid was submitted in joint names, 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 depository account held in joint names. The signature of only the 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.

Bidders were required to confirm and will be deemed to have represented to our Company, 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.

ISSUE PROCEDURE

All Bidders were required to read the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI ("**General Information Document**") and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section "PART B – 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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the Book Running Lead Managers. Please refer to the relevant portions of the General Information Document which were applicable to this Issue. The investors should have noted that the details and process provided in the General Information Document should be read along with this section.

All Designated Intermediaries in relation to the Issue were required to ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders should have referred to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Issue; (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 Applications in cases of individual, multiple Applications 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; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. Further, SEBI, vide

its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular 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, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Further, SEBI vide its circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NIB and other reserved categories 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.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be 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. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited ("NSE EMERGE") to act as intermediaries for submitting Application Forms are provided on www.nseindia.com/emerge For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE Emerge.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their application 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 the Red Herring Prospectus and the Prospectus.

Further, the Company and the BRLMs are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCBS under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated

Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and was replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continued to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

All SCSBs offering facility of making application in public issues are required to also provide facility to make application using the UPI Mechanism. The Issuers has appointed 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 Applicants into the UPI Mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than 1 (one) Working Day from the date on which the Basis of Allotment is finalized. 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-Issue BRLMs are required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs are 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.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹5 lakh, shall use the UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹2 lakh and up to ₹5 lakh, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue was made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue was made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue were to be allocated on a proportionate basis to QIBs, provided that our Company and in

consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third were reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares were to be added to the Net QIB Portion. Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) were made available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion were 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 Issue Price. Further, not less than 15% of the Issue were available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue were available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, 1,28,000 Equity Shares, aggregating ₹104.96 lakhs was 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 Issue Price, if any. The Employee Reservation Portion shall not exceed 5% of our post-Issue paid-up equity share capital subject to valid Bids being received at or above the Issue Price, net of Employee Discount, if any Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would have been allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion were not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchange.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, were treated as incomplete and were rejected. Bidders were not have the option of being Allotted Equity Shares in physical form. However, they were allowed to get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus were available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form were also made available for downloading on the websites of the NSE, at least (1) one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form were available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) were mandatorily required to participate in the Issue only through the ASBA process. ASBA Bidders were required to 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 did not contain such details were rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection. Anchor Investors were not permitted to participate in the Issue through the ASBA process. ASBA Bidders were required to 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 were liable to be rejected. Since as on date Phase III of the UPI Circulars is mandatorily applicable, the Issue was made under Phase III of the UPI Circulars, ASBA Bidders were required to submit the ASBA Form in the manner below;

- RIIs (other than the RIIs using UPI Mechanism) should have submitted their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- UPI Bidder using the UPI Mechanism, should have submitted their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- QIBs and NIBs should have submitted their ASBA Forms with SCSBs, Syndicate, sub-syndicate

members, Registered Brokers, RTAs or CDPs

Anchor Investors were not permitted to participate in the Issue through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form were made available at the office of the BRLMs. ASBA Bidders were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories were 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	White
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* Excluding electronic Bid cum Application Forms

Notes:

- (a) Electronic Bid cum Application forms and the abridged prospectus were also be available for download on the websites of the NSE at www.nseindia.com
- (b) Bid cum Application Forms for Anchor Investors were available at the offices of the BRLMs.
- (c) Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of the Company.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs were required to capture and upload the relevant details in the electronic bidding system of stock exchange(s) and were required to submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders had a bank account and not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary were required to capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders were required to only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form were required to contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange were required to bear a system generated unique application number. Bidders were required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Application Amount could be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, subscribing to this Issue, were required to submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary were required, at the time of receipt of application, to give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange were done by:

For Applications submitted by Investors to SCSB	After accepting the form, SCSB were required to capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs	After accepting the Bid Cum Application Form, respective Intermediary were required to capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they were required to forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within (1) one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	After accepting the Bid Cum Application Form, respective intermediary were required to capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange were required to share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank were required to initiate request for blocking of funds through NPCI to investor. Investor were required to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange was required to validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange was required to allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders were deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders

Availability of Red Herring Prospectus and Bid Cum Application Forms

Copies of the Bid cum Application Form and the abridged prospectus were available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form was also made available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least (1) one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor were required to be made available at the Office of the BRLMs.

Who can Bid?

Each Bidder were required to check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not have been allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders were requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders were as follows:

- Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application 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. Applications by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- Venture Capital Funds and Alternative Investment Fund registered with SEBI;
- State Industrial Development Corporations;
- Foreign Venture Capital Investors registered with the SEBI;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India; Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Multilateral and bilateral development financial institution;
- Eligible QFIs;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs were eligible to invest in this Issue provided it had obtained a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB were eligible to be considered for share allocation.

Maximum and minimum application size

1. For Retail Individual Bidders

The Application were required to be made for a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹2.00 lakhs. In case of revision of Applications, the Retail Individual Bidders were required to ensure that the Application Price does not exceed ₹2.00 lakhs.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application were required to be made for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2.00 lakhs and in multiples of 1600 Equity Shares thereafter. an Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not have exceeded the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and are required to pay 100% QIB Margin upon submission of Application.

Bidders were advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and this Prospectus.

The above information was given for the benefit of the Bidders. The Company 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 the Red Herring Prospectus and this Prospectus. Bidders were advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Method of bidding process

Our Company in consultation with the BRLMs decided the Price Band and the minimum Bid lot size for the Issue and the same was be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper, Hindi being the regional language of Rajasthan, where our Registered Office and Corporate Office are situated, at least 2 (two) Working Days prior to the Bid/ Issue Opening Date. The BRLMS and the SCSBs were required to accept Bids from the Bidders during the Bid/ Issue Period.

- The Bid / Issue Period was required to be for a minimum of 3 (three) Working Days and shall not have exceeded 10 (ten) Working Days or such time as may be prescribed under the applicable laws. Any revision in the Price Band and the revised Bid/ Issue Period, were required to be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper (Hindi being the regional language of Rajasthan, where our Registered Office and Corporate Office are situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- During the Bid/ Issue Period, Retail Individual Bidders, were required to approach the BRLMs or their authorized agents to register their Bids. The BRLMs were required to accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and had the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders were required to approach the Designated Branches or the BRLMs (for the Bids submitted in the Specified Cities) to register their Bids.
- Each Bid cum Application Form was required to give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each

option. The price and demand options submitted by the Bidder in the Bid cum Application Form were required to be treated as optional demands from the Bidder and were not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price were required to be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

- The Bidder/ Applicant were not allowed to Bid through another Bid cum Application Form after Bids through one Bid cum Application Form were submitted to BRLMs or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another SCSB were treated as multiple Bid and were liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder were required to revise the Bid through the Revision Form, the procedure for which was detailed under the paragraph “Buildup of the Book and Revision of Bids”
- Except in relation to the Bids received from the Anchor Investors, the BRLMs/the SCSBs were required to enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder was allowed to receive up to three TRSs for each Bid cum Application Form
- The BRLMs were required to accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. (1) one working day prior to the Bid/ Issue Opening Date or such time as may be prescribed under the applicable laws. Bids by QIBs under the Anchor Investor Portion and the QIB Portion were not be considered as multiple Bids.
- Along with the Bid cum Application Form, Anchor Investors were required to make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “*Issue Procedure*” beginning on page 317.
- Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB were required to verify if sufficient funds equal to the Bid Amount were available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB were required to reject such Bids and not upload such Bids with the Stock Exchange.
- If sufficient funds were available in the ASBA Account, the SCSB were required to block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS were to be furnished to the ASBA Bidder on request.
- The Bid Amount were required to remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at different price levels and revision of bids

- Our Company in consultation with the BRLMs, and without the prior approval of, or intimation, to the Bidders, reserved the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price was required to be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band were required to not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price

disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size were to be decided based on the price band in which the higher price falls into.

- Our Company in consultation with the BRLMs, were required to finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- The Bidders were allowed to Bid at any price within the Price Band. The Bidder had to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders were allowed to Bid at the Cut-off Price. However, bidding at the Cut-off Price was prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders were rejected.
- Retail Individual Bidders, who Bid at Cut-off Price were required to purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders were required to submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders were required to instruct the SCSBs to block an amount based on the Cap Price.
- The price of the specified securities offered to an anchor investor was not be lower than the price offered to other applicants.

Participation by Associates /Affiliates of BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members, if any, were not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members, if any, were allowed to subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation was on a proportionate basis and such subscription would be on their own account or on behalf of their clients.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoters and Promoter Group were allowed to apply in the Issue under the Anchor Investor Portion.

Option to Subscribe in the Issue

- As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares was to be made in dematerialized form only. Investors were not having the option of getting allotment of specified securities in physical form.
- The Equity Shares, on allotment, were required to be traded on the Stock Exchange in demat segment only.
- A single application from any investor were required not to exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders

- Our Company and the Book Running Lead Manager declared the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus \registered with the RoC and also published the same in advertisement in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper, Hindi being the regional language of Rajasthan, where our Registered Office and Corporate Office are located, each with wide circulation. This advertisement was in prescribed format.
- Our Company filed the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date or such time as may be prescribed under the applicable laws.

- Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus were available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms were also be available on the websites of the Stock Exchange.
- Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form could have obtained the same from our Registered Office.
- Bidders who were interested in subscribing for the Equity Shares should have approached Designated Intermediaries to register their applications.
- Bid Cum Application Forms submitted directly to the SCSBs should have borne the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account was inactive were rejected.
- The Bid Cum Application Form was required to be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account was maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs were required to provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants had to apply only through UPI Channel, they had to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contained such details were liable to be rejected.
- Bidders applying directly through the SCSBs should have ensure that the Bid Cum Application Form was submitted to a Designated Branch of SCSB, where the ASBA Account was maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, were to block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
- Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), were required to mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN was the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN was liable to be rejected. The demat accounts of Bidders for whom PAN details was not verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, were to be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
- The Bidders should have noted that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form was liable to be rejected.

Bids by Anchor Investors:

Our Company in consultation with the BRLMs, considered participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations were eligible to invest. The QIB Portion was reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares would have been added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- Anchor Investor Bid cum Application Forms were made available for the Anchor Investors at the offices of the BRLMs.

- The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid was not to be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 200.00 lakhs.
- One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.
- Bidding for Anchor Investors was open one Working Day before the Bid/ Issue Opening Date and be completed on the same day or such time as may be prescribed under the applicable laws.
- Our Company in consultation with the BRLMs, finalized allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - (a) where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - (b) where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
 - (c) where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- Allocation to Anchor Investors was to be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made was available in the public domain by the BRLMs before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- Anchor Investors were required not to withdraw or lower the size of their Bids at any stage after submission of the Bid.
- If the Issue Price was greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price was required to be paid by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date or such time as may be prescribed under the applicable laws. If the Issue Price was lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors was to be at the higher price, i.e., the Anchor Investor Issue Price.
- At the end of each day of the bidding period, the demand including allocation made to anchor investors, was shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion is required to be locked in for a period of 90 (ninety) days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion is required to be locked in for a period of 30 (thirty) days from the date of Allotment.
- The BRLMs, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLMs) have not participated in the Anchor Investor Portion. The parameters for selection of Anchor Investors was clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
- Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids.

- Anchor Investors were not permitted to Bid in the Issue through the ASBA process.

Bids by Eligible NRIs

Eligible NRIs had to option to obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms had to authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders bidding through UPI Mechanism) 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 or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism were advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs were not permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs could have used Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility was enabled for their NRE/NRO accounts. Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (White colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (Blue colour).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, were not to exceed 5% of the total paid-up equity capital on a fully diluted basis or were not to exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together were not to exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% could have been raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Participation of Eligible NRIs in the Issue was subject to the FEMA Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

For details of restrictions on investments by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 351.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs were made in the individual name of the Karta. The Bidder/applicant was required to specify that the Bid was being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs were considered at par with Bids/Applications from individuals.

Bids by FPIs

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) was supposed to be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, should 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%). 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 Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

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:

- (i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (ii) 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 wished to participate in the Issue were advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN were treated as multiple Bids and were 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 were 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, were 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, were 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 were rejected.

Further, in the following cases, Bids by FPIs were not treated as multiple Bids:

- (i) FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- (ii) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- (iii) Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- (iv) 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;
- (v) Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- (vi) Government and Government related investors registered as Category 1 FPIs; and
- (vii) 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 were collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid were 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, were 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 were rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder was not supposed to exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure were aggregated for determining the permissible maximum Bid.

Further, please note that as disclosed in the Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms were liable to be rejected in the event that the Bid in the Bid cum Application Form “exceeds the Issue 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 applicable laws or regulations, or under the terms of the Red Herring Prospectus.”

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

All non-resident investors were informed that refunds (in case of Anchor Investors), dividends and other distributions, if any, are payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (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, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months period from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There was no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders were treated on the same basis with other categories for the purpose of allocation.

All non-resident investors were informed that refunds (in case of Anchor Investors), dividends and other

distributions, if any, are payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMSs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, was required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserved the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee were required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserved 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 ("**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 subject to compliance with applicable requirements.

Bids by SCSBs

SCSBs participating in the Issue were 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 were 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 was required to be attached to the Bid cum Application Form. Failing this, our Company and the in consultation with the BRLMS reserved 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:

- (i) 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;
- (ii) 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
- (iii) 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 (i), (ii) and (iii) above, as the case may be.

Insurance companies participating in the Issue was required to comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs 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 Systemically Important NBFCs, were required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue were required to comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be 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 did not participate in the Issue.

Bids by Eligible Employees

The Bid was required to be for a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter so as to ensure that the Bid Amount paid by the Eligible Employee did not exceed ₹5,00,000 (net the Employee Discount, if any). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion were not to exceed ₹2,00,000. Allotment in the Employee Reservation Portion has been as detailed in the section “*Issue Structure*” on page 312.

However, Allotments to Eligible Employees in excess of ₹2,00,000 was considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹5,00,000. Subsequent under-subscription, if any, in the Employee Reservation Portion was added back to the Net Issue.

Bids under the Employee Reservation Portion by Eligible Employees was required to be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form).
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) were eligible to apply in this Issue under the Employee Reservation Portion.
- In case of joint bids, the sole bidder or the first bidder was required to be the Eligible Employee.
- Bids by Eligible Employees were required to be made at Cut-off Price.
- Only those Bids, which were received at or above the Issue Price (net the Employee Discount, if any) were considered for allocation under this portion.
- The Bids were required to be for a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter so as to ensure that the Bid Amount paid by the Eligible Employee subject to a maximum Bid Amount of ₹5,00,000 (net the Employee Discount, if any).
- As per the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Eligible Employees bidding in the Employee Reservation Portion could Bid through the UPI Mechanism.
- If the aggregate demand in this portion was less than or equal to 1,28,000 Equity Shares at or above the Issue Price, full allocation were made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Issue portion were not required to be treated as multiple Bids. Our Company reserved the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- Eligible Employees had to mention their employee number at the relevant place in the Bid cum

Application Form or Revision Form.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion were to be made available for allocation and Allotment, proportionately to all Eligible Employees who had Bid in excess of ₹2,00,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹5,00,000 (net of Employee Discount).

If the aggregate demand in this portion is greater than 1,28,000 Equity Shares at or above the Issue Price, the allocation was made on a proportionate basis.

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, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents 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 as applicable were required to be lodged along with the Bid cum Application Form. Failing this, our Company reserved the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserved 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 the, in consultation with the BRLMs, deemed fit, without assigning any reasons thereof.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund were required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserved the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company 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 the Red Herring Prospectus and this Prospectus. Bidders were advised to make their independent investigations and ensure that any single Bid from them did not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE:

- Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue sent to the SCSBs a list of their Bidders who were allocated Equity Shares in the Issue.
- The Registrar then dispatched a CAN to their Bidders who were allocated Equity Shares in the Issue. The dispatch of a CAN is deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus and this Prospectus. ASBA Bidders were advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of ₹ 87 per equity share was payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar instructed the SCSBs to unblock the excess amount paid on Application to the Bidders. SCSBs transferred the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer were unblocked by the SCSBs. The Bidders were informed that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and was established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism

The Bidders were required to specify the bank account number in their Bid Cum Application Form and the SCSBs blocked an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB kept the Application Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders could neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue gave instructions to the SCSBs to unblock the application money in the relevant bank account within 1 (one) day of receipt of such instruction or such time as may be prescribed under the applicable laws. The Application Amount remained blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue were required to use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which would have been blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, UPI Bidder (including Retail Individual Bidders) applying in public Issue were required to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors were required to bid through ASBA Mode. Anchor Investors were requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, decided the list of Anchor Investors to whom the CAN was sent, pursuant to which the details of the Equity Shares allocated to them in their respective names was notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account had to be drawn in favour of:

- In case of resident Anchor Investors: "Esprit Stones Limited R A/c"
- In case of Non-Resident Anchor Investors: Esprit Stones Limited NR A/c"

Bidders should note that the escrow mechanism was not prescribed by SEBI and was established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

- The Designated Intermediaries registered the applications using the on-line facilities of the Stock Exchange.

- The Designated Intermediaries undertook modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
- The Designated Intermediaries were responsible for any acts, mistakes or errors or omissions and commissions in relation to;
 - (a) the applications accepted by them,
 - (b) the applications uploaded by them
 - (c) the applications accepted but not uploaded by them or
 - (d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they were responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs were responsible for blocking the necessary amounts in the ASBA Accounts.
- Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (a) The applications accepted by any Designated Intermediaries;
 - (b) The applications uploaded by any Designated Intermediaries or;
 - (c) The applications accepted but not uploaded by any Designated Intermediaries
- The Stock Exchange offered an electronic facility for registering applications for the Issue. This facility was available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries could also set up facilities for off-line electronic registration of applications subject to the condition that they would have subsequently uploaded the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries uploaded the applications till such time as may be permitted by the Stock Exchange. This information was available with the Book Running Lead Manager on a regular basis.
- With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs forwarded a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1	Symbol
2	Intermediary Code
3	Location Code
4	Application No
5	Category
6	PAN
7	DP ID
8	Client ID
9	Quantity
10	Amount

* Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.

- With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries were required to enter the following information pertaining to the Bidders into in the on-line system:
 - (a) Name of the Bidder;
 - (b) IPO Name;
 - (c) Bid Cum Application Form Number;
 - (d) Investor Category;
 - (e) PAN (of First Bidder, if more than one Bidder);
 - (f) DP ID of the demat account of the Bidder;
 - (g) Client Identification Number of the demat account of the Bidder;
 - (h) Number of Equity Shares Applied for;
 - (i) Bank Account details;

- (j) Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - (k) Bank account number.
- In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the abovementioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
 - The aforesaid Designated Intermediaries were required to, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries did not guarantee that the Equity Shares were allocated / allotted either by our Company.
 - Such acknowledgment was non-negotiable and by itself did not create any obligation of any kind.
 - In case of Non-Retail Bidders and Retail Individual Bidders, applications were not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries had no right to reject applications, except on technical grounds.
 - The permission given by the Stock Exchanges to use their network and software of the Online IPO system was not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager was cleared or approved by the Stock Exchanges; nor did it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor did it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor did it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus, nor did it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
 - The Designated Intermediaries were given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue was supposed to receive this data from the Stock Exchange and was supposed to validate the electronic application details with Depository's records. In case no corresponding record was available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications were liable to be rejected.
 - The SCSBs were given (1) one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
 - The details uploaded in the online IPO system was to be considered as final and Allotment was based on such details for applications.

Build of the Book

- Bids received from various Bidders through the Designated Intermediaries might have had been electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information was available with the BRLMs at the end of the Bid/ Issue Period.
- Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

- RIIs could withdraw their Bids until Bid/ Issue Closing Date. In case a RII wished to withdraw the Bid during the Bid/ Issue Period, the same could be done by submitting a request for the same to the concerned Designated Intermediary who was required to do the requisite, including unblocking of the

funds by the SCSB in the ASBA Account.

- The Registrar to the Issue have instructions to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs could neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- Based on the demand generated at various price levels, our Company in consultation with the BRLMs, finalised the Issue Price and the Anchor Investor Issue Price.
- The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that were made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category was disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) was allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLMS and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category was not available for subscription to other categories.
- In case of under subscription in the Issue, spill-over to the extent of such under-subscription was permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- In case if the Retail Individual Investor category was entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- Allocation to Anchor Investors was at the discretion of our Company and in consultation with the BRLMs, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process:

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders could bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, finalised the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids were valid Bids and were considered for allocation in the respective categories.

Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC

- Our company has entered into an Underwriting Agreement dated July 18, 2024;
- A copy of Red Herring Prospectus was filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013; and
- A copy of the Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company, after registering the Red Herring Prospectus with the RoC, published a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper, Hindi being the regional language of Rajasthan, where our Registered Office and Corporate Office are situated. Our Company shall, in the pre-Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was given in the format prescribed in Part A of Schedule X of under the SEBI ICDR Regulations.

The information set out above was given for the benefit of the Bidders/applicants. Our Company, the BRLMs and the members of the Syndicate is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders/applicants were advised to make their independent investigations and ensure that the number of Equity Shares for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Issue shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and all editions of Udaipur Express, a Hindi regional daily newspaper, Hindi being regional language of Rajasthan, where our Registered Office and Corporate Office is situated.

General Instructions

Please note that QIBs and Non-Institutional Bidders were 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 could revise their Bid(s) during the Bid/ Issue Period and withdraw or lower the size of their Bid(s) until Bid/ Issue Closing Date. Anchor Investors were not allowed to withdraw their Bids after the Anchor Investor Bid/ Issue Period.

Do's:

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and March 30, 2022, read with press release dated March 28, 2023;
2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Ensure that (other than Anchor Investors) you have mentioned correct details of ASBA Account (i.e., bank account 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. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
6. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, Mobile Applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. 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;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
 8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
 9. 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. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
 10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
 11. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
 12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;
 13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
 14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
 15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
 16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, 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;
 17. Ensure that the Demographic Details are updated, true and correct in all respects;
 18. 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;
 19. 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;
 20. 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, are submitted;
 21. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
 22. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
 23. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
 24. However, 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;
25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/Issue Closing Date;
 26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were 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 are liable to be rejected;
 27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;
 28. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) 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) or such other websites as updated from time to time);
 29. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, 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;
 30. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
 31. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
 32. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner and;
 33. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.
 34. Ensure that the Anchor Investors submit their Bid cum Application Forms only to the BRLMs;
 35. The ASBA Bidders shall ensure that that bids above ₹5,00,000 are uploaded only to the SCSBs.

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 size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the

- relevant ASBA Forms;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
 10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
 11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
 12. Do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
 13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date;
 14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
 15. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
 16. Do not submit the General Index Register (GIR) number instead of the PAN;
 17. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors)
 18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
 19. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
 20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors revise or withdraw their Bids until the Bid/Issue Closing Date;
 21. 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;
 22. 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 Retail Individual Investors using the UPI Mechanism;
 23. 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;
 24. 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);
 25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or Mobile Applications and/or UPI handle that is not listed on the website of SEBI;
 26. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
 27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
 28. RIIs Bidding through the UPI Mechanism 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;
 29. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
 30. Do not Bid if you are an OCB;
 31. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
 32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5,00,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For details of grounds for technical rejections of a Bid cum Application Form, see the General Information Document.

Other instructions for the Bidders

Joint Bids

In the case of Joint Bids, the Bids were required to be made in the name of the Bidders whose name appears first in the Depository account. The name so entered were required to be the same as it appears in the Depository records. The signature of only such first Bidders were required in the Bid cum Application Form/Application Form and such first Bidder was deemed to have signed on behalf of the joint holders. All payments were required to have been made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications were addressed to such Bidder and were dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder were required to submit only one Bid cum Application Form. Bidder had the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options were not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number were treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Bidders

Nomination facility was available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there was no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders were required to inform their respective DP.

Submission of Bids

- During the Bid/Issue Period, Bidders could approach any of the Designated Intermediaries to register their Bids.
- In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders could instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders were requested to refer to the RHP.

GROUPS OF TECHNICAL REJECTIONS

Bidders were advised to note that Bids were liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the RHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.
- Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS WERE REQUIRED TO NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM WAS LIABLE TO BE REJECTED.

Basis of Allocation

- The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category was disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) was allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the issue, spill-over to the extent of such under- subscription were permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

Allotment Procedure and Basis of Allotment

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors were made on proportionate basis. No Retail Individual Investor was Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any were Allotted on a proportionate basis

- **For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price were grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders were made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders were available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 18,81,600 Equity Shares at or above the Issue Price, full Allotment were required to be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category was greater than 18,81,600 Equity Shares at or above the Issue Price, the Allotment was required to be made on a proportionate basis up to a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

- **For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price were grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders were made at the Issue Price.

The Issue size less Allotment to QIBs and Retail was available for Allotment to Non- Institutional Bidders who had Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category was less than or equal to 8,06,400 Equity Shares at or above the Issue Price, full Allotment were made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category was greater than 8,06,400 Equity Shares at or above the Issue Price, Allotment were made on a proportionate basis up to a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

- **For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants were required to refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price could have been grouped together to determine the total demand under this category. The QIB Category was available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment was undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion was determined as follows:
 - (i) In the event that Bids by Mutual Fund exceeded 5% of the QIB Portion, allocation to Mutual Funds was done on a proportionate basis for 5% of the QIB Portion.
 - (ii) In the event that the aggregate demand from Mutual Funds was less than 5% of the QIB Portion then all Mutual Funds were to get full Allotment to the extent of valid Bids received above the Issue Price;
 - (iii) Equity Shares that remained unsubscribed, if any, not allocated to Mutual Funds was available for Allotment to all QIB Bidders as set out in (b) below;

- (b) In the second instance Allotment to all QIBs shall be determined as follows:
- (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price were to be allotted Equity Shares on a proportionate basis, upto a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter for 5% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, were eligible to receive Equity Shares on a proportionate basis, upto a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter, along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, were included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders were not more than 26,88,000 Equity Shares.

• **Allotment To Anchor Investor (If Applicable)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price was at the discretion of the Issuer, in consultation with the BRLMs, subject to compliance with the following requirements:
- (i) not more than 60% of the QIB Portion were required to be allocated to Anchor Investors;
 - (ii) one-third of the Anchor Investor Portion was required to be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - (iii) allocation to Anchor Investors was required to be on a discretionary basis and subject to: a maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- (b) A physical book was prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors were sent a CAN and if required, a revised CAN.

Anchor Investors were sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors were then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice was issued to such Anchor Investors.

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

In the event of the Issue being Over-Subscribed, the Issuer could finalise the Basis of Allotment in consultation with the NSE Emerge (SME platform of NSE) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole was arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders was arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

- (c) For Bids where the proportionate allotment worked out to less than 1600 equity shares the allotment was made as follows:
- (i) Each successful Bidder was allotted 1600 equity shares; and
 - (ii) The successful Bidder out of the total bidders for that category was determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder worked out to a number that was not a multiple of 1600 equity shares, the Bidder was allotted Shares by rounding off to the nearest multiple of 1600 equity shares subject to a minimum allotment of 1600 equity shares.
- (e) If the Shares allotted on a proportionate basis to any category was more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation was first adjusted against any category, where the allotted Shares were not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment were added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1600 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment could be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this RHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment was on proportionate basis and was finalized in consultation with NSE.

Flow of Events from the closure of Bidding period (T DAY) Till Allotment:

- On T Day, RTA To validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable , through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below .:

Process for generating list of allottees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by DSE is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these application s will be allotted the shares in that category.

- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees , partial allottees and non- allottees , prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

Issuance of Allotment Advice

- Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- On the basis of approved Basis of Allotment, the Issuer passed necessary corporate action to facilitate the allotment and credit of equity shares. Bidders were advised to instruct their Depository Participants to accept the Equity Shares that were allotted to them pursuant to the issue. The Book Running Lead Manager or the Registrar to the Issue dispatched an Allotment Advice to their Bidders who were allocated Equity Shares in the Issue. The dispatch of Allotment Advice was deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- Issuer made the allotment of the Equity Shares and initiated corporate action for credit of shares to the successful Bidders Depository Account within such time as was prescribed under the applicable laws from the Issue Closing date. The Issuer also ensured the credit of shares to the successful Bidders Depository Account was completed within 1 (one) working Day from the date of allotment, after the funds were transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company issued and dispatched letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within such working days as may be required under applicable law from the Issue Closing date.

The Company intimated the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

Instructions for Completing the Bid Cum Application Form

The Applications were required to be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made were liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account were liable to be rejected. Bid Cum Application Forms were required to bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which did not bear the stamp of the Designated Intermediaries, were rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of DPs centres for collecting the application shall be disclosed is available on the websites of NSE i.e. www.nseindia.com.

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form was mandatory and applications that did not contain such details were liable to be rejected. Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue obtained from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details were used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form were not used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder was deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed were required to be submitted to the Designated Intermediaries. The aforesaid intermediaries were required to, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Right to Reject Applications

In case of QIB Bidders, the Company in consultation with the BRLMS could reject Applications provided that the reasons for rejecting the same were required to be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company had a right to reject Applications based on technical grounds.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months period 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 ₹10 lakhs 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 ₹50 lakhs or with both.

Undertakings by our Company

Our Company undertakes the following:

- (i) the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment was not made within the prescribed time period under applicable law, the entire subscription amount received was refunded/unblocked within the time prescribed under applicable laws, failing which interest will be due to be paid to the Bidders at the rate prescribed under the applicable laws for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 3 (three) Working Days of the Bid/Issue Closing Date or such other time as may be prescribed under the applicable laws;
- (iv) the funds required for making refunds/ unblocking (to the extent applicable) to unsuccessful applicants as per the mode(s) disclosed were made available to the Registrar to the Issue by our Company;
- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication was sent to the Bidder within the 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;
- (vi) that if our Company did not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof was required to be given as a public notice within such time as may be prescribed under the applicable laws of the Bid/Issue Closing Date. The public notice was required to be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares were listed shall also be informed promptly
- (vii) that if our Company, in consultation with the BRLMs, withdrew the Issue after the Bid/Issue Closing Date, our Company was required to file a fresh draft Issue document with the SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter
- (viii) Promoter's contribution, if any, were required to be brought in advance before the Bid / Issue Opening Date
- (ix) that adequate arrangements were required to be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (x) no further issue of Equity Shares were made until the Equity Shares Issued through the Red Herring Prospectus were listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“**DPIIT**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DPIIT till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

In accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100%. As per the Regulations, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2020. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps.

As per the FDI Policy, FDI in the industry in which we operate is permitted up to 100% of the paid up share capital of such company under the automatic route.

Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DPIIT / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications 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 and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information were given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the Description of Equity Shares and Terms of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extraordinary General Meeting held on, January 3, 2024, in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

MAIN ARTICLES OF ARTICLES OF ASSOCIATION

Copies of the Memorandum to be furnished By the Company

Article 3 states that pursuant to Section 17 of the Companies Act, 2013 (“**The Act, hereafter**”) the Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- such other fee as may be specified in the applicable Rules, a copy of each of the following documents, as in force for the time being:

- (i) The Memorandum;
- (ii) The Articles; and
- (iii) Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

Company’s funds may not be applied in Purchase of or lent for shares of the Company

Article 4(a) states that the Company shall not have the power to buy its own shares, unless the consequent reduction of capital is affected and sanctioned in pursuance Section 66 of the Companies Act at the time of application.

Article 4(b) states that the Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit:

- (i) the provision by the Company, in accordance with any scheme approved by the Company through special resolution for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of, or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or
- (ii) the making by the Company of loans, within the limit laid down in Sub-Section (3)(c) of Section 67 of the Act, to persons (other than Directors or Key Managerial Personnel) bona fide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.

Article 4(c) states that no loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.

Article 4(d) states that nothing in this Article shall affect the right of the Company to redeem any shares issued under this Act or under any previous Company Law.

Buy Back of Securities

Article 5 states that notwithstanding anything contained in the Articles, but subject to the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Act as amended from time to time and subject to such regulations, conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own securities, whether or not there is any consequent reduction of capital. If and to the extent permitted by law, the Company shall have the power to re-issue the securities so bought back.

Share Capital and Variation Rights

Article 6(a) states that the Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of the Memorandum each with power to consolidate, increase, reduce, subdivide the capital for the time being and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, preference, guaranteed, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, alter, modify, amalgamate or abrogate any such rights, privileges or conditions in such a manner as may for the time being be provided for by the Articles

of Association of the Company or by the law in force for the time being.

The Share Capital of the Company shall be of two kinds, namely: -

- (i) Equity Share Capital
 - with voting rights; or
 - with differential rights as dividend, voting or otherwise in accordance with the Act.
- (ii) Preference share capital.

Article 6(b) states that subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid-up on such equity shares respectively at the commencement of the winding up.

Article 6(c) states that 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 of the Act, 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.

Increase Of Capital

Article 7 states that the Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.

On what conditions the new shares may be issued –

Article 7(a) states that subject to the provisions of Section 43 to 47, 55 and 62 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given then as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and, subject to the provisions of Companies Act, with special right of voting and, subject to provisions of Section 55 of the Act, any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

Further Issue of Capital –

Article 7(b) states that where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of the increased share capital:

- (i) Such further shares shall be offered to the person who at the date of offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date.
- (ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than 7 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
- (iii) 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 favor of any other person and the notice shall contain a statement of this right.
- (iv) After the expiry of the time specified in 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 may dispose of them in such manner as they think most beneficial to the Company and members.
- (v) Notwithstanding anything contained in the preceding sub-clause, the Company may:
 - by a special resolution offer further shares to any person or persons, and such person or persons may or may not include the person/s who at the date of the offer, are the holders of the equity shares of the Company or to employees of the Company under the Scheme of employees' stock option; or
 - Notwithstanding anything contained in sub-clause (a) above, but subject, however, to section 62(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the

debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

Article 7(c) states that a further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act, Rules and other applicable provisions of law.

Employee Stock Option Scheme –

Article 7(d) states that the Company may issue shares to Employees including its directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules, and other applicable regulations framed by any regulator or authority, by whatever name called.

Debenture –

Article 7(e) states that any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Director may allot shares otherwise than for cash –

Article 7(f) states that subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or, machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.

Same as Original Capital –

Article 7(g) states that except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender voting and otherwise.

Issue of Depository Receipts –

Article 7(h) states that subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.

Power to issue shares with differential rights –

Article 7(i) states that the Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended, or any other law, circular, direction, guidelines as may be applicable to the Company from time to time.

Issue of Securities –

Article 7(j) states that subject to compliance with applicable provision of the Act and rules framed thereunder the Company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.

Power to Issue Redeemable Preference Shares

Article 8(a) states that subject to the provisions of Section 55 of the Act, the Company may issue preference shares which are or at the option of the Company are to be liable to be redeemed:

Provided that:

- (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
- (ii) no such shares shall be redeemed unless they are fully paid;
- (iii) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this section, apply as if the Capital Redemption Reserve Account were paid-up share capital of the company; and the premium, if any, payable on redemption shall have been provided for out of the profits of the company or out of the Company's securities premium account before the shares are redeemed;
- (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.

Article 8(b) states that subject to the provisions of Section 55 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be affected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

Article 8(c) states that the redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorized share capital.

Article 8(d) states that where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly, the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 403 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relate to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

Article 8(e) states that the Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

Provision in Case of Redemption of Preference Shares

Article 9 states that the Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in case of redemption of part of the preference shares the following provisions shall take effect:

- a) The shares to be redeemed shall be determined by drawing of lots which the company shall cause to be made at its registered office or at such other place as the Directors may decide, in the presence of one Director at least; and
- b) Forthwith after every such drawing, the Company shall notify to the shareholder whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the

- Company or at such other place as the directors may decide at the time and on the date to be named against surrender of the Certificates in respect of the Shares to be redeemed and at the time and date so notified each such shareholder shall be bound to surrender and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares, which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.
- c) Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects *pari passu* with the preference shares then outstanding. PROVIDED in the event of its creating and/or issuing further preference shares ranking *pari passu* with the Preference Shares then outstanding the Company would do so only with the consent of the holders of not less than three-fourths of the preference shares then outstanding.
 - d) The Redeemable Preference Shares shall not confer upon the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47 of the Act.
 - e) The rights, privileges and conditions for the time being attached to the Redeemable Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

Convertible Preference Shares

Article 10 states that subject to the provisions of the Act and the guidelines issued by the Central Government from time to time under the Provisions of the Act, the Company may issue Convertible Preference Shares (CPS) in such manner as the Board of Directors of the Company may decide and specifically provide for:

- (i) the Quantum of issue;
- (ii) the terms of the issue with particular reference to the conversion of CPS into the equity shares of the company; and
- (iii) the rate of cumulative preferential dividend payable on CPS, the voting rights to be attached to CPS and any other terms and conditions which may be attached to the issue of CPS as permissible in law.

Reduction of Capital

Article 11 states that the Company may from time to time by special resolution, subject to confirmation by the Court or Tribunal as applicable and subject to the provision of Sections 52, 55 and 66 of the Act at the relevant time reduce its share capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law in particular without prejudice to the generality of the power may be:

- a) extinguishing or reducing the liability on any of its shares in respect of shares capital not paid up;
- b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or
- c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company; and may, if and so far, as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Division, Sub-division, consolidation, Conversion and Cancellation of Shares

Article 12 states that subject to the provisions of Section 61 of the Act, the Company in general meeting may alter the conditions of its Memorandum as follows, that is to say, it may:

- a) increase its authorized share capital by such amount as it thinks expeditiously;
- b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares. Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall have effect unless it is approved by the Court or Tribunal as applicable
- c) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the

Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;

- d) convert, all or any of its fully paid-up shares into stock, and re-convert that stock into fully paid-up shares of any denomination;
- e) cancel, shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of Rights

Article 13 states that if at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the share of that class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourth in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The Provisions of these Articles relating to general meeting shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 100 is not present, those persons who are present shall be the quorum.

Conversion Of Shares into Stock

Article 14 states that the Board may, pursuant to Section 61 of Act, with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, power nevertheless at their discretion to waive such rules in any particular case. Notice of such conversion of shares into stock or reconversion of stock into shares shall be filed with the Registrar of Companies as provided in the said Act.

Rights of Stock Holders

Article 15 states that the stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted but no such privileges or advantages, except the participation in profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of, consolidated stock as would not, if existing in shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special holders of the share and authenticated by such evidence (if any) as the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares and the words "share" and "shareholder" in these presents shall include "stock" and "stockholder".

Issue of further shares not to affect right of existing shareholders

Article 16 states that the right or privileges conferred upon the holders of the shares of any class issued with preference 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 or modified or affected by the creation or issue of further shares ranking *pari passu* therewith.

Provisions of Section 43, 45, 46 and 47 of the Act to apply

Article 17 states that the provisions of Section 43, 45, 46 and 47 of the Act in so far as the same may, be applicable shall be observed by the Company.

Register of Members and Debenture holders

Article 18(a) states that the Company shall cause to be kept a Register of Members and an Index of Members in accordance with Section 88 of the Act and Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company may also keep foreign Register of Members and Debenture holders in accordance with Section 88 of the Act.

Article 18(b) states that the Company shall also comply with the provisions of Sections 92 of the Act as to filing of Annual Returns.

Article 18(c) states that the Company shall duly comply with the provisions of Section 94 of the Act with regards to keeping of the Registers, indexes, copies of Annual Returns and giving inspections thereof and furnishing copies thereof.

Article 18(d) states that the shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

Restriction on Allotment

Article 19 states that the Board shall observe the restriction as to allotment of shares to the public contained in Section 39 of the Act shall cause to be made the return as to allotment provided for in Section 39 of the Act.

Shares to be numbered progressively and no share to be subdivided

Article 20 states that the shares in the capital shall be numbered progressively accordingly to the several denominations and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Dematerialized Shares

Article 21 states that notwithstanding anything contained herein, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such shares or other marketable securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialized.

Shares at the Disposal of the Directors

Article 22 states that subject to the provisions of Section 62 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons. In such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may from time think fit and with the sanction of the Company in General Meeting to give to any person the option to all for any shares either at par or at a premium during such time and for such consideration as the Directors may think, fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business, and any shares which may be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

Every Share Transferable

Article 23 states that –

- (i) The shares or other interest of any member in the Company shall be movable property, transferable in the manner provided by these Articles.
- (ii) Each share in the Company shall be distinguished by its appropriate number.
- (iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be, prima facie, evidence of the title of the member of such shares.

Application of Premium Received on Issue of Shares

Article 24(a) states that where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium on these shares shall be transferred to an account to be called “the securities premium account”, and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.

Article 24(b) states that the securities premium account may, notwithstanding, anything in the clause above, be applied by the Company:

- (i) In paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- (ii) In writing off the preliminary expenses of the Company;
- (iii) In writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
- (iv) In providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company;
- (v) For the purchase of its own shares or other securities as provided under Section 68 of the Act.

Sale of Fractional Shares

Article 25 states the following –

- (i) If and wherever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst to members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see the applications 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.
- (ii) The Board shall have power 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.

Acceptance of Shares

Article 26 states that an application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose names is on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of Section 39 and 40 of the Act in so far as they are applicable.

Deposits and calls etc. to be a Debt Payable immediately

Article 27 states that the money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the holder of such shares, become a debt, due to and recoverable by the Company from the Allottee thereof, and shall be paid by him accordingly.

Company not Bound to Recognize any Interest in Shares other than of Registered Holder

Article 28 states that save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize any benami, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provision of Section 88 of the Act shall apply.

Declarations of Person Not Holding Interest in Shares

Article 29 states that when any declaration is filed with the Company under the provisions of Section 89 of the Act by any holder of shares who does not hold beneficial interest in such shares specifying the particulars of the person holding beneficial interest in such shares or by a person who holds beneficial interest in any shares of the Company but is not the registered holder thereof, the Company shall make a note of such declaration in its register of members and file, within 30 days from the date of receipt of the declaration by it, a return with the registrar with regard to such declaration.

When any declaration is filed with the Company under the provisions of Section 90 of the Act by any individual who is Significant Beneficial Owner shall file a declaration in the prescribed form to the Company within time period stipulated under the Act, the Company shall file a return in the prescribed format with the registrar in respect of such declaration within 30 days from the date of receipt of such declaration.

The Company shall maintain a register of Significant Beneficial Owner in Form No. BEN-3, which shall be open for inspection in accordance with the provisions of the Act.

For the purpose of this Article, beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to—

- (i) exercise or cause to be exercised any or all of the rights attached to such share; or
- (ii) receive or participate in any dividend or other distribution in respect of such share.

Issue of Certificates of Shares to be Governed by Section 46 of the Act etc.

Article 30 states the following –

- a) The issue of certificates of shares or of duplicate or renewal of certificates of shares and/or advices/certificates issued upon sub-division, split, consolidation and exchanges shall be governed by the provisions of Section 46 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or the as well as the Listing Regulations, as may be applicable or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed from the time being.
- b) The Certificate of title of shares shall be issued under the Seal of the Company, if any, and shall be signed by such Directors or Officers or other authorized persons as may be prescribed by Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.
- c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 46 of the Act and the Listing Regulations.

Limitation of Time of Issue of Certificate

Article 31 states the following –

- a) Every member shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or after payment of such fees as the Board may approve, to several

certificates, each for one or more of such shares and the Company shall complete and deliver such Certificates within the time provided by Section 56 of the Act or the Listing Regulations, as may be applicable, unless the conditions of issue thereof otherwise provide. Every Certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holders.

- b) The Company may not entertain any application for split of share/debenture certificate for less than 100 shares/debentures (all relating to the same series) or marketable lots whichever is lower.
- c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

Issue of new Certificates in place of one defaced, lost or destroyed

Article 32 states that if any certificate be worn out, defaced, mutilated or torn if there be no, further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu, thereof, and if any certificate be 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 without payment of fees. Out of pocket expenses incurred by the Company in investing the evidence as to the loss or destruction shall be paid to the Company if demanded by the directors.

Provided that notwithstanding what is stated above the directors shall comply with such Rules or Regulation or requirements of any stock Exchange including the Listing Regulations or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, on Rules applicable in this behalf.

The provisions of the Article under this heading shall mutatis mutandis apply to debentures of the Company.

Unclaimed Securities

Article 33 states that the Company shall comply with the provisions of the Listing Regulations while dealing with securities that remain unclaimed and the corporate benefits attached thereto. The Company shall maintain appropriate unclaimed suspense accounts and demat suspense accounts, as may be required to hold unclaimed securities on behalf of allottees and issue such reminders to the allottees as may be required under the Listing Regulations. However, shares in respect of which unpaid or unclaimed dividend has been transferred to the account of the Company in terms of Section 124(5) of the Act shall also be transferred to the Company as per the provisions of Section 124(6) of the Act.

Power to pay Certain Commission and Prohibition of Payment of All Other Commission, Discounts etc.

Article 34A states the following –

The company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, subject to the following conditions, namely: -

- a) the payment of such commission shall be authorized in the company's articles of association;
- b) the commission may be paid out of proceeds of the issue or the profit of the company or both;
- c) the rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued or a rate authorized by the articles, whichever is less, and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued, or

- as specified in the company's articles, whichever is less;
- d) the prospectus of the company shall disclose—
 - (i) the name of the underwriters;
 - (ii) the rate and amount of the commission payable to the underwriter; and
 - (iii) the number of securities which is to be underwritten or subscribed by the underwriter absolutely or conditionally. Lieu of Prospectus and filed before the payment of the commission with the Registrar and where a circular or notice not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;
 - e) there shall not be paid commission to any underwriter on securities which are not offered to the public for subscription;

Article 34B states that save as aforesaid and save as provided in Section 53 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of:

- (i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;
- (ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid by as the nominal purchase money or contract price, or otherwise.

Article 34C states that nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.

Article 34D states that the commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stocks of the Company.

The Board may make calls

Article 35 states that the Board may from time to time and subject to Section 49 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture-holders in respect of all moneys unpaid on the shares/debenture held by them respectively and each member/debenture holder or his heir's executor's or administrators shall pay the amount of every call so made on him to the Company and at the times and places appointed by the Board and shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting. A call may be made payable by installments as may be decided by the Board. A call may be postponed revoked as the Board may determine.

Calls To Date from Resolution

Article 36 states that a call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by members/debenture-holders on a subsequent date to be specified by the Directors.

Notice of Call

Article 37 states that a 15 (fifteen) days' notice in writing shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debenture-holders to revoke the same.

Directors may extend time

Article 38 states that the Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/debenture-holders who on account of residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/debenture holder shall be entitled to such extension, save as a matter of grace and favor.

Sums deemed to be calls

Article 39 states that any sum, which by the terms of issue of a share/debenture becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share/debenture or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles 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.

Installments on Shares to be Duty Paid

Article 40 states that if by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time, shall be the registered holder of the share or his legal representative.

Calls on Shares of the Same Class to be made on Uniform Basis

Article 41 states that where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Liability of Joint Holders of Shares

Article 42 states that the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

When Interest on Call or Installment Payable

Article 43 states that if the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest at ten per cent per annum or at such lower rate as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Partial Payment not to Preclude forfeiture

Article 44 states that neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of any such payment preclude the forfeiture of such shares as herein provided.

Proof on Trial of Suit for Money due on Shares

Article 45 states that on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due, of the shares in respect of which such

money is sought to be recovered and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of directors was present at the Board at which any call was made, nor that the meeting of which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in Anticipation of Calls May Carry Interest

Article 46 states the following –

- a) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him, beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, to the member paying such sum in advance and the directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends . The Directors may at any time repay the amount so advanced.
- b) The member shall not however 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 provision of these Articles shall apply mutatis mutandis to the calls on debenture of the Company.

Company's Lien on Shares/Debentures

Article 47 states that the Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or debenture holder (whether held singly or jointly with others) in respect of all moneys called or payable at a fixed time in respect of such shares whether the time for payment thereof shall have actually arrived or not and shall extend to all dividends, interest right and bonuses from time to time declared in respect of such shares and/or debentures. The registration of transfer of shares and/or debentures shall not operate as a waiver of the Company's lien, if any, on such shares and/or debentures, unless otherwise agreed by the Board. The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article.

As to Enforcing Lien by sale

Article 48 states that for the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debenture and may authorize one of their members or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of Proceeds of Sale

Article 49 states the following –

- a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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 persons entitled to the shares and/or debentures at the date of the sale.
- b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute

owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute or Applicable Law required) be bound to recognize equitable or other claim to, or equitable, contingent, future or partial interest in, such shares (including the fractional part of a shares) or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

If Call or Installment Not Paid Notice must be given

Article 50 states the following –

- a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- b) The notice shall name a day not being less than fourteen days from the date of the services of the notice and a place or places, on and which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited. 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.

In Default of Payment Shares or Debentures to be Forfeited

Article 51 states that if the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company. In respect of the payment of any such money, shall preclude, the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

Entry of Forfeiture in Register of Member/Debenture holders

Article 52 states that when any shares / debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members of debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited Share/Debenture to be Property of Company and may be sold

Article 53 states that any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to Annul Forfeiture

Article 54 states that the Directors may, at any time, before any shares or debentures so forfeited shall have been

sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.

Shareholders or Debenture Holders Still Liable to pay Money Owed, at Time of Forfeiture and Interest

Article 55 states that any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, Interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so. The liability of the member or debenture holder shall cease if and when the Company receives payment in full of all such monies in respect of the shares or debentures.

Effect of Forfeiture

Article 56 states that the forfeiture of a share or a debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of these rights as by these Articles are expressly saved.

Declaration of Forfeiture

Article 57 states that a Declaration in writing under the hand of one Director, the manager or the Secretary, of the company, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made and that a share or debenture 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 shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

Validity of Sales under Article 48 and 53

Article 58 states that upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers here in above given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of member or debenture holders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of Share/Debenture Certificate in Respect of Forfeited Shares/Debentures

Article 59 states that upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the relative shares or debentures surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the directors shall be entitled to issue a duplicate certificate/s in respect of the said share or debentures to the person/s entitled thereto.

Title of Purchaser and Allottee of Forfeited Shares/Debentures

Article 60 states that the Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.

Surrender of Shares or Debenture

Article 61 states that the Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

Register of Share Transfer

Article 62 states that the Company shall keep a book to be called the “Register of Transfers” and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of Transfer

Article 63 states that the Instrument of transfer shall be in writing and all the provisions of Section 56 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.

Instrument of Transfer to be Executed by Transferor and Transferee

Article 64 states that every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

Directors may Refuse to Register Transfer

Article 65 states the following –

- a) Subject to the provision of Section 58 of the Act and subject to the provisions of Securities Contract (Regulations) Act, 1956 and the rules and regulations made there under, the Directors may, at their own absolute and uncontrolled discretion, decline by giving reasons to register or acknowledge any transfer of shares whether fully paid or not 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 Directors shall within 15 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 of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Moreover, the Directors shall not register a transfer if any statutory prohibition or order prohibits a transfer or when a transferor objects to the transfer. In the event the Company does not affect transfer of securities within the stipulated 15 days or fails to communicate the refusal of the transfer/valid objection to the transfer within 15 days to the transferee, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of delay as specified under the Listing Regulations.
- b) Nothing in Section 56 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in, or debentures of the Company.

Transfer of Share

Article 66 states the following –

- a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (a) of this Article, the Company shall unless object is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and

shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

- c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the Certificate relating to the shares and if no such Certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.
- d) Nothing in clause (c) above shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.
- e) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of Instrument of Transfer

Article 67 states that the instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register; shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine in compliance with the applicable law.

Transfer Books and Register of Members when Closed

Article 68 states that the Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Transfer to Minors etc.

Article 69 states that only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to Share of Deceased Holder

Article 70 states that the executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognize as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or the legal representatives unless they shall first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 66 register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased member, as a member.

Nomination by Security Holders

Article 71 states the following –

- 1) Any holder of securities of a company may, at any time, nominate, in Form No. SH.13, any person as his nominee in whom the securities shall vest in the event of his death.
- 2) On the receipt of the nomination form, a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under Section 88.
- 3) Where the nomination is made in respect of the securities held by more than one person jointly, all joint holders shall together nominate in Form No.SH.13 any person as nominee.
- 4) The request for nomination should be recorded by the Company within a period of two months from the date of receipt of the duly filled and signed nomination form.
- 5) In the event of death of the holder of securities or where the securities are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee may upon the production of such evidence as may be required by the Board, elect, either-
 - a) to register himself as holder of the securities; or
 - b) to transfer the securities, as the deceased holder could have done.
- 6) If the person being a nominee, so becoming entitled, elects to be registered as holder of the securities himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased share or debenture holder(s).
- 7) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death of the share or debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.
- 8) A person, being a nominee, becoming entitled to any securities by reason of the death of the holder shall be entitled to the same dividends or interests and other advantages to which he would have been entitled to if he were the registered holder of the securities except that he shall not, before being registered as a holder in respect of such securities, be entitled in respect of these securities to exercise any right conferred by the 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 securities, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends or interests, bonuses or other moneys payable in respect of the securities, as the case may be, until the requirements of the notice have been complied with.
- 9) A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation, to the company in Form No. SH.14.
- 10) The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the company.
- 11) Where the nominee is a minor, the holder of the securities, making the nomination, may appoint a person in Form No. SH. 14 specified under sub-rule (1), who shall become entitled to the securities of the company, in the event of death of the nominee during his minority.

Dematerialization of Securities

Article 72(i) states that the following –

- a) The Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depository Act, 1996.
- b) Option for Investors: Every holder of or subscriber to securities of the Company shall have the option to

receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.

- c) Securities in Depository to be in fungible form: -
- All Securities of the Company held by the Depository shall be dematerialized and be in fungible form.
 - Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.
- d) Rights of Depositories & Beneficial Owners: -
- Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.
- e) Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- f) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

Article 72(ii) states that notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

Article 72(iii) states that nothing contained in Section 56 of the Companies Act shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Article 72(iv) states that notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Article 72(v) states that nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

Article 72(vi) states that the Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

Article 72(vii) states that the Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Registration of Persons Entitled to Share Otherwise than by Transfer

Article 73 states the following –

- a) Subject to the provisions of Article 79 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.
- b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Claimant to be Entitled to Same Advantage

Article 74 states that the person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within ninety days , the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

Persons Entitled May Receive Dividend without being Registered as Member

Article 75 states that a person entitled to a share by transmission shall, subject to the rights of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.

This Article shall not prejudice the provisions of Article of 48 and 59.

Refusal to Register Nominee

Article 76 states that subject to the provisions of Section 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, The Directors shall have the same right to refuse on legal grounds to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration. However, the Company must ensure that the transmission requests for processed within 7 days and 21 days for dematerialized and physical securities, respectively.

Directors may require Evidence of Transmission

Article 77 states that every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an Indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

No Fees on Transfer or Transmission

Article 78 states that no fee shall be charged for registration of transfer, probate, succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

The Company not liable for Disregard of a Notice Prohibiting Registration of Transfer

Article 79 states that the Company shall incur no liability, or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner there or (as shown or appearing in the Register of members) to be prejudice or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

Not more than Four Persons as Joint Holders

Article 80 states that the Company shall be entitled to decline to register more than four persons as the holder of any shares.

The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debenture of the Company.

Joint Holders

Article 81 states the following –

Where two or more persons are registered as the holders of any share /debenture, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

- (i) In the case of a transfer of share/ debenture held by joint holders, the transfer will be effective only if it is made by all the joint holders.
- (ii) The Joint holder of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share/debenture.
- (iii) On the death of anyone or more of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on share/debentures held by him jointly with any other person.
- (iv) Any one of such joint holders may give effectual receipts of any dividends, interest or other moneys payable in respect of such share/debenture.
- (v) Only the person whose name stands first in the Register of Members/Debenture holders as one of the joint holders of any share/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (A) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.
- (vi) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that joint holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.

- (vii) Several executors or administrators of a deceased member in whose (i.e. the deceased member's) sole name, any share stands, shall for the purpose of this clause, be deemed joint holders.

Borrowing Powers

Article 82 states that subject to the provisions of Section 73, 179, 180 of the Act and of these Articles and subject to any restriction imposed by Reserve Bank of India, Board of Directors, may from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company, its free reserves and securities premium (not being reserves set apart for any specific purpose) or up to such amount as may be approved by the shareholders from time to time the Board of Directors shall not borrow such moneys without the sanction of the Company in General Meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be paid or effectual unless the tender or proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

Bonds, Debentures etc. to be subject to control of Directors

Article 83 states that any bonds, debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

Power to issue shares at Discount

Article 84 states that the Company can only issue sweat equity shares at Discount as per Section 54 of the Act.

Debentures with voting rights not to be issued

Article 85 states the following –

- a. The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.
- b. Certain charges mentioned in Section 77 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 77 of the Act.
- c. The term 'charge' shall include mortgage in these Articles.
- d. A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree or specific performance.

Limitation of Time for Issue of Certificate

Article 86 states that the Company shall, within six months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and deliver the Certificate of all the debentures and the Certificate of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture-stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to Obtain Copies of and Inspect Trust Deed

Article 87 states the following –

- (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment of Rs. 10/- (Rupees Ten) for each Page of the copy of any Trust Deed.
- (ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

Mortgage of Uncalled Capital

Article 88 states that if any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favor such mortgage or security is executed.

Indemnity May be given

Article 89 states that if the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Registration of Charges

Article 90 states the following –

- a) The provisions of the Act relating to registration of charges shall be complied with.
- b) In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.
- c) Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.
- d) Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
- e) Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.
- f) The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

Trust not Recognized

Article 91 states that no notice of any trust, express or implied or constructive, shall be entered on the register of Debenture holders.

Annual General Meeting

Article 92 states that subject to the provisions contained in Section 96 and 129 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Time and Place of Annual General Meeting

Article 93 states that every annual general meeting shall be called at any time during business hours that is between 9 am to 6 pm, on a day that is not a National Holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, and the notice calling the meeting shall specify it as the annual general meeting.

Section 101 to 109 of the Act shall apply to Meeting

Article 94 states that sections 101 to 109 of the Act with such adaptation and modifications, if any as may be prescribed, shall apply with respect to meeting of any class of members or debenture holders of the Company in like manner as they would with respect to general meetings of the Company.

Powers of Directors to Call Extraordinary General Meeting

Article 95 states that the Directors may call an extraordinary general meeting of the Company whenever they think fit. 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 (2) 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 of Directors.

Calling of Extra Ordinary General Meeting on requisition

Article 96 states the following –

- a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra-ordinary general meeting of the Company.
- b) The requisition shall set out the matters for the considerations of which the meeting is to be called, shall be signed by requisitionists, and shall be deposited at the registered office of the company.
- c) The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid-up share capital of the Company as at that date carried the right of voting in regard to that matter.
- e) Where two or more distinct matters are specified in the requisition the provisions of clause (a) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- f) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later

than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves within a period of three months from the date of requisition.

Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which Resolution is to be proposed as a special Resolution, be deemed not have duly convened the meeting if they do not give such notice thereof as is required by Section 114 of the Act.

- g) A meeting, called under Clause (f) above, by the requisitionists or any of them:
- (i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but
 - (ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.

Explanation: Nothing in Clause (g) (ii) above, shall be deemed to prevent a meeting only commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

- h) Where two or more persons hold any shares or interest in the Company jointly, requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.
- i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of Notice for Calling Meeting

Article 97 states the following –

- a) A general Meeting of the Company may be called by giving not less than clear twenty-one days' notice in writing or through electronic mode in such manner as may be prescribed by the Central Government.
- b) A General Meeting of the Company may be called after giving shorter notice than that specified in clause(a) if consent is accorded thereto:
 - (i) in the case of an Annual General Meeting, by not less than ninety-five per cent. of the Members entitled to vote thereat; and
 - (ii) in the case of any other general meeting, by Members holding majority in number of Members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on such resolution or resolution to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents and Manner of Service of Notice and Persons on whom it is to be served

Article 98 states the following –

- a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted there at.
- b) Notice of every meeting of the Company shall be given:
 - (i) to every member of the Company, in any manner authorized by Section 20 of the Act;

- (ii) to the persons entitled to a share in consequence of a death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;
- (iii) to the auditor or Auditors for the time being of the Company in any manner authorized by Section 20 of the Act in the case of any member or members of the Company; and
- (iv) to all the Directors of the Company,

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the Registered Office of the Company under Section 20 of the Act, the statement of the material facts referred to in Section 102 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

- c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the Meeting.

Explanatory Statement to be Annexed to Notice

For the Purpose of Article 99A –

- i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to-
 - a) the consideration of the financial statements and the reports of the Board of Directors and auditors.
 - b) the declaration of a dividend.
 - c) the appointment of directors in the place of those retiring, and
 - d) the appointment of, and the fixing of the remuneration of, the auditors, and
 - e) in the case of any other meetings, all business shall be deemed special.

Article 99B states that where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern of interest, if any, therein of every promoter, Director, the manager, if any, and of every other Key Managerial Personnel as required under Section 102 of the Act.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other Company, the extent of shareholding interest in that other Company of any such person shall be set out in circumstances specified in the provision to sub-section (2) of section 102 of the Act.

Article 99C states that where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

Quorum for Meeting

Article 100(a) states that in accordance with Section 103, the quorum for a General Meeting of the Company shall be as under:

- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand;
- (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- (iii) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.

Article 100(b) states that following –

- i. If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand cancelled.
- ii. In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine.

Article 100(c) states that no business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

Adjourned Meeting to Transact Business

Article 101 states that the following-

- a) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.
- b) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of General Meeting

Article 102(a) states that no business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

Article 102(b) states the following –

- i. The Chairman of the Board of Directors shall be entitled to take the Chair at every general meeting, if there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Director present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall be willing to take the Chair, the members present shall choose one of themselves to be the Chairman.
- ii. If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice-Chairman of the Board or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.

Chairman with Consent may adjourn the Meeting

Article 103 states that the Chairman 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 in the city, town or village where the registered office of the Company is situated.

Business at the Adjourned Meeting

Article 104 states that the no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of Adjourned Meeting

Article 105 states that the in case of adjournment of a meeting or of a change of day, time or place of meeting under, the Company shall give not less than three days' notice to the members.

Proxies

Article 106 states that the following –

- a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in case of joint holder, all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.
- b) A proxy shall not be entitled to vote except on a poll.
- c) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights:

Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

- d) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and ` is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.
- e) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty-eight) hours before the meeting in order that the appointment may be effective thereat.
- f) The instrument appointing a proxy shall:
 - i. be in writing, and
 - ii. Be signed by an appointer or his attorney duly authorized in writing or, if the appointer is a body corporate, by under its seal or be signed by an officer or any attorney duly authorized by it.
- g) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form or in such other form as the Directors may approve from time to time.
- h) An instrument appointing a proxy, if in any of the forms set out in to the Companies (Management and Administration) Rules 2014 shall not be questioned on the ground that it fails to comply with any special requirement specified for such instrument by these Articles.
- i) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.
- j) 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.

E-Voting

Article 107 states that the Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other Law, if

applicable to the Company.

Votes of Members

Article 108 states that subject to any rights or restrictions for the time being attached to any class or classes of shares and in the manner prescribed under the Act and the rules made thereunder:

- 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 the member's share in the paid-up equity share capital of the Company.

Voting by Poll

Article 109 states the following –

- a) Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf. The Company shall comply with the procedure as regards voting by poll as may be prescribed under the Act and rules and regulations made thereunder.
- b) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Restrictions on Exercise of Rights of Members who have not paid Calls etc.

Article 110 states the following –

- a) No members shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.
- b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 89 of the Act.

Restriction on Exercise of Voting Right in Other cases to be void

Article 111 states that a member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 110.

Equal Rights of Share Holders

Article 112 states that any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Service of Notice, Reports, Documents and other communications by electronic mode

Article 113 states that notwithstanding anything mentioned in these Articles, the Company may send any communication including notice of general meeting, annual report etc. to any persons by electronic mode as may be permitted under applicable laws.

Voting rights of members of unsound mind and minors

Article 114 states that 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 poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians or, any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

Votes in respect of Shares of Deceased or Insolvent Members etc.

Article 115 states that 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.

Custody of Instrument

Article 116 states that if any such instrument of appointment be confirmed to the object of appointing proxy or substitute for voting at meeting of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Validity of Votes given by Proxy notwithstanding Death of Members etc.

Article 117 states that a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the votes is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting or adjourned meeting.

Time for Objections for Vote

Article 118 states that no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purposes or such meeting or poll whatsoever.

Chairman of any Meeting to be the Judge of any Vote

Article 119 states the following –

- a) 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.
- b) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.

Representation of Body Corporate

Article 120 states that a body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Act authorize such person by a resolution of its Board of directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Representation of the President of India or Governors

Article 121 states the following –

- a) The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of

- any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.
- b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.
 - c) The Company shall observe the provisions of Section 112 of the Act, in regards to the Public Trustee.

Passing Resolutions by Postal Ballot

Article 122 states the following –

- a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

Circulation of Members Resolution

Article 123 states that the Company shall comply with provisions of Section 111 of the Act, relating to circulation of members resolutions.

Special Notice

Article 124 states that in pursuance of Section 115 of the Act, where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent. of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

Resolution Passed at Adjourned Meeting

Article 125 states that the provisions of Section 116 of the Act shall apply to resolution passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolution shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of Resolutions and Agreements

Article 126 states that the Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

Minutes of Proceedings of General Meeting and of Board and Other Meetings

Article 127 states the following –

- a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot, entries thereof in books for that purpose with their pages consecutively numbered.
- b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:
 - i. in the case of minutes of proceedings of the Board or of a committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - ii. In the case of minutes of proceedings of the general meetings by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorized by the Board for the purpose.
- c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes of the meeting.
 - i. the names of the Directors present at the meetings, and
 - ii. In the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- g) Nothing contained in Clause (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - i. is, or could reasonably be regarded, as defamatory of any person.
 - ii. is irrelevant or immaterial to the proceedings; or
 - iii. is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusions of any matter in the minutes on the grounds specified in this clause.
- h) The minutes of meetings kept in accordance with the provisions of Section 118 of the Act shall be evidence of the proceedings recorded therein.
- i) The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

Presumptions to be Drawn where Minutes duly drawn and signed

Article 128 states that where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Inspection of Minutes Books of General Meetings

Article 129 states the following –

- a) The books containing the minutes of the proceedings of any general meeting of the Company shall:
- i. be kept at the registered office of the Company, and
 - ii. be open, during 11:00 am to 1:00 pm to the inspection of any member without charge and by any other person on payment of fee of Rupees 50/- for each inspection, subject to such reasonable restrictions as the Company may, in general meeting impose.
- b) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- for each page.

Publication of Reports of Proceedings of General Meetings

Article 130 states that no document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Report on annual general meeting

Article 131 states that the Company shall prepare a report on each annual general meeting including the confirmation to the effect that the meeting was convened, held and conducted as per the provisions of the Act and the rules made thereunder, and shall file the same with the Registrar within thirty days of the conclusion of the annual general meeting

Management of Subsidiaries and Group Companies

Article 132 states that the Board shall be responsible for compliance with all applicable law, regulations, rules and guidelines as well as the Listing Regulations in relation to the obligation of the Company towards the governance and management of its subsidiaries and group companies.

Managerial Personnel

Article 133 states the following –

- a) Subject to the provisions of the Act, a chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board of Directors 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. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- b) Any provision of the Act or these Articles 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.
- c) The Company shall duly observe the provisions of Section 196 and Section 203 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

Remuneration of key managerial personnel

Article 134 states that the remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

Board of directors

Article 135 states that until otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen). The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act. The Board shall have the power of appoint the Chairman. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations.

First Directors

Article 136 lists the First Directors of the Company are:

- 1) Mangi Lal Lunawath
- 2) Pradeep Kumar Lunawath
- 3) Sunil Kumar Lunawath
- 4) Nitin Gattani
- 5) Sunil Gattani

Debenture Directors

Article 137 states that any Trust Deed for securing debentures of debenture-stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of Debentures or debenture-stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Nominee Director

Article 138 states that the Board may appoint any person as a director nominated by any institution, in pursuance of the provisions of any law for the time being in force or of any agreement to which the Company is a party or by the Central Government or the State Government(s) by virtue of its shareholding in the Company and such person or persons or Directors is / are hereinafter referred to as “Nominee Director/s”, on the Board of the Company and such persons may be remove from such office any person or persons “so appointed and to appoint any person or persons” in his or their place/s. The Board may also agree that any such Nominee Director, or Nominee Directors may be removed from time to time by the institution/Central Government/State Government(s) entitled to appoint or nominate them and such institution/Central Government/State Government(s) may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatever.

At the option of such institution/Central Government/State Government(s) such Nominee Director/s shall not be required to hold any share qualification in the Company. Also, at the option of such institution/Central Government/State Government(s) such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to such institution or so long as such institution holds Debentures in the Company as a result of direct subscription or private placement or so long as such institution holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee the moneys owing by the Company to such institution is paid off.

The Nominee Director/s appointed under this Article will be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. Such institution/Central Government/State Government(s) shall

also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to such institution/Central Government/State Government(s) and the same shall accordingly be paid by the Company directly to such institution/Central Government/State Government(s). Any expenses that may be incurred by such institution/Central Government/State Government(s) or such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to such institution/Central Government/State Government(s) or as the case may be to such Nominee Directors.

Provided that if any such Nominee Director is an officer of such institution/Central Government/State Government(s) the sitting fees, in relation to such Nominee Director shall also accrue to such institution and the same shall accordingly be paid by the Company directly to such institution/Central Government/State Government(s).

Special Director

Article 139 states that in connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorize such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time, any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangements or any time thereafter.

The Collaborator may at any time and from time to time remove any such Special Director appointer by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Director as the Collaborators eligible to make the appointment.

Limit on Number of Non-Retiring Directors

Article 140 states that subject to the provisions of Section 152 of the Act, the number of Directors appointed under Articles 137, 138 and 139 shall not exceed in the aggregate one-third of the total number of Directors, excluding Independent Directors, for the time being in office.

Appointment of Independent Director

Article 141 states that subject to the provisions of Section 149 (6) of the Act, Board of Directors shall have power at any time to appoint any person as an Independent Director to the Board. The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Listing Regulations.

Appointment of Whole-Time Director

Article 142 states that subject to the provisions of Section 152 of the Act, Board of Directors shall have power at any time to appoint any person as a Whole-Time Director to the Board.

Appointment of Alternate Director

Article 143 states that the Board may appoint an alternate Director not being a person holding any alternate directorship for any other directors in the Company or holding directorship in the Company, to act for a director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from India. An alternative Director so appointed shall not hold office as such for a period longer than that permissible to the Original Director in whose place he had been appointed and shall vacate if and when the Original Director returns to India.

Appointment of Additional Director

Article 144 states that subject to the provisions of Section 161 of the Act, Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. Any Director so appointed shall hold the office only up to the next annual general meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier and shall then be eligible for reappointment.

Appointment of Women Director

Article 145 states that the Company shall have such number of Woman Director on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

Appointment of Director to fill the Casual Vacancy

Article 146 states that subject to the provisions 161 of the Act, the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the nominal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Individual Resolution for Director Appointment

Article 147 states that at a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring director by virtue of these articles and the Act in default of another appointment shall apply.

Qualification of Director

Article 148 states that a Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

Remuneration of Directors

Article 149 states the following –

- a) Subject to the provisions of Act, a Managing Director or a director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by the other.
- b) Subject to the provisions of the Act, a director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either:
 - i. by way of monthly, quarterly or annual payment, or

- ii. by way of commission if the Company by a special resolution has authorized such payment
- c) Every Director shall be paid such amount of remuneration by way of fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time, as may be determined by the Board for each meeting of the Board or Committee thereof attended by him.
- d) The Board shall recommend the fees/compensation to be paid to non-executive directors including independent directors. Such fees/compensation shall also be approved by the shareholders of the Company in a general meeting. However, such approval will not be required in case of sitting fees paid to non-executive directors which are within the limits prescribed under the Act and for which no Central Government approval is required. In terms of Section 149 (9) of the Act, if the Company has no profits or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197 of the Act, in accordance with the provisions of Schedule V of the Companies Act, 2013.

Traveling and Other Expenses

Article 150 states that the Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for traveling, board and lodging and incidental and/or actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meeting to and from the place at which the meetings to and from the place at which the meetings of the Board Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.

Remuneration for Extra Services

Article 151 states that if any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to the provisions of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 197 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Increase in Remuneration of Directors to require Government Sanction

Article 152 states that any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

Director Not to Act when Number Falls Below Minimum

Article 153 states that when the number of Directors in Office falls below the minimum fixed above, the Directors, shall not act except in emergencies or for the purposes of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

Eligibility

Article 154 states that a person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 164 of the Act.

Directors Vacating Office

Article 155(a) states that the office of a Director shall be vacated if:

- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
- (ii) he applied to be adjudicated an insolvent;
- (iii) he is adjudicated an insolvent;
- (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (v) he fails to pay any call-in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
- (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

Article 155(b) states that a director who holds office or other employment in the company shall, when he resigns his office, provide a notice in writing to the company.

Removal of Directors

Article 156 states that the following –

- a) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) remove any director other than ex-officio directors or Special Directors or Debenture Directors or a Nominee Director or a director appointed by the Central Government in pursuance of Section 242 of the Act, before the expiry of his period of office.
- b) Special notice as provided by Section 115 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- d) Whether notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it do so:
 - i. In the notice of the resolution given to members of the Company state the fact of representations having been made, and
 - ii. Send a copy of the representation to every member of the Company whom notice of the meeting is sent (whether before or after receipt of the representations by the company), and if a copy of representations, is not sent as aforesaid because they were received too late or because of the company's default, the Director may (without prejudice to his right to be provided orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.

- e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Section 161 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- f) If the vacancy is not filled under clause (e) above it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 161 of the Act, and all the provisions of that Section shall apply accordingly;
- g) Nothing contained in this Article shall be taken:
 - i. as depriving a person removed there under of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as director; or
 - ii. as derogating from any power to remove a director which may exist apart from this Article.
- h) The Company shall take steps to fill the vacancy caused by the resignation/removal of an independent director by replacing such independent director with a new independent director within three months of the occurrence of such vacancy or at the immediate next meeting of the of the Board, whichever is later or as may otherwise be prescribed by the Listing Regulations.

Directors may Contract with Company

Article 157 states that subject to the restrictions imposed by these Articles and by Section 179, 180, 185, 186, 188, 189, 196 and any other provisions of the Act, no Director, Managing Director, or other officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, managing director, Joint Managing Director, Executive Director other officer or employee shall be in any way interested, be avoided, nor shall be Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director, officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with provisions or Section 184 of the Act where that section be applicable.

Disclosure of Directors' Interest

Article 158(1) states that every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern of interest at a meeting of the Board of Directors, in the manner provided in Section 184 of the Act.

Article 158(2) states the following –

- a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested.
- b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

Article 158(3) states that nothing in this Article shall apply to any contract or arrangement entered into or to be

entered into between the Company and any other company where any one or two or more of Directors together holds or hold not more than two percent of the paid-up share capital in other company.

Board Resolution necessary for Certain Contracts

Article 159(1) states that except with the consent of the Board of Directors of the Company and of the Shareholders as applicable, in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, the Company, shall not enter into any contract with a Related Party -

- a) for the sale, purchase or supply of any goods, materials or services; or
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- g) underwriting the subscription of any securities or derivatives thereof, of the Company:

Article 159(2) states that nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or affect transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval

Article 159(3) states that notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board or the approval of shareholders of the Company as required under the Act, into any contract with the Company; but in such a case the consent of the Board or the approval of shareholders of the Company as required under the Act as the case may be, shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act.

Article 159(4) states that every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.

Article 159(5) states that if the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be avoidable at the option of the Board.

Article 159(6) states that the audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.

Disclosure to the Members of Appointment of Manager, Whole-Time Directors, Managing Director or Secretaries and Treasures

Article 160 states that the company shall keep a copy of contract of service with managing or whole-time director in writing. Where the contract is not in writing, a written memorandum setting out terms of contract shall be kept.

The copies of the contract or the memorandum shall be open to inspection by any member of the company without payment of fee.

Loans to Director etc.

Article 161 states the following –

- a) Save as otherwise provided in the Act, the Company shall not, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by, -

- i. any director of company, or of a company which is its holding company or any partner or relative of any such director; or
 - ii. any firm in which any such director or relative is a partner
- b) The Company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the Company is interested, subject to the condition that—
- i. a special resolution is passed by the company in general meeting:

Provided that the explanatory statement to the notice for the relevant general meeting shall disclose the full particulars of the loans given, or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security and any other relevant fact; and
 - ii. the loans are utilised by the borrowing company for its principal business activities
- c) However, nothing contained in this Article 161 (a) and (b) shall apply to –
- a) giving of any loan to the managing or whole-time director—
 - as a part of the conditions of service extended by the company to all its employees; or
 - pursuant to any scheme approved by the members by a special resolution; or
 - b) in the ordinary course of its business provide loans or gives guarantees or securities for the due repayment of any loan and in respect of such loans an interest is charged at a rate not less than the rate of prevailing yield of one year, three years, five years or ten years Government security closest to the tenor of the loan.
 - c) any loan made by the Company to its wholly owned subsidiary company or any guarantee given or security provided by the Company in respect of any loan made to its wholly owned subsidiary company; and
 - d) any guarantee given or security provided by the Company in respect of loan made by any bank or financial institution to its subsidiary company.
 - e) Provided that the loans made under clauses (c) and (d) are utilised by the subsidiary company for its principal business activities.

Loans to Companies

Article 162 states that the Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security directly or indirectly to the Companies or bodies corporate as provided in Section 186 of the Act, exceeding sixty per cent. of its paid-up share capital, free reserves and securities premium account or one hundred per cent. of its free reserves and securities premium account, whichever is more.

Interested Director not to Participate or vote in Board's Proceedings

Article 163 states that no Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned, or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote on any contract of indemnity against any loss which it or any one of more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of one company or two or more of them together holds or hold not more than two percent of the paid-up share capital of the other company

This Article is subject to the provisions of Section 184 of the Act.

Register of Contracts in which Directors are interested

Article 164 states that the Company shall keep one or more Registers in which it shall be entered separately particulars of all contracts and arrangements to which Sections 184 and 188 of the Act apply.

Director may be Director of Companies Promoted by the Company

Article 165 states that the following –

A Director may be or become a Director of any Company or which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197) or Section 188 of the Act may be applicable.

Subject to provisions of Section 152 of the Act, not less than two thirds of the total number of Directors shall:

- a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and
- b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

Ascertainment of Directors Retiring by Rotation and Filling up Vacancy

Article 166 states the following –

- a) At every annual general meeting one-third of such directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearer to one-third, shall retire from office.

The Debenture Directors, Corporate Directors, Special Directors, Independent Directors, and Managing Director if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. Thus, Whole time Directors shall be liable to retire by rotation. In these Articles a “Retiring Director” means a director retiring by rotation.

- b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot. A Retiring Director shall be eligible for re-election.
- c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

Article 166(d) states the following –

- I. if the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- II. if at the adjourned meeting also, the place of the retiring Director is not filled up and that the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-

- a. At that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
- b. The retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;
- c. He is not qualified or is disqualified for appointment;
- d. A resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act, or
- e. The proviso to Section 162 of the Act is applicable to the case.

Consent of Candidates for Directorship to be Filed with the Registrar

Article 167 states that every person who is proposed as a candidature for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 152 of the Act in so far as they may be applicable.

Company may Increase or Reduce the Number of Directors or Remove any Director

Article 168 states that subject to the provisions of Sections 149, 151 and 152 of the Act, and these Articles the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.

Appointment of Directors to be Voted individually

Article 169 states that –

- 1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- 2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinabove provided shall apply.
- 3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

Notice of Candidature for Office of Directors Except in Certain Cases

Article 170 states the following –

- 1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with a deposit of One lakh Rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than twenty-five per cent of total votes cast.

Provided that requirements of deposit of amount shall not apply in case of appointment of an Independent Director or a director recommended by the Nomination and Remuneration Committee, if any, constituted under sub-section (1) of Section 178 of the Act.

- 2) The Company shall inform its members of the candidature of the person for the office of Director or the

- intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices on the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.
- 3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
 - 4) A person, other than-
 - a) a Director, re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
 - b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 160 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

Register of directors and Notification of Change to Registrar

Article 171 states the following –

- 1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors and key managerial personnel and other persons mentioned in Section 170 of the Act which shall include the detail of securities held by each of them in the Company or its holding, subsidiary of Company's holding company or company and shall send to the Registrar a Return containing the particulars specified in such Register and shall otherwise comply with the provisions of the said Section in all respects.
- 2) Such Register shall be kept open for inspection by any member or debenture holder to the Company as required by section 171 of the Act.

Disclosure by Director of Appointment to any other Body Corporate

Article 172 states that every Director (including a person deemed to be a Director of the Company Managing Director, Key Managerial Personnel, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under Section 170 of the Act.

Disclosure by Directors of their Holdings of Shares and Debentures of the Company

Article 173 states that every director and every person deemed to be a Director of the Company shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Meeting of Directors

Article 174 states the following –

- a) The Directors may meet together as a Board for transaction of business from time to time and shall so meet at least four times in every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and they may adjourn and otherwise

regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meeting of the Board, which had been called in compliance with the terms herein mentioned, could not be held for want of quorum.

- b) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio-visual means.

Provided further that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio-visual means in such meeting on any matter specified under the aforementioned proviso.

- c) Every director present at any meeting of the Board of Directors or a committee there of shall sign his name in a book to be kept for that purpose, to show his attendance there at

When Meeting to be Convened

Article 175 states that any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

Directors Entitled to Notice

Article 176 states that notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.

Appointment of Chairman

Article 177 states that the Board may elect a chairman of its meetings and determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman of the Meeting, or if no Director has been so designated, the directors present may choose one of their number to be the Chairman of the meeting.

Board may Appoint Managing Director

Article 178 states the following –

- a) Pursuant to Section 203 of the Act, the Managing Director of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.
- b) Any Managing Director or/s or whole time Director/s so appointed shall not be required to hold any qualification shares.
- c) Subject to the provisions of Sections 196, 197, and 203 of the Act and also subject to the limitations, conditions and provisions of Schedule V to the Act, the appointment and payment of remuneration to the above Director/s shall be subject to approval of the members in general meeting and of the Central Government, if required.
- d) Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be vested with the Managing Director/s or Whole-time Director/s Manager, if any, with Power to the Board to distribute such day-to-day management functions in any manner as deemed fit by the Board subject to the provisions of the Act and these Articles.

Meeting of Committee, how to be Governed

Article 179 states the following –

- a) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors.
- b) A committee may elect a chairperson of its meetings. 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.

Resolution by Circular

Article 180 states that no Resolution by circular shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless such Resolution has been circulated in draft form, together with necessary papers, if any, to all the Directors, or to all the members for the Committee, as the case may be, at the respective addresses registered with the Company or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution and has been approved by the majority of the Directors or Members of the Committee or by a majority of such of them as are entitled to vote on the Resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board. A resolution by circular shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

Directors May Appoint Committees

Article 181 states that the Board shall constitute such committees as may be required under the Act, applicable provisions of Law and the Listing Regulations. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit and it may from time-to-time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. A director shall not be a member of more than ten committees or act as a chairperson of more than five committees across all listed entities in which he is a director as determined by the Listing Regulations. The Chairman shall have a casting vote at committee meetings and the Board may from time to time, revoke and discharge such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.

Acts of Board or Committee Valid Notwithstanding Defect of Appointment

Article 182 states that every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

Certain Powers to be Exercised by the Board

Article 183 states the following –

- a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board
- (i) to make calls on shareholders in respect of money unpaid on their shares;
 - (ii) to authorize buy-back of securities under Section 68 of the Act;
 - (iii) to issue securities, including debentures, whether in or outside India;
 - (iv) to borrow monies;
 - (v) to invest the funds of the Company;
 - (vi) to grant loans or give guarantee or provide security in respect of loans;
 - (vii) to approve financial statement and the Board's report;
 - (viii) to diversify the business of the Company;
 - (ix) to approve amalgamation, merger or reconstruction;
 - (x) to take over a company or acquire a controlling or substantial stake in another company;
 - (xi) to make political contributions;
 - (xii) to appoint or remove key managerial personnel (KMP);
 - (xiii) to appoint internal auditors and secretarial auditor;
 - (xiv) such other business as may be prescribed by the Act and rules made thereunder

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (iv) to (vi) to the extent specified in clauses (b), (c) and (d) respectively on such conditions as the Board may prescribe.

- b) Every resolution delegating the power referred to sub-clause (iv) of clause (a) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate,
- c) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- d) Every resolution delegating the power referred to in sub-clause (vi) of clause (a) shall specify the total amount up to which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual case.
- e) Nothing in this article contained shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (i) to (x) of clause (a) above.

Restriction on Powers of Board

Article 184 states the following –

- a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting:
 - i. sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company more than one undertaking of the whole or substantially the whole of any such undertaking;
 - ii. invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
 - iii. borrow moneys, where the money to be borrowed, together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the Company's bankers in

the ordinary course of business; or

- iv. remit, or give time for the repayment of, any debt due from a director;
 - v. contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amount, the aggregate of which in any financial year, exceed five percent of its average net profits as determined in accordance with the provisions of Section 198 of the Act during the three financial years, immediately preceding, whichever is greater.
- b) Nothing contained in sub-clause (a) above shall affect:
- i. the title of a buyer or other person who buys or takes a lease of any property, investment or undertaking as is referred to in that clause in good faith and after exercising due care and caution, or
 - ii. the selling or leasing of any property of the Company where the ordinary business of the Company consists of, comprises such selling or leasing.
- c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorize the Company to affect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- d) No debt incurred by the Company in exercise of the limit imposed by sub-clause (iii) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
- e) Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) Section 180 of the Act and in regard to the limitations on the power of the Company contained in Section 181 of the Act.

Directors May Appoint Committees

Article 185 states that subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit. A director shall not be a member of more than ten committees or act as a chairperson of more than five committees across all listed entities in which he is a director as determined by the Listing Regulations. The Chairman shall have a casting vote at committee meetings and the Board may from time to time, revoke and discharge such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.

Acts of Board or Committee Valid Notwithstanding Defect of Appointment

Article 186 states that all acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

General Powers of the Company Vested in Directors

Article 187 states that subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorized to exercise and do and not hereby or by

the stature or otherwise directed or required to be exercise or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other and act and of the Memorandum of Association and these articles and to any regulations, but being inconsistent with the Memorandum of Association and these articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific Powers Given to Directors

Article 188 states that without prejudice to the general powers conferred by Article 187 and the other powers conferred by these presents and so as not in way to limit any or all of these powers, but subject however to provisions of the Act, it is hereby expressly declared that the Directors shall have following powers.

- i. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation establishment and registration of the Company;
- ii. To pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Section 40 of the Act;
- iii. Subject to the provisions of the Act and these articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, or Company carrying on the business which this company is authorized to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may deliver or may be advised to be reasonably satisfactory.
- iv. Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- v. To effect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purpose of the Company and to acquire lands for the purposes of the Company.
- vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit.
- vii. At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture-stocks or other securities of the Company, and any such shares stock of other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- viii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, store, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- ix. Subject to Section 179 of the Act, open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

- x. To secure the fulfillments of any contracts of engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- xi. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- xii. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof subject to the provisions of the Act;
- xiii. To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company any property belonging to the Company or in which it is interested for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- xiv. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- xv. To refer, subject to the provisions of Section 180 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
- xvi. To act on behalf of the company in all matters relating to bankrupts and insolvents;
- xvii. To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 180 of the Act;
- xviii. To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend/interest warrants, release, contracts and documents on the Company's behalf;
- xix. Subject to the provisions of Sections 179, 180 and 186 of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or release such investments;
- xx. To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- xxi. Subject to such sanction as may be necessary under the Act or the articles, to give to any Director, Officer, or other persons employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
- xxii. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to payment by creating and from time to time subscribing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- xxiii. To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent,

- religious, scientific, national, public or any other useful institutions, object or purposes for any exhibition;
- xxiv. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such Subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the interest and well-being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid.
- xxv. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
- xxvi. Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Section 179 and 180 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.
- xxvii. The Board shall have specific power to appoint officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants.
- xxviii. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to the conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favor of any Company or the members, directors, nominees, or managers of any company or firm or otherwise in favor of an fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.
- xxix. Subject to the provisions of the Act, generally and from time to time and at any time to authorize empower or delegate to (with or without powers of sub-delegation) and Director, Officer or Officers of Employee for the time for the time being of the Company and/or any other person, firm or Company all or any of the powers authorities and discretions for the time being vested in the Directors by these

- presents, subject to such restrictions and conditions, if any as the Directors may think proper.
- xxx. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- xxxi. From time to time to make vary any legal bye-laws for the regulations of the business of the Company, its officers and servants.

Shareholders' right to vote

Article 189 states that the Company shall provide the option to its shareholders to exercise their right to vote in meetings of the shareholders through electronic mode in accordance with Section 108 of the Act and shall vote only once.

Secretary

Article 190 states that subject to the provisions of Section 203 of the Act, the Directors may, from time to time appoint and, at their discretion remove any individual (hereinafter called 'the Secretary' who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

Dividends Out of Profits Only

Article 191 states the following –

- i. No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of money provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf. Provided that in computing profits any amount representing unrealized gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded.

PROVIDED HOWEVER whether owing to inadequacy or absence of profits in any year, the Company propose to declare out of the accumulated profits by the Company in previous years and transferred by it to the free reserve, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf.

- ii. The depreciation shall be provided to the extent specified in Schedule II to the Act.
- iii. No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.
- iv. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- v. No dividend shall bear interest against the Company.

Interim Dividend

Article 192 states that the Board of Directors may from time to time, pay to the members such interim dividends as appears to it to be justified by the profits of the company in accordance with Section 123 of the Act.

Debts May be Deducted

Article 193 states that the Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Capital Paid Up in Advance and Interest Not to Earn Dividend

Article 194 states that where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to dividend or to participate in profits.

Dividends in Proportion to Amount Paid-Up

Article 195 states the following –

- a) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as having been paid on the share.
- c) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion of the period in respect of which the dividends is paid but if any share is issued in terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

Right to Dividend, Right Shares and Bonus Shares to be held in Abeyance Pending Registration of Transfer of Shares

Article 196 states that where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of this Act, shall -

- a) transfer the dividend in relation to such shares to the special account referred to in Section 123 unless the Company is authorized by the registered holder of such shares in writing to pay such dividend
- b) to the transferee specified in such instrument of transfer; and
- c) Keep in abeyance in relation to such shares any offer of rights shares under Section 62 and any issue of fully paid-up bonus shares in pursuance of Section 123.

No Member to receive Dividend whilst indebted to the Company and the Company's Right of Reimbursement Thereof

Article 197 states that no member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

Effect of Transfer of Shares

Article 198 states that a transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

Dividends How Remitted

Article 199 states that the dividend payable in cash may be paid by cheque, direct credit to the beneficiaries' bank account or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member of person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

Notice of Dividend

Article 200 states that the notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

Unpaid Dividend or Dividend Warrant Posted

Article 201 states that the following –

- a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in the name of the Company and transfer to the said Account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.
- b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund maintained by the Central Government under the Act. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholder to whom the money is due.
- c) No unclaimed dividend shall be forfeited by the Board unless the claim becomes barred by law.

Dividends and call together

Article 202 states that any General Meeting declaring as dividend may on the recommendations of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so, arranged between the Company and members be set off against the calls.

Waiver of Dividend

Article 203 states that notwithstanding anything contained in these Articles, but subject to the provisions of the Companies Act, and all other applicable rules of the statutory authorities and the Rules framed by the Board of Directors of the Company in this behalf as amended from time to time by the Board, it shall be open for the Members of the Company who hold the equity shares in the Company to waive/forgo in whole or in part of any dividend, their right to receive the dividend (interim or final) by them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The waiver/forgoing by the Members, of their right to receive the dividend (interim or final) by them under this Article shall be irrevocable immediately after the record date/book closure date fixed for determining the names of Members entitled for dividend. The Company shall not be entitled to declare or pay and shall not declare or pay dividend on equity shares to such Members who have waived/forgone their right to receive the dividend (interim or final) by him/ them under this Article. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Capitalization

Article 204 states the following –

- a) Any general meeting may resolve that any amount standing to the credit of the Securities Premium Account or the Capital Redemption Reserve Account or any moneys, investment or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, form the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalized. Any such amount (excepting the amount standing to the credit of the Securities Premium Account and/or the Capital redemption Reserve Account) may be capitalized:
 - (i) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—
 - (ii) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (iii) 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;
 - (iv) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
 - (v) for the purchase of its own shares or other securities subject to the provisions of Section 68 of the Act.
 - (vi) 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;
- b) Such issue and distribution under Sub-clause (a) (i) above and such payment to the credit of unpaid share capital sub-clause (a) (ii) above shall be made to, among and, in favor of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital;
- c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.
- d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock; bonds or other obligations in trustees upon such trusts for the person entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debenture, debenture-stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.
- e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and in respect of the partly paid shares the sums so applied in the extinguishments or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

- f) When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

Accounts

Article 205 states that the provisions of Sections 128 to 138 of the Act and the relevant accounting standards shall be complied with in so far as the same is applicable to the Company.

Books of Accounts to be kept

Article 206 states the following –

- a) The Company shall keep at its Registered Office proper books of accounts as required by Section 128 of the Act with respect to:
- i. All sums of money received and expected by the Company and the matters in respect of which the receipt and expenditure take place;
 - ii. All sales and purchases of goods and services by the Company;
 - iii. The assets and liabilities of the Company; and
 - iv. The items of cost as may be prescribed under Section 148 of the Act and applicable to the Company.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving full address of that other place.

- b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transaction effected at that office shall be kept at that office and proper summarized returns made up to date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.
- c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office as the case may be with respect to the matters aforesaid and explain the transactions.
- d) The books of account shall be open to inspection by any Director during business hours as provided by Section 128 of the Act.
- e) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

Inspection by Members

Article 207 states that the Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulation the account, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorized by the Directors or by a resolution of the Company in general meeting.

Statement of Account to be furnished to General Meeting

Article 208 states that the Board of Directors shall lay before each annual general meeting a Financial Statements for the financial year of the Company which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

Financial Statement

Article 209 states the following –

- a) Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit.
- b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.
- c) If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Financial Statement

Article 210 states the following –

- a) The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act.
- b) The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon.

Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet

Article 211 states that the Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

Board's Report to be Attached to Financial Statement

Article 212 states the following –

- a) Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder.
- b) The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company of Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest.
- c) The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.
- d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 211 and in accordance with the Listing Regulations, as applicable.
- e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with.
- f) Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and

approved by the shareholders at a subsequent general meeting.

Right of Members to copies of Financial Statement and Auditor's Report

Article 213 states that a copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

- a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
- b) to more than one of the joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

A copy of the Financial Statement etc. to be filed with Registrar

Article 214 states that after the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

Financial Statement to be audited

Article 215 states that every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

Appointment of Auditors

Article 216 states that the Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 148 of the Act, along with the Rules made thereunder.

Audit of Branch Office

Article 217 states that the Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of branch offices of the Company, except to the extent to which any exemption may be granted by the Central Government, in that behalf.

Auditors to have access to the Books of the Company

Article 218 states the following –

- a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.
- b) All notice of and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.

Financial Statement When Audited and Approved to be Conclusive

Article 219 states that every Financial Statement when audited and approved by a General Meeting shall be conclusive except where it appears to the directors that—

- a) the financial statement of the Company; or
- b) the report of the Board,

do not comply with the provisions of Section 129 or Section 134 they may prepare revised Financial Statement or a revised report in respect of any of the three preceding financial years after obtaining approval of the Court or Tribunal as applicable on an application made by the Company in such form and manner as may be prescribed by the Central Government and a copy of the order passed by the Court or the Tribunal as applicable shall be filed with the Registrar.

Authentication of Documents and Proceedings

Article 220 states that save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Key Managerial Personnel or an officer or an employee of the Company duly authorized by the Board in this behalf and need not be under its Seal.

Service of Documents on Members by the Company

Article 221 states the following –

- (i) A document or notice may be served by the Company on any member thereof either personally or by sending it, by registered post or speed post or by courier service or electronic means or such other modes as may be prescribed under the Act from time to time, to him at his registered address or if he has no registered address in India, to the address if any, within India, supplied by him to the Company for serving documents or notices to him
- (ii) Where a document or notice is sent by post or courier service:
 - a. Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents should be sent to him by specified manner and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be affected unless it is sent in the manner intimated by the members; and
 - b. Such service shall be deemed to have been affected:
 - i. In the case of a notice of meeting at the expiration of forty-eight hours after the letter containing the same is posted; and
 - ii. in any other case at the time at which the letter would be delivered in the ordinary course of post.
 - iii. A document or notice advertised in a newspaper circulation in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
 - iv. A document or notice may be served by the Company on the joint holders of a share by serving it to the joint holder named first in the Register in respect of the share.
- (iii) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter, addressed to them by name, or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address if any, in India supplied for the purpose by the person claiming to be so entitled or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

- (iv) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

To Whom Documents must be Served or Given

Article 222 states that the document of notice of every general meeting shall be served or given in the same manner herein before authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, c) directors and (d) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulation in the neighborhoods of the office of the Company under Article 98, a statement of material facts, referred to in Article 99 need not be annexed to the notice as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Members Bound by Documents or Notice Served on or Given to Previous Holders

Article 223 states that every person, who by operation of law, transfer or other means whatsoever, has become entitled to share shall be bound by every document or notice in respect of such share which prior to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derived his title to such share.

Service of Documents on Company

Article 224 states that a document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by Registered Post or by speed post or by courier services or by electronic means or by leaving it at its Registered Office or such other modes as may be prescribed under the Act from time to time.

Service of Documents by Company on the Registrar of Companies

Article 225 states that subject to provisions in the Act, a document may be served on the Registrar of Companies by sending it to him at his office by Registered Post, or speed post or by courier services or by delivering it to or leaving it for him at his office or address or by such electronic or other mode as may be prescribed under the Act from time to time.

Registers and Documents to be Maintained by the Company

Article 226 states that the Company shall keep and maintain Registers, Books and documents as required by the Act or these Articles.

Maintenance and inspection of documents in electronic form

Article 227 states that without prejudice to any other provisions of this Act, any document, record, register, minutes, etc., —

- a) Required to be kept by a company; or
- b) Allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by central government by the Central Government.

Inspection of Registers

Article 228 states that subject to provisions of the Act and the provisions in the Articles, the Registers maintained under the Act and the minutes of all proceedings of General Meetings shall be open to inspection during any working day during business hours and extracts may be taken there from and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company i.e., by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of fee of Rupees 50/- for each

inspection. Subject to provisions of the Act and the provisions in the Articles, the copies of entries in the Registers maintained under the Act shall be furnished to the persons entitled to the same on payment of Rs. 10/- for each page.

OPERATION OF BANK ACCOUNT

All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments and all receipts for moneys 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 of Directors may, from time to time, by resolution determine.

Distribution of Assets

Article 229 states the following –

- a) Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.
- b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

Distribution in Specie or Kind

Article 230 states that subject to the provisions of the Act:

- a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.
- b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right; if any to dissent and ancillary rights as if such determination were a special resolution, pursuant to Section 494 of the Companies Act, 1956 or Section 319 of the Companies Act as applicable at the time of application.
- c) In case any shares to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution but notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.

Secrecy Clause

Article 231 states the following –

- a) Every Director, Key Managerial Personnel, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, agent, accountant or other person employed in the business of the Company

shall, if so required by the Director, before entering upon his duties sign a declaration pleading himself to observe a strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accountants with individuals and in matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

- b) No Member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

Directors and Others Right to Indemnity

Article 232 states that every Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorised representative of the Company shall be indemnified by the Company and for this purpose may have relevant third party insurances procured by the Company in their favour, for all costs, fees, penalty, deposit, losses and expenses (including travelling expenses) which such Director, Manager, Secretary, Officer or employee or authorized representative may suffer or is likely to suffer in any way during the course of discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims. Provided that no Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorized representative of the Company shall be entitled to be indemnified by the Company or have insurance procured therefor in circumstances where any amounts directly or indirectly arise out of or in connection with any fraud, gross negligence, breach of trust or material and willful default on the part of such Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorized representative of the Company.

Director and Other Officers Not Responsible for the Acts of Others

Article 233 states that subject to the provisions of the Act, no Director, Managing Director, Whole-time Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the nominees of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties or in relation thereto, unless the same happens through his own dishonesty.

An Independent Director, and a non-executive director not being a promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.

Social Objective

Article 234 states that the Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

General Power

Article 235 states that where any provisions of the said Act or the Rules or any other applicable laws provide that

the Company shall do such act, deed, or thing or shall have a right, privilege or authority to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorises the Company to carry out the same, without the need for any specific or explicit Article in that behalf

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered 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 or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material were attached to the copy of the Red Herring Prospectus and delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Issue Closing Date.

A. Material Contracts

1. Issue Agreement dated February 9, 2024 entered into between our Company and the Book Running Lead Managers.
2. Registrar agreement dated February 9, 2024 entered into between our Company, and the Registrar to the Issue.
3. Tripartite Agreement dated January 19, 2024 between CDSL, our Company and the Registrar to the Issue
4. Tripartite Agreement dated December 13, 2023 between NSDL, our Company and the Registrar to the Issue
5. Public Issue Account And Sponsor Bank Agreement dated July 18, 2024 between our Company, the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Refund Bank(s) and the Registrar to the Issue
6. Syndicate Agreement dated of July 18, 2024 between our Company, the Book Running Lead Managers, the Syndicate Members and Registrar to the Issue
7. Market Making Agreement dated July 18, 2024 between our Company, Book Running Lead Managers and Market Maker.
8. Underwriting Agreement dated of July 18, 2024 between our Company, the Book Running Lead Manager and the Underwriters.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated October 19, 2016.
3. Fresh certificate of incorporation dated February 5, 2024, pursuant to conversion from private limited company into public limited company.
4. Resolution of the Board of Directors dated February 5, 2024 authorising the Issue and other related matters.
5. Shareholders' Resolution passed at the Extra-ordinary General Meeting of the Company held on February 6, 2024 authorising the Issue and other related matters.
6. Resolution of the Board dated February 15, 2024 approving this Draft Red Herring Prospectus for filing with the Stock Exchange.
7. Resolution of the Board dated July 19, 2024 approving the Red Herring Prospectus for filing with the

Stock Exchange.

8. Resolution of the Board dated July 31, 2024 approving this Prospectus for filing with the Stock Exchange.
9. Copies of annual reports of our Company for the Fiscals, i.e., 2023, 2022 and Audited Financials for Fiscal 2024.
10. The examination report dated July 05, 2024 of our Statutory Auditors on our Restated Financial Statements
11. Statement of Possible Special Tax Benefits dated July 18, 2024 issued by Independent Chartered Accountant included in this Prospectus.
12. Certificate dated July 18, 2024 from M/s A P Sanzgiri & Co., Independent Chartered Accountants verifying the Key Performance Indicators (KPIs)
13. Consents of our Promoters, Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Senior Managerial Personnel, BRLMs, Legal Counsel to the Issue, Registrar to the Issue, Bankers to the Issue, Bankers to our Company, Market Maker to the Issue, Underwriters and Syndicate Members as referred to in their specific capacities.
14. Consent dated February 15, 2024 from M/s A Bafna & Co., Chartered Accountants to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditor, and for inclusion of their examination report dated July 05, 2024 on examination of our Restated Financial Statements in the form and context in which it appears in this Prospectus.
15. Consent dated February 14, 2024 from, M/s A P Sanzgiri & Co., Independent Chartered Accountants, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of various certifications issued by them and the statement of possible special tax benefits dated July 18, 2024 in their capacity as Independent Chartered Accountants to our Company.
16. Consent dated June 26, 2024 from Priyal Kothari, Independent Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent in his capacity as the chartered engineer; and such consent has not been withdrawn as on the date of this Prospectus.
17. Consent letter dated February 9, 2024 from CARE Analytics & Advisory Private Limited to use their report titled "Industry Research Report – Engineering Stones Industry".
18. Industry report entitled "Industry Research Report – Engineering Stones Industry" dated February 2024 issued by CARE Analytics & Advisory Private Limited.
19. Due diligence Certificate dated July 19, 2024 issued by the BRLMs.
20. In-principle listing approval dated June 4, 2024 from NSE.

Any of the contracts or documents mentioned in this 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 and other relevant statutes.

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, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY



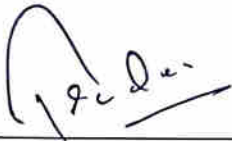
SUNILKUMAR LUNAWATH
MANAGING DIRECTOR
DIN: 01105117

Place: Udaipur
Date: 31/07/2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY



PRADEEPKUMAR LUNAWATH
EXECUTIVE DIRECTOR
DIN: 01105096

Place: Udaipur
Date: 31/07/2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY



NITIN GATTANI
JOINT MANAGING DIRECTOR
DIN: 00173258

Place: Udaipur
Date: 31/07/2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY



SUNIL GATTANI
NON- EXECUTIVE DIRECTOR
DIN: 02409338

Place: Udaipur
Date: 31/07/2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY



NARENDRA SHARMA
INDEPENDENT DIRECTOR
DIN: 01380061

Place: Udaipur
Date: 31/07/2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the rules, or the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY



NEELAM TATER
INDEPENDENT DIRECTOR
DIN: 07653773

Place: Ahmedabad
Date: 24/07/2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY



ANJALI PANDEY

COMPANY SECRETARY & COMPLIANCE OFFICER

Place: Kota

Date: 31/07/2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY



PRAKASH MANGHANI
CHIEF FINANCIAL OFFICER

Place: Udaipur

Date: 31/07/2024