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

VARMORA GRANITO LIMITED

CORPORATE IDENTITY NUMBER: U26914GJ2003PLC043194

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
8-A, National Highway, Dhuva, Taluka Wankaner, Rajkot – 363 641, Gujarat, India	1004/5/6, South Tower, ONE42, Off. Iscon-Ambli Road, Ahmedabad – 380 054, Gujarat, India	Nilesh Sharma *Company Secretary and Compliance Officer*	**Email**: investor.relations@varmora.com **Telephone**: + 91 – 9909913657	www.varmora.com

OUR PROMOTERS: BHAVESH VALLABHDAS VARMORA, HIREN R VARMORA AND PRAMODKUMAR PARSOTAMBHAI PATEL

DETAILS OF THE OFFER TO PUBLIC

TYPE	SIZE OF THE FRESH ISSUE	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE^	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹2 (“**Equity Shares**”) each aggregating up to ₹ 4,000.00 million	Up to 52,435,268 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million	This Offer is being made in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “**SEBI ICDR Regulations**”). For further details, see “*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*” on page 439. For details of share allocation and reservation among QIBs, NIIs and RIIs, see “*Offer Structure*” on page 461.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED (UP TO)/AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
Katsura Investments	Investor Selling Shareholder	Up to 49,156,579 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million	86.68
Parsotambhai Jivrajbhai Patel	Promoter Group Selling Shareholder	Up to 1,092,897 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million	7.26
Ramanbhai Jivrajbhai Varmora	Promoter Group Selling Shareholder	Up to 1,092,896 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million	9.10
Vallabhbhai Jivrajbhai Varmora	Promoter Group Selling Shareholder	Up to 1,092,896 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million	5.90

** As certified by M/s Doshi Doshi & Co, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹2 each. The Floor Price, Cap Price and Offer Price (as determined by our Company, in consultation with the BRLMs, 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 under “*Basis for the Offer Price*” on page 128, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 38.

ISSUER’S AND SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares, offered through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, the Designated Stock Exchange is [●].

BOOK RUNNING LEAD MANAGERS

NAME OF THE BRLM AND LOGO		CONTACT PERSON	EMAIL AND TELEPHONE
JM FINANCIAL	**JM Financial Limited**	Prachee Dhuri	**E-mail**: vgl.ipo@jmfl.com **Telephone**: +91 22 6630 3030
Goldman Sachs	**Goldman Sachs (India) Securities Private Limited**	Suchismita Ghosh	**E-mail**: varmoraipo@gs.com **Telephone**: +91 22 6616 9000
SBICAPS Complete Investment Banking Solutions	**SBI Capital Markets Limited**	Kristina Dias	**E-mail**: varmora.ipo@sbicaps.com **Telephone**: +91 22 4006 9807

REGISTRAR TO THE OFFER

KFINTECH	**KFin Technologies Limited**	M. Murali Krishna	**E-mail**: vgl.ipo@kfintech.com **Telephone**: + 91 40 6716 2222

BID/ OFFER PERIOD

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

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

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

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

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

DRAFT RED HERRING PROSPECTUS
Dated August 7, 2025
Please read section 32 of the Companies Act, 2013
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

VARMORA
TILES • BATHWARE

VARMORA GRANITO LIMITED

Our Company was originally incorporated as "*Varmora Granito Private Limited*" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated November 18, 2003, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of our Company was subsequently changed to "*Varmora Granito Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated April 25, 2025, and a shareholders' resolution dated April 30, 2025. A fresh certificate of incorporation was issued on May 14, 2025, by the Registrar of Companies, Gujarat at Ahmedabad. For further details, please see "*History and Certain Corporate Matters – Brief History of our Company*" on page 245.

Registered Office: 8-A, National Highway, Dhuva, Taluka Wankaner, Rajkot – 363 641, Gujarat, India;
Corporate Office: 1004/5/6, South Tower, ONE42, Off. Iscon-Ambli Road, Ahmedabad – 380 054, Gujarat, India
Telephone: + 91 – 9909913657; **Contact Person**: Nilesh Sharma, Company Secretary and Compliance Officer;
E-mail: investor.relations@varmora.com; **Website**: www.varmora.com; **Corporate Identity Number**: U26914GJ2003PLC043194

OUR PROMOTERS: BHAVESH VALLABHDAS VARMORA, HIREN R VARMORA AND PRAMODKUMAR PARSOTAMBHAI PATEL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF VARMORA GRANITO LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 4,000.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 52,435,268 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹ [●] MILLION COMPRISING OF UP TO 49,156,579 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹ [●] MILLION BY KATSURA INVESTMENTS (REFERRED TO AS THE "INVESTOR SELLING SHAREHOLDER"), UP TO 1,092,897 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹ [●] MILLION BY PARSOTAMBHAI JIVRAJBHAI PATEL, UP TO 1,092,896 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹ [●] MILLION BY RAMANBHAI JIVRAJBHAI VARMORA AND UP TO 1,092,896 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹ [●] MILLION BY VALLABHBHAI JIVRAJBHAI VARMORA (COLLECTIVELY REFERRED TO AS THE "PROMOTER GROUP SELLING SHAREHOLDERS" AND WITH THE INVESTOR SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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

THE FACE VALUE OF THE EQUITY SHARES IS ₹2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors and such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("**Non-Institutional Portion**") of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1.00 million and undersubscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID *(defined hereinafter)* in case of UPI Bidders *(defined hereinafter)* in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 465.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹2 each. The Offer Price, Floor Price or Cap Price as (as determined by our Company, in consultation with the BRLMs, 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 under "*Basis for the Offer Price*" on page 128, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 38.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares, to be offered through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the 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 available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 567.

BOOK RUNNING LEAD MANAGERS			Registrar to the Offer
JM FINANCIAL	Goldman Sachs	SBICAPS	KFINTECH
JM Financial Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India **Telephone**: +91 22 6630 3030 **E-mail**: vgl.ipo@jmfl.com **Investor grievance E-mail**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact person**: Prachee Dhuri **SEBI registration number**: INM000010361	**Goldman Sachs (India) Securities Private Limited** 9th and 10th Floor, Ascent-Worli Sudam Kalu Ahire Marg Worli, Mumbai 400 025 Maharashtra, India **Telephone**: +91 22 6616 9000 **E-mail**: varmoraipo@gs.com **Investor grievance E-mail**: india-client-support@gs.com **Website**: www.goldmansachs.com **Contact person**: Suchismita Ghosh **SEBI registration number**: INM000011054	**SBI Capital Markets Limited** 1501, 15th floor, A & B Wing, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Telephone**: +91 22 4006 9807 **E-mail**: varmora.ipo@sbicaps.com **Investor grievance E-mail**: investor.relations@sbicaps.com **Website**: www.sbicaps.com **Contact person**: Kristina Dias **SEBI registration number**: INM000003531	**KFin Technologies Limited** Selenium, Tower B, Plot No. 31 and 32, Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India **Telephone:** + 91 40 6716 2222 **E-mail:** vgl.ipo@kfintech.com **Investor Grievance e-mail:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M. Murali Krishna **SEBI Registration No.:** INR000000221

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

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rule guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

*Furthermore, unless the context otherwise indicates, all references to the terms "**we**", "**us**" and "**our**" are to our Company and our Subsidiaries (as defined below) on a consolidated basis.*

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Description of Equity Shares and Terms of the Articles of Association", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "History and Certain Corporate Matters", "Basis for Offer Price", "Restrictions on Foreign Ownership of Indian Securities", "Restated Consolidated Financial Information" and "Outstanding Litigation and Material Developments" on pages, 487, 142, 151, 237, 245, 128, 485, 289 and 427, respectively, will have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
Our Company/ the Company/ the Issuer	Varmora Granito Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 8-A, National Highway, Dhuva, Taluka Wankaner, Rajkot – 363 641, Gujarat, India and Corporate Office at 1004/5/6, South Tower, ONE42, Off. Iscon-Ambli Road, Ahmedabad – 380 054, Gujarat, India.
We/us/ our	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries, our Associates and our Joint Ventures on a consolidated basis.

Company Related Terms

Term	Description
AoA/ Articles of Association or Articles	The articles of association of our Company, as amended
Associate(s)	The associate(s) of our Company as on the date of this Draft Red Herring Prospectus are Fiorenza Granito Private Limited and Sentosa Granito Private Limited. For further information, see "*History and Certain Corporate Matters*" on page 245
Audit Committee	Audit committee of our Company, described in "*Our Management-Committees of our Board*" on page 270
Auditor/ Statutory Auditor	The current statutory auditor of our Company, being Walker Chandiok & Co LLP
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time. For further information, see "*Our Management- Board of Directors*" on page 262
CCPS/ Compulsorily Convertible Preference Shares/Preference Shares	The cumulative, participating, compulsorily convertible preference shares of our Company of face value of ₹ 10 each
Chairman and Managing Director/ Chairman/ Managing Director	The chairman and managing director of our Company, being Bhavesh Vallabhdas Varmora. For further information, see "*Our Management - Board of Directors*" on page 262
Chief Financial Officer/ CFO	The chief financial officer of our Company, being Bhaveshkumar H Koshti. For further information, see "*Our Management – Key Managerial Personnel and Senior Management*" on page 280
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Nilesh Sharma. For further information, see "*General Information*" and "*Our Management- Key Managerial Personnel and Senior Management*" on pages 80 and 280, respectively
Corporate Office	The corporate office of our Company, situated at 1004/5/6, South Tower, ONE42, Off. Iscon-Ambli Road, Ahmedabad – 380 054, Gujarat, India
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in "*Our Management - Committees of our Board*" on page 270
Director(s)	The director(s) on our Board. For further details, see "*Our Management – Board of Directors*" on page 262
Erstwhile Subsidiaries	The erstwhile subsidiaries of our Company namely (i) Conffi Sanitaryware Private Limited, (ii) Tocco Ceramic Private Limited, (iii) Varmora Ceramics Private Limited, (iv) Solaris

Term	Description
	Ceramics Private Limited and (v) Nextile Marbosys Private Limited, which have amalgamated into our Company with effect from April 1, 2023 pursuant to confirmation order dated October 12, 2023, issued by the Regional Director North-Western Region of the Ministry of Corporate Affairs. For further information, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247
Equity Shares	The equity shares of our Company of face value of ₹ 2 each
ESOP 2023 / ESOP Plan	Varmora Employee Stock Option Plan-2023 as described in "*Capital Structure – Employee Stock Option Plan*" on page 108
Executive Director(s)	Collectively, the executive director(s) of our Company, namely Hiren R Varmora and Pramodkumar Parsotambhai Patel, and the Managing Director of our Company. For further details on our Executive Directors, see "*Our Management –Board of Directors*" on page 262
Group Companies	Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy. For further details, see "*Group Companies*" on page 435
Independent Chartered Accountant	M/s Doshi Doshi & Co., bearing firm registration number 153683W
Independent Director(s)	Independent director(s) of our Company, who are eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For further details on our Independent Directors, see "*Our Management - Board of Directors*" on page 262
Investor Selling Shareholder	Katsura Investments
IPO Committee	The IPO committee of our Company, described in "*Our Management - Committees of our Board*" on page 270
Joint Ventures	The Joint Venture(s) of our Company as on the date of this Draft Red Herring Prospectus are Avalta Granito Private Limited and Renite Vitrified LLP. For further information, see "*History and Certain Corporate Matters*" on page 245* **Avalta Granito Private Limited and Renite Vitrified LLP have been identified as associates of our Company in the annual return filed by our Company in Fiscal 2025, in terms of the Companies Act, 2013.*
Katsura Investments	An affiliate of investment funds ultimately managed and advised by affiliated entities of The Carlyle Group Inc.
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 further described in "*Our Management – Key Managerial Personnel and Senior Management*" on page 280
Key Performance Indicator(s) / KPI(s)	The key performance indicators which have been used historically by our Company to understand and analyse our business performance, which in result, help us in analysing the growth of business in comparison to our peers. For further details see "*Basis for Offer Price – 7. Key Performance Indicators*" and "*Our Business – Certain key financial and operational information*", on pages 130 and 207
Materiality Policy	The policy adopted by our Board on July 28, 2025, for identification of: (a) outstanding material litigation proceedings; (b) material Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, described in "*Our Management - Committees of our Board*" on page 270
Non-Executive Nominee Director(s)	The nominee directors on our Board being Aamir Zeb and Amit Jain. For further details on our Non-Executive Nominee Directors, please see "*Our Management– Board of Directors*" on page 262
Non-Executive Director(s)	Together, Non-Executive Nominee Directors and Independent Directors of our Company. For further details on our Non-Executive Directors, see "*Our Management– Board of Directors*" on page 262
Promoter Group	Persons and entities, excluding our Promoters constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 283
Promoter Group Selling Shareholders	The individuals forming part of the Promoter Group offering their shares in the Offer for Sale component of the Offer, namely Parsotambhai Jivrajbhai Patel, Ramanbhai Jivrajbhai Varmora and Vallabhbhai Jivrajbhai Varmora
Promoter(s)	Collectively, Bhavesh Vallabhdas Varmora, Hiren R Varmora and Pramodkumar Parsotambhai Patel
Registered Office	The registered office of our Company, situated at 8-A, National Highway, Dhuva, Taluka Wankaner, Rajkot – 363 641, Gujarat, India
Registrar of Companies/ RoC	The Registrar of Companies, Gujarat at Ahmedabad
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, our Subsidiaries, Associates and Joint Ventures comprising the restated consolidated statements of assets and liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated consolidated statements

Term	Description
	of profit and loss (including other comprehensive income), the restated consolidated statements of changes in equity, the restated consolidated cash flow statement for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, the summary of material accounting policies and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time.
Risk Management Committee	The risk management committee of our Company, described in "*Our Management - Committees of our Board*" on page 270
Selling Shareholders	Collectively, the Investor Selling Shareholder and the Promoter Group Selling Shareholders
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as further described in "*Our Management - Key Managerial Personnel and Senior Management*" on page 280
Shareholders	The holders of the Equity Shares from time to time
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Company as described in "*Our Management – Committees of our Board*" on page 270
Subsidiaries	The subsidiaries of our Company as on the date of this Draft Red Herring Prospectus, as described in "*History and Certain Corporate Matters – Our Subsidiaries*" on page 254
Technopak	Technopak Advisors Private Limited
Technopak Report	Report titled "*Industry Report on Tiles, Bathware & Sanitaryware Market in India*" dated August 7, 2025, prepared by Technopak Advisors Private Limited, commissioned and paid for by our Company in connection with the Offer. A copy of this Report is available on the website of our Company at https://varmora.com/investor-relations/industry-report/

Offer Related Terms

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

Term	Description
	applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASM	Additional Surveillance Measure
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 265
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each thereafter
Bid/ Offer Period	Except in relation to Bids by Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank Our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located)
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, 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
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made

Term	Description
Book Running Lead Managers/ BRLMs/Managers	The book running lead managers to the Offer namely, JM Financial Limited, Goldman Sachs (India) Securities Private Limited and SBI Capital Markets Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price
Cash Escrow and Sponsor Bank(s) Agreement	Agreement to be entered into and amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Bankers to the Offer in accordance with UPI Circulars, for *inter alia*, the appointment of the Banker(s) to the Offer for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Chartered Engineer	An independent chartered engineer appointed by our Company for the purpose of the Offer, namely, Nimesh Upadhyay bearing chartered engineer registration number CE/IET/LM/111996-24
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's 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 Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Cut-off Price	Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and CRTAs
Designated RTA Locations	Such centres of the RTAs where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidder only ASBA Forms under UPI). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and as updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time

Term	Description
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated August 7, 2025 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer and includes any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	The fresh issue of up to [●] Equity Shares of face value of ₹2 each by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 4,000.00 million. For information, see "*The Offer*" on page 72* * *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.*
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time
GSM	Graded Surveillance Measures
Goldman	Goldman Sachs (India) Securities Private Limited
Gross Proceeds	The gross proceeds of the Fresh Issue
JM Financial	JM Financial Limited
June 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021
Monitoring Agency	Monitoring agency appointed pursuant to the Monitoring Agency Agreement, namely [●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹2 each which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the SEBI Mutual Funds Regulations
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For details regarding the use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer – Details of the Objects of the Offer to be funded from Fresh Issue proceeds*" on page 119
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares of face value of ₹2 each which shall be available for allocation to Non-Institutional Investors, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed

Term	Description
	portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Resident/ NR	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹2 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] each), aggregating up to ₹ [●] million by our Company comprising a Fresh Issue of [●] Equity Shares of face value of ₹2 each aggregating up to ₹ 4,000 million and an Offer for Sale of up to 52,435,268 Equity Shares of face value of ₹2 each aggregating to ₹ [●] million by the Selling Shareholders
Offer Agreement	The agreement dated August 7, 2025 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer of up to 52,435,268 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million by the Selling Shareholders
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors as determined in accordance with the Book Building Process and determined by our Company, in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Offered Shares	Up to 52,435,268 Equity Shares of face value of ₹2 each aggregating to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer for Sale component of the Offer
Pre-IPO Placement	Our Company, in consultation with the BRLMs, and subject to approval of the Selling Shareholders, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), of up to [●] Equity Shares for an amount aggregating up to ₹ 800.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and the Prospectus
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is situated) at least two Working Days prior to the Bid/ Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing *inter alia* the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account Bank(s)	The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category/ QIB Portion	The category of the Offer (including the Anchor Investor Portion), being not more than 50% of the Offer, consisting of [●] Equity Shares of face value of ₹2 each aggregating to ₹ [●] million, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyer(s)/ QIB(s)/ QIB Bidder(s)	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations

Term	Description
Red Herring Prospectus/ RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The Bid/ Offer Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated August 7, 2025 between our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
Registrar to the Offer/ Registrar	KFin Technologies Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Investors(s)/ RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares of face value of ₹2 each, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/ Offer Closing Date
SBICAPS	SBI Capital Markets Limited
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Sponsor Bank(s)	The Bankers to the Offer registered with SEBI, which have been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	Agreement to be entered into among our Company, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Syndicate/ Members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]

Term	Description
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidder(s)	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 0.50 million in the Non-Institutional Portion Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI RTA Master Circular (to the extent it pertains to UPI), along with the circulars issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, SEBI ICDR Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Banks to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Maharashtra, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Maharashtra, India are open for business and the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including UPI Circulars

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF(s)	Alternate Investment Fund(s)
BSE	BSE Limited
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
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
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
CCI	Competition Commission of India
Consolidated FDI Policy/ FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Demat	Dematerialised

Term	Description
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder
Depository or Depositories	NSDL and/or CDSL
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EGM	Extraordinary general meeting
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000) registered with SEBI
GoI / Central Government	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
I.T. Act	Income - tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	The accounting standards notified under Section 133 of the Companies Act, 2013 read with of the Companies (Accounting Standards) Rules, 2021, as amended
IPO	Initial public offer
IST	Indian Standard Time
IT	Information technology
IT Act	Information Technology Act, 2000
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million
MOU	Memorandum of understanding
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NBFC	Non-Banking Financial Company
NEFT	National electronic fund transfer
NPCI	National Payments Corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
Rs. / Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCORES	SEBI Complaints Redressal Mechanism
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957

Term	Description
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Master Circular	SEBI ICDR Master Circular - SEBI master circular bearing reference SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI RTA Master Circular	SEBI RTA Master Circular - SEBI master circular bearing reference SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a state of India
STT	Securities transaction tax
U. S. Securities Act	United States Securities Act of 1933, as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America.
USA/ U.S. / US	The United States of America
USD / U.S.$	United States Dollars
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations (*now repealed*) or the SEBI AIF Regulations, as the case may be

Technical and Industry Related Terms

Term	Description
ABCs	Architects, Builders and Contractors that comprise our influencer network under the B2B channel
ATL	Above-the-Line advertisement and digital marketing campaigns focusing on broad and mass-market campaigns
B2B	Business-to-Business
B2C	Business-to-Consumer
BTL	Below-the-Line advertisement and digital marketing campaigns focusing on targeted and direct interactions
CREDAI	Confederation of Real Estate Developers' Associations of India
EBO	Exclusive Brand Outlets
IST	Integrated Stone Technology
GVT	Glazed Vitrified Tiles
MBO	Multi Brand Outlets
MW	Megawatt
PVT	Polished Vitrified Tiles
SKU	Stock-Keeping Units

Key Performance Indicators

Term	Description
Revenue from operations	Revenue from Operations refers to the revenue from operations as appearing in the Restated Consolidated Financial Information
Growth in Revenue from Operations	Growth in revenue from operations is calculated as percentage growth in Revenue from operations for the relevant Fiscal over Revenue from Operations for the immediately preceding Fiscal
Revenue from Tiles	Revenue from tiles is calculated as the sum of revenue from sale of tiles
Revenue from GVT as a percentage of revenue from tiles	Revenue from GVT as a percentage of revenue from tiles is calculated as Revenue from GVT Tiles divided by Revenue from Operations generated from tiles
Revenue from in-house manufacturing	Revenue from in-house manufacturing is calculated as the sum of revenue from sale of products manufactured in-house by our Company including Subsidiaries

Term	Description
Revenue from in-house manufacturing as a percentage of revenue from operations (%)	Revenue from in-house manufacturing (%) is calculated as the Revenue from in-house manufacturing divided by revenue from operation
Gross Profit	Gross profit is defined as total income less the sum of cost of materials consumed, purchases of stock-in-trade, changes in inventory, and power and fuel expenses
Gross Margin	Gross margin represents the ratio of gross profit to total income for a given year
EBITDA	Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost and depreciation
EBITDA Margin	EBITDA margin is the ratio of EBITDA to total income for a given year
Adjusted EBITDA	Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization (Adjusted EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost, depreciation and share based payment expense
Adjusted EBITDA Margin	Adjusted EBITDA margin is the ratio of Adjusted EBITDA to total income for a given year
Profit for the year	Profit for the year represents profit for the year as appearing in the Restated Consolidated Financial Information
Profit for the year margin	Profit for the year margin is calculated as profit for the year divided by total income for a given year
Basic Earnings Per Equity Share	Basic Earnings Per Equity Share represents basic earnings per equity share as appearing in the Restated Consolidated Financial Information
Advertisement and Promotion expense	Advertisement and promotion expense is as per the Restated Consolidated Financial Information
Return on Capital Employed (“**ROCE**”)	Return on capital employed (ROCE) is calculated as earnings before interest and tax (EBIT) divided by the sum of Total Equity, Non-Current Borrowing and Current Borrowing
Return on Equity (“**ROE**”)	Return on equity (ROE) is calculated as profit for the year divided by total equity
Net Working Capital Days	Net working capital days is calculated as the sum of trade receivable days and inventory days, less payable days. Trade receivable days is calculated as trade receivables divided by total income, multiplied by 365. Inventory days is calculated as inventory divided by total revenue, multiplied by 365. Payable days is calculated as trade payables divided by total revenue, multiplied by 365
Net Debt	Net debt is calculated as the sum of Non-current borrowing, Current borrowing, less cash and cash equivalents and bank balances other than cash and cash equivalents
Tiles Sales Volume	Tiles Sales Volume is calculated as the sum of the total volume of tiles sold in the relevant period / year
Total Dealer Network	Total dealer network is calculated as the total count of the exclusive brand outlets (“**EBOs**”) and multi-brand outlets (“**MBOs**”) through which the products of our Company are sold in the relevant year / period
Number of Cities with EBOs	Number of Cities with EBO Presence is calculated as the total count of the number of cities in which the company’s EBOs are present in

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The offer and sale of the Equity Shares in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) within the U.S. only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and (b) outside of the U.S. in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. See "*Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions*" on page 442.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

FORWARD-LOOKING STATEMENTS

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

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

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

1. Delay in production or interruption at our manufacturing facilities including due to any disruption in Morbi, Gujarat.

2. Any slowdown in the demand for glazed vitrified tiles.

3. Any non-performance by our franchisees for our B2C retail chain (comprising exclusive brand outlets and multi brand outlets).

4. Cost overruns and delays in expanding and commissioning new manufacturing facilities.

5. Volatility in the supply and pricing of raw materials and packing materials and interruptions in the delivery of supplies.

6. Unavailability of power, fuel and water for our operations and fluctuations in the prices of power and fuel.

7. Any delay or inability in obtaining, renewing or maintaining statutory and regulatory permits, licenses and approvals.

8. Any inability to meet our working capital requirements.

9. Inability to obtain financing for our capital intensive business or meet our debt obligations, including financial and other covenants under our debt financing arrangements.

10. An adverse outcome in any of the outstanding litigations against our Company, Directors, Promoters, Subsidiaries, Key Managerial Personnel, Senior Management and Group Companies.

For a further discussion of factors that could cause our actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 38, 203 and 391, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate and the forward looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our

Company will ensure that investors in India are informed of material developments pertaining to our Company from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permissions by the Stock Exchanges.

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

Certain Conventions

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

All references herein to the:

(i) "US", "USA", the "U.S." or the "United States" are to the United States of America and its territories and possessions; and

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

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/ Fiscal Year are to the year ended on March 31, of that calendar year. Certain other financial information pertaining to our Subsidiaries, Associates, Joint Ventures and Group Companies are derived from their respective audited financial statements.

Unless indicated otherwise or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from the Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" on page 289.

The Restated Consolidated Financial Information of our Company, our Subsidiaries, (the Company and Subsidiaries together referred to as the "**Group**") Associates and Joint Ventures comprises of the restated consolidated statements of assets and liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated cash flow statement for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, the summary statement of material accounting policies and other explanatory information (collectively, the "**Restated Consolidated Financial Information**").

The Restated Consolidated Financial Information have been prepared from each of the audited consolidated Ind AS financial statements of the Group and its Associates and Joint Ventures as at and for the year ended March 31, 2025, March 31, 2024, the audited special purpose consolidated Ind AS financial statements of the Group, its Associates and Joint Ventures as at and for the year ended March 31, 2023, which were prepared by the Company in response to the requirements of the SEBI e-mail dated October 28, 2021 and were approved by Board of Directors at their Board meeting held on July 28, 2025. The audited Special Purpose Consolidated Ind AS Financial Statements for the year ended 31 March 2023 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of April 1, 2022 and as per the presentation, accounting policies including amended Schedule III and grouping/classifications followed as at and for the year ended March 31, 2025, restated financial consolidated as per the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see "*Risk Factors – 61. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.*" on page 66. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off.

Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 38, 203 and 391, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise stated or context requires otherwise, have been derived from Restated Consolidated Financial Information or non-GAAP financial measures as described below.

Non-GAAP Financial Measures

Certain measures included in this Draft Red Herring Prospectus, for instance EBITDA, EBITDA Margin, Gross Profit, Gross Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Net Worth, Net Debt, Return on Capital Employed, Net Asset Value per Equity Share (the **"Non-GAAP Measures''**), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. Further, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further information, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Non-GAAP Measures*" on page 417.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Industry Report on Tiles, Bathware & Sanitaryware Market in India*" dated August 7, 2025 prepared by Technopak, which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company, pursuant to a letter of authorisation dated October 4, 2024 ("**Technopak Report**"). The Technopak Report is available on the website of our Company at the following web-link: https://varmora.com/investor-relations/industry-report/ until the Bid/ Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Technopak Report and included in this Draft Red Herring Prospectus with respect to any particular year, refers to such information for the relevant calendar year. Technopak is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Managers.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness relevance of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. The excerpts of the Industry Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies, and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – 48. Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which has been prepared exclusively for the Offer and commissioned and paid for by us exclusively in* *connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*" on page 61. Accordingly, no investment decision should be solely made on the basis of such information.

In accordance with the disclosure requirements under the SEBI ICDR Regulations*, "Basis for Offer Price"* on page 128 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified therein.

Currency and Units of Presentation

All references to:

- "Rupees" or "INR" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India;
- "U.S $", "U.S. Dollar", "USD" are to United States Dollars, the official currency of the United States of America;
- "EUR" or "€" are to Euro, the official currency of the European Union;
- "GBP" or "£" are to British pound, the official currency of the United Kingdom;
- "AUD" or "A$" are to Australian Dollar, the official currency of the Commonwealth of Australia; and
- "RUB" or "₽" are to Russian Ruble, the official currency of the Russian Federation.

All the figures in this Draft Red Herring Prospectus, except for figures derived from the Technopak Report, have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such 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 ₹ and certain currencies:

(in ₹)

Currency	Exchange rate as at		
	March 31, 2025*	March 31, 2024**	March 31, 2023
1 USD	85.58	83.37	82.22
1 EUR	92.32	90.22	89.61
1 GBP	110.74	105.27	101.87
1 AUD^	54.07	54.38	55.02
1 RUB^	1.02	0.91	1.06

Source: Reference Rate as available on www.rbi.org.in.

^ Source: Reference Rate as available on www.oanda.com.

Note: Exchange rate is rounded off to two decimal points.

** The exchange rate has been included as on March 28, 2025, as March 29, 2025, March 30, 2025 and March 31, 2025 were holidays.*

*** The exchange rate has been included as on March 28, 2024, as March 29, 2024, March 30, 2024 and March 31, 2024 were holidays*

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections "Risk Factors", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Restated Consolidated Financial Information", "Objects of the Offer", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Outstanding Litigation and Material Developments" on pages 38, 203, 151, 89, 72, 289, 117, 391 and 427, respectively of this Draft Red Herring Prospectus.

Summary of primary business of our Company

We offer a diverse range of products comprising high-quality, durable and aesthetic tiles, including glazed vitrified tiles, polished vitrified tiles and ceramic tiles. As of March 31, 2025, our product portfolio included over 3,500 stock-keeping units for tiles across 20 different surface types, which address different use cases such as flooring, walls, back paneling, façade and kitchen slabs. We also launched marble-like products across four surfaces in Fiscal 2025 leveraging the integrated stone technology. We sell our products through a multi-channel distribution network comprising business-to-consumer retail channels, which include 286 exclusive brand outlets and over 2,000 multi brand outlets, and business-to-business channels including builders, contractors, developers and government empanelment, as of the same date.

For further information, see *"Our Business"* on page 203.

Summary of industry in which our Company operates

The Indian domestic tiles market has witnessed significant growth over the past years. Valued at approximately ₹360.0 billion in Fiscal 2019, the market expanded to ₹531.0 billion by Fiscal 2025, growing at a CAGR of 6.7%. It is further projected to grow to ₹769.0 billion by Fiscal 2029, representing a CAGR of 9.7% from Fiscals 2025 to 2029. Premiumisation within the Indian tiles industry is evident - in Fiscal 2025, glazed vitrified tiles accounted for 35.5% of the tile industry revenue in India and its market by value grew the fastest at a CAGR of 12.0% between Fiscals 2019 and 2024 as compared to ceramic tiles and polished vitrified tiles that have grown at a CAGR of 6.4% and 4.2%, respectively, during the same period. (*Source: Technopak Report*)

For further information, see "*Industry Overview*" on page 151.

Our Promoters

Bhavesh Vallabhdas Varmora, Hiren R Varmora and Pramodkumar Parsotambhai Varmora. For further details, see *"Our Promoters and Promoter Group"* on page 283.

The Offer

The following table summarizes the details of the Offer. For further details, please see '*The Offer*" and "*Offer Structure*" on pages 72 and 461, respectively:

Offer(1)^	Up to [●] Equity Shares of face value of ₹2 each for cash at price of ₹[●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ [●] million
Of which	
Fresh Issue(1)^	Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹ 4,000.00 million
Offer for Sale(2)	Up to 52,435,268 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million by the Selling Shareholders

(1) The Offer has been authorized pursuant to the resolutions passed by our Board dated July 21, 2025 and July 28, 2025 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed on July 23, 2025.

(2) Our Board has taken on record the consent letters by the Selling Shareholders to participate in the Offer for Sale, pursuant to its resolution dated July 28, 2025. For details of authorisations received from the Selling Shareholders for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 438. Further, the Selling Shareholders have confirmed that the Offered Shares will be offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations, to the extent applicable. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 72 and 438, respectively:

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

The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company. For further details, see "*The Offer*" and "*Offer Structure*" on pages 72 and 461, respectively.

Objects of the Offer

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

(in ₹ million)

Particulars	Estimated amount^
Repayment/ pre-payment, in full or in part, of all or certain outstanding borrowings and accrued interest thereon availed by:	3,200.00
a. our Company; and	2,800.00
b. our wholly-owned subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and of our Subsidiary, Simola Tiles LLP, through investment in such Subsidiaries	400.00
General corporate purposes(1)	[●]
Net Proceeds	**[●]**

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

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

For further information, see "*Objects of the Offer*" on page 117.

Aggregate pre-Offer and post-Offer shareholding of our Promoters, the members of our Promoter Group and the Selling Shareholders as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer shareholding of our Promoters, the members of our Promoter Group and the Selling Shareholders as on the date of this Draft Red Herring Prospectus is set out below:

Sr. No.	Name of the Shareholder	Pre-Offer		Post-Offer^#	
		Number of Equity Shares of face value of ₹ 2 each	Percentage of the paid-up Equity Share capital on a fully diluted basis*	Number of Equity Shares of face value of ₹ 2 each	Percentage of the paid-up Equity Share capital
Promoters					
1.	Bhavesh Vallabhdas Varmora	19,351,425	9.56	[●]	[●]
2.	Hiren R Varmora	19,117,155	9.44	[●]	[●]
3.	Pramodkumar Parsotambhai Patel	13,416,450	6.63	[●]	[●]
	Total (A)	**51,885,030**	**25.63**	**[●]**	**[●]**
Promoter Group (Other than the Promoters)					
1.	Ramanbhai Jivrajbhai Varmora^^	13,168,680	6.50		
2.	Vallabhbhai Jivrajbhai Varmora^^	10,313,355	5.09	[●]	[●]
3.	Bharatbhai Vallabhdas Varmora	9,631,715	4.76	[●]	[●]
4.	Manishkumar Vallabhbhai Varmora	9,132,145	4.51	[●]	[●]
5.	Parsotambhai Jivrajbhai Patel^^	6,381,300	3.15	[●]	[●]
6.	Prafulbhai Parsotambhai Varmora	3,355,815	1.66	[●]	[●]
	Total (B)	**51,983,010**	**25.67**	**[●]**	**[●]**
Selling Shareholders (Other than Promoter Group Selling Shareholder)					
1.	Katsura Investments	73,734,868	36.42	[●]	[●]
	Total (C)	**73,734,868**	**36.42**	**[●]**	**[●]**
	Grand Total (A+B+C)=D	**177,602,908**	**87.72**	**[●]**	**[●]**

Subject to completion of the Offer and finalization of Allotment.
^ *To be updated upon finalisation of Price Band.*
^^ *Also the Promoter Group Selling Shareholders*
* *Includes vested options under ESOP 2023. For further details, please see, "Capital Structure – Employee Stock Option Plan" on page 108.*

For further information, see *"Capital Structure"* on page 89.

Aggregate pre-Offer and post-Offer shareholding of our Promoters, the members of our Promoter Group and additional top 10 Shareholders

The aggregate pre-Offer shareholding of our Promoters, our Promoter Group and the additional top 10 Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company as on the date of pre-Offer and price band advertisement and as on the date of Allotment is set out below:

S No.	Name of the Shareholder	Pre-Offer shareholding as on the date of the Price Band advertisement		Post-Offer shareholding as at Allotment*@			
		Number of Equity Shares of face value ₹ 2 each	Percentage of total pre-Issue paid up Equity Share capital	At the lower end of the Price Band (₹ [●])(1)		At the upper end of the Price Band (₹ [●])(1)	
				Number of Equity Shares of face value ₹ 2 each	Percentage of total post-Issue paid up Equity Share capital	Number of Equity Shares of face value ₹ 2 each	Percentage of total post-Issue paid up Equity Share capital
Promoters							
1.	Bhavesh Vallabhdas Varmora	[●]	[●]	[●]	[●]	[●]	[●]
2.	Hiren R Varmora	[●]	[●]	[●]	[●]	[●]	[●]
3.	Pramodkumar Parsotambhai Patel	[●]	[●]	[●]	[●]	[●]	[●]
Total (A)		**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**
Promoter Group (other than the Promoters)							
1.	Ramanbhai Jivrajbhai Varmora	[●]	[●]	[●]	[●]	[●]	[●]
2.	Vallabhbhai Jivrajbhai Varmora	[●]	[●]	[●]	[●]	[●]	[●]
3.	Bharatbhai Vallabhdas Varmora	[●]	[●]	[●]	[●]	[●]	[●]
4.	Manishkumar Vallabhbhai Varmora	[●]	[●]	[●]	[●]	[●]	[●]
5.	Parsotambhai Jivrajbhai Patel	[●]	[●]	[●]	[●]	[●]	[●]
6.	Prafulbhai Parsotambhai Varmora	[●]	[●]	[●]	[●]	[●]	[●]
Total (B)		**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**
Additional top 10 Shareholders							
1.	Katsura Investments	[●]	[●]	[●]	[●]	[●]	[●]
2.	Ashokbhai Naranabhai Patel	[●]	[●]	[●]	[●]	[●]	[●]
3.	Rajkumar Varmora	[●]	[●]	[●]	[●]	[●]	[●]
4.	Adarsh Harilal Patel	[●]	[●]	[●]	[●]	[●]	[●]
5.	Steer Advisory Services Private Limited	[●]	[●]	[●]	[●]	[●]	[●]
Total (C)		**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**
Total (A+B+C)		**[●]**	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**

* *To be filled at the Prospectus stage.*
@ *Subject to finalisation of the Basis of Allotment.*
(1) *To be updated upon finalisation of Price Band.*

Summary of selected financial information

The details of certain financial information as set out under the SEBI ICDR Regulations as at and for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, as derived from the Restated Consolidated Financial Information are set forth below:

(₹ in million, except per share data)

Particulars	As at and for the Fiscal ended		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Equity share capital	403.25	399.66	133.22
Total equity	7,431.95	7,033.61	6,692.74
Net worth(1)	7,228.98	6,785.87	6,422.27
Revenue from operations	14,460.29	14,354.81	13,349.46
Profit for the year	307.73	449.35	550.64
Earnings per Equity Share			
Basic Earning per Equity Share (2)(4)	1.75	2.19	2.80
Diluted Earning per Equity Share (3)(4)	1.74	2.19	2.80
Net Asset Value per Equity Share(5)	35.85	33.66	35.29

Particulars	As at and for the Fiscal ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Total borrowings(6)	5,051.55	4,128.88	2,676.49

Notes:

(1) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.

(2) Basic Earning per Equity Share = Profit for the year attributable to the equity holders of our Company/ Weighted average number of equity shares outstanding during the year.

(3) Diluted Earning per Equity Share = Profit for the year attributable to equity holders of our Company/ Weighted average number of equity shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued to satisfy the exercise of the share options by the employees.

(4) Basic Earning per Equity Share and Diluted Earning per Equity Share calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.

(5) Net Asset Value per Equity share is calculated as Net Asset Value/Net worth divided by Weighted average number of equity shares outstanding during the year.

(6) Total borrowings is computed as current borrowings plus non-current borrowings.

For further details, see "*Restated Consolidated Financial Information*" and *"Other Financial Information"* on pages 289 and 389.

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

There are no qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information.

Summary of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Directors, our Promoters, our KMPs, our Senior Management and our Group Companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft Red Herring Prospectus, is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved* (₹ in million)
Company						
By our Company	57	N.A.	N.A.	N.A.	Nil	42.57
Against our Company	1	11	1		Nil	230.47
Directors						
By our Directors	Nil	N.A.	N.A.	N.A.	Nil	Nil
Against our Directors	2	1	Nil		Nil	Nil
Promoters**						
By our Promoters	Nil	N.A.	N.A.	Nil	Nil	Nil
Against our Promoters	1	Nil	Nil		Nil	Nil
Subsidiaries						
By our Subsidiaries	9	N.A.	N.A.	N.A.	Nil	5.58
Against our Subsidiaries	Nil	Nil	Nil		Nil	Nil
Key Managerial Personnel (Excluding Directors and Promoters)						
By our Key Managerial Personnel	Nil	N.A.	N.A.	N.A.	N.A.	Nil
Against our Key Managerial Personnel	Nil	N.A.	Nil		N.A.	Nil
Senior Management						
By our Senior Management	Nil	N.A.	N.A.	N.A.	N.A.	Nil
Against our Senior Management	Nil	N.A.	Nil		N.A.	Nil

**To the extent quantifiable.*

*** Does not include pre-litigation notices received by any of our Company, our Subsidiaries, our Directors, our Promoter or our Group Companies from third parties (excluding those notices issued by statutory/regulatory/ governmental/ tax authorities) and police complaints, unless otherwise decided by the Board of Directors of our Company.*

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation involving our Group Companies which may have a material impact on our Company.

For further details, see "*Outstanding Litigation and Material Developments*" on page 427.

Risk Factors

Specific attention of Bidders is invited to the section "*Risk Factors*" on page 38. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. Set forth below are the top 10 risk factors applicable to our Company in their order of materiality that could cause actual results to differ materiality from our expectations:

S. No	Description of risk
1.	We are dependent on our manufacturing facilities for a significant portion of our revenues (78.55% of our total revenue from operations in Fiscal 2025). Any delay in production at, or shutdown of, or any interruption in these manufacturing facilities may significantly and adversely affect our business, financial condition, cash flows and results of operations.
2.	We derive a substantial portion of our revenue from the sale of glazed vitrified tiles ("GVT") (69.56% of our total revenue from operations in Fiscal 2025), and any slowdown in the demand for GVT could have a material adverse effect on our business, financial condition, cash flows and results of operations.
3.	All our revenues are attributable to manufacturing facilities (owned by us or third-party contract manufacturers) situated in Morbi, Gujarat, India. Any disruption in the Morbi region, may significantly and adversely affect our business, financial condition, cash flows and results of operations.
4.	We have an extensive retail distribution network and derive a significant portion of our revenue from operations from our B2C retail chain (comprising exclusive brand outlets ("EBOs") and multi brand outlets ("MBOs")) (accounting for 68.82% of our total domestic sales in Fiscal 2025). We operate all our EBOs and MBOs through franchisees and any non-performance by our franchisees may adversely affect our business, results of operations and financial condition.
5.	A portion of our revenue is generated from products manufactured by third-party contract manufacturers (20.64% of our total revenue from operations in Fiscal 2025). Any disruption or non-performance by these third parties may affect our ability to obtain sufficient or desired quantities of products in a timely manner or at acceptable prices, which may adversely affect our business, financial condition, cash flows and results of operations.
6.	Our operations are subject to volatility in the supply and pricing of raw materials and packing materials. We are also dependent on our top suppliers for the supply for certain raw materials (top 10 suppliers contributed to 11.83% of our total expenses in Fiscal 2025). Any loss of suppliers or interruptions in the timely delivery of supplies or price escalations could have an adverse impact on our business, financial condition, cash flows and results of operations.
7.	We have significant power and fuel requirements and any disruption to power or fuel sources could increase our production costs and adversely affect our business, financial condition, cash flows and results of operations.
8.	If we are unable to maintain and enhance the value and reputation of our brand and/or counter any negative publicity, our business, financial condition, cash flows and results of operations could be materially adversely affected.
9.	We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our business, financial condition, cash flows and results of operations.
10.	Our operations are dependent on our research and development activities to introduce new products in line with emerging industry trends, customer preferences and upcoming technologies. Any inability to do so could adversely affect our business, financial condition, cash flows and results of operations.

For further information, see *"Risk Factors"* on page 38.

Summary of contingent liabilities

The following is a summary table of our contingent liabilities as at March 31, 2025, as indicated in the Restated Consolidated Financial Information:

(₹ in million)

Particulars	Amount as at March 31, 2025
Claims under Central Excise Duty Act	58.96
Claims under Income Tax Act	139.44
Claims under Goods and Service Tax Act	18.65
Others (National Green Tribunal)	13.68
Interim Compensation demanded by National Green Tribunal and GPCB for the usage of Coal Gasifier Plant.	18.40
Other business litigation	0.11

For details, see "*Restated Consolidated Financial Information – Note 46. Contingent Liabilities and Commitments*" on page 349.

Summary of related party transactions

The summary of related party transactions, as per the requirements under Ind AS 24 – Related Party Disclosures, entered into by us for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, as derived from the Restated Consolidated Financial Information are as set out in the table below:

(₹ *in million*)

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Associate / Joint Venture							
Renite Vitrified LLP	Sale of Goods (including taxes)	0.04	0.00%	0.31	0.00%	1.50	0.01%
Sentosa Granito Private Limited	Sale of Goods (including taxes)	0.37	0.00%	0.25	0.00%	-	-
Avalta Granito Private Limited	Sale of Goods (including taxes)	-	-	0.14	0.00%	-	-
Fiorenza Granito Private Limited	Sale of Goods (including taxes)	3.00	0.02%	0.02	0.00%	-	-
Fiorenza Granito Private Limited	Purchase of Goods (Including taxes)	78.01	0.54%	196.32	1.37%	357.17	2.68%
Sentosa Granito Private Limited	Purchase of Goods (Including taxes)	-	-	0.92	0.01%	50.43	0.38%
Renite Vitrified LLP	Purchase of Goods (Including taxes)	13.81	0.10%	30.39	0.21%	5.76	0.04%
Avalta Granito Private Limited	Purchase of Goods (Including taxes)	17.96	0.12%	110.07	0.77%	10.74	0.08%
Avalta Granito Private Limited	Deposit Interest Income	3.38	0.02%	3.38	0.02%	3.38	0.03%
Fiorenza Granito Private Limited	Deposit Interest Income	1.48	0.01%	1.48	0.01%	1.48	0.01%
Fiorenza Granito Private Limited	Loan Recovered	-	-	-	-	1.33	0.01%
Avalta Granito Private Limited	Loan Recovered	-	-	-	-	3.04	0.02%
Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives							
Varmora Plastech Private Limited	Sale of Goods (including taxes)	0.71	0.00%	0.47	0.00%	0.21	0.00%
Varmora International	Sale of Capital Goods (including taxes)	-	-	-	-	18.20	0.14%
Varmora International	Purchase of Goods (including taxes)	-	-	-	-	212.60	1.59%
Varmora Plastech Private Limited	Purchase of Goods (including taxes)	0.95	0.01%	4.75	0.03%	8.04	0.06%
Varmora Plastech Private Limited	Loan Given	-	-	-	-	2.50	0.02%
Varmora Plastech Private Limited	Loan Recovered	-	-	-	-	2.50	0.02%
Varmora International	Advance Collection Made on Behalf of Varmora International	-	-	-	-	1.08	0.01%
Varmora International	Collection Made on Behalf of Varmora International	-	-	-	-	0.66	0.00%
Varmora International	Purchase of Goods/Services (including taxes)	-	-	-	-	0.71	0.01%
Varmora Plastech Private Limited	Showroom Expense / Sales Promotion Expense (including taxes)	-	-	2.60	0.02%	-	-
Varmora Plastech Private Limited	Other Expenses (including taxes)	0.94	0.01%	0.02	0.00%	-	-
Shyam Coal Corporation	Purchase of Goods (including taxes)	-	-	6.48	0.05%	31.06	0.23%
Key Managerial Personnel							
Pramodkumar Parsotambhai Patel	Sale of Goods (including taxes)	-	-	-	-	0.00	0.00%
Hiren Ramanbhai Varmora	Sale of Goods (including taxes)	0.01	0.00%	0.10	0.00%	0.56	0.00%
Bharatbhai Vallabhdas Varmora	Sale of Goods (including taxes)	-	-	-	-	0.19	0.00%
Bhavesh Vallabhdas Varmora	Remunerations (Short term employee benefit)*	3.53	0.02%	3.51	0.02%	3.46	0.03%
Hiren Ramanbhai Varmora	Remunerations (Short term employee benefit)*	3.53	0.02%	3.51	0.02%	3.46	0.03%
Pramodkumar Parsotambhai Patel	Remunerations (Short term employee benefit)*	3.53	0.02%	3.51	0.02%	3.46	0.03%
Bhavesh Koshti	Remunerations (Short term employee benefit)*	1.83	0.01%	-	-	-	-
Nilesh Sharma	Remunerations (Short term employee benefit)*	1.92	0.01%	0.94	0.01%	-	-
Nimeshkumar Baraiya	Remunerations (Short term employee benefit)*	-	-	-	-	3.00	0.02%
Vinubhai Mavjibhai Lenchiya	Remunerations (Short term employee benefit)*	-	-	-	-	0.25	0.00%
Suryanarayanan Sivaramakrishnan	Other Expense (including taxes)	4.13	0.03%	2.99	0.02%	-	-

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Bhavesh Vallabhdas Varmora	Other Expense (including taxes)	1.67	0.01%	1.15	0.01%	-	-
Hiren Ramanbhai Varmora	Other Expense (including taxes)	1.74	0.01%	0.38	0.00%	-	-
Vinubhai Mavjibhai Lenchiya	Buyback of Shares	-	-	-	-	15.20	0.11%
Chamanbhai Muljibhai Detroja	Buyback of Shares	-	-	-	-	6.98	0.05%
Hiren Ramanbhai Varmora	Deposits Accepted	-	-	-	-	6.62	0.05%
Hiren Ramanbhai Varmora	Deposits Repaid	-	-	-	-	6.62	0.05%
Hiren Ramanbhai Varmora	Loans Accepted	-	-	-	-	1.56	0.01%
Nimeshkumar Baraiya	Loans Accepted	-	-	-	-	0.75	0.01%
Pramodkumar Parsotambhai Patel	Loans Accepted	-	-	-	-	0.50	0.00%
Bhavesh Vallabhdas Varmora	Loans Repaid	-	-	-	-	1.74	0.01%
Bharatbhai Hargovindbhai Zalariya	Loans Repaid	-	-	-	-	8.45	0.06%
Pramodkumar Parsotambhai Patel	Loans Repaid	-	-	-	-	1.46	0.01%
Ashokbhai Naranbhai Patel	Loans Repaid	-	-	-	-	0.17	0.00%
Hiren Ramanbhai Varmora	Loans Repaid	-	-	-	-	5.53	0.04%
Pramodkumar Parsotambhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	2.98	0.02%
Bhavesh Vallabhdas Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	3.26	0.02%
Nimeshkumar Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.02	0.00%
Hiren Ramanbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	1.06	0.01%
Nimeshkumar Baraiya	Interest on unsecured loan	-	-	0.02	0.00%	0.06	0.00%
Nimeshkumar Baraiya	Loan Repaid	-	-	0.89	0.01%	0.90	0.01%
Kamalshil shirvi	Loans and advance to partner	-	-	22.26	0.16%	81.07	0.61%
Rajeshkumar shirvi	Loan & Advance paid including interest to Related party	22.26	0.15%	-	-	-	-
Kamalshil shirvi	Loan & Advance repaid including interest to Related party	-	-	0.13	0.00%	-	-
Rajeshkumar shirvi	Payment received for advance to partner	22.00	0.15%	69.22	0.48%	0.13	0.00%
Close members of Key Managerial Personnel							
Ashokbhai Naranbhai Patel	Sale of Capital Goods (including taxes)	-	-	-	-	12.65	0.09%
Bharatbhai Vallabhdas Varmora	Sale of Capital Goods (including taxes)	-	-	-	-	0.02	0.00%
Naranbhai Hansrajbhai Patel	Sale of Capital Goods (including taxes)	-	-	-	-	1.30	0.01%
Ramanbhai Jivrajbhai Varmora	Sale of Capital Goods (including taxes)	-	-	-	-	0.22	0.00%
Vallabhbhai Jivrajbhai Varmora	Sale of Capital Goods (including taxes)	-	-	-	-	0.08	0.00%
Bharatbhai Vallabhdas Varmora	Sale of Goods (including taxes)	0.01	0.00%	0.09	0.00%	0.19	0.00%
Manishkumar Vallabhbhai Varmora	Sale of Goods (including taxes)	0.05	0.00%	0.03	0.00%	-	-
Bharatbhai Vallabhdas Varmora	Other Expense (including Taxes)	0.14	0.00%	0.01	0.00%	-	-
Manishkumar Vallabhbhai Varmora	Other Expense (including Taxes)	0.04	0.00%	0.11	0.00%	-	-
Ashokbhai Naranbhai Patel	Other Expense (including Taxes)	0.24	0.00%	-	-	-	-
Krutika Bhavesh Koshti	Other Expense (including Taxes)	1.00	0.01%	-	-	-	-

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Ranjanben Vallabhbhai Varmora	Rent paid	0.51	0.00%	-	-	0.18	0.00%
Bhavnaben Ramanbhai Varmora	Rent paid	0.51	0.00%	-	-	-	-
Ashokbhai Naranbhai Patel	Remunerations (Short term employee benefit)*	2.65	0.02%	2.63	0.02%	2.59	0.02%
Bharatbhai Vallabhdas Varmora	Remunerations (Short term employee benefit)*	3.53	0.02%	3.51	0.02%	3.46	0.03%
Manishkumar Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	3.53	0.02%	3.51	0.02%	3.46	0.03%
Nidhi Bharatkumar Zalariya	Remunerations (Short term employee benefit)*	0.82	0.01%	-	-	0.50	0.00%
Hargovindbhai Tribhovanbhai Zalaria	Remunerations (Short term employee benefit)*	-	-	-	-	0.50	0.00%
Savjibhai Devshibhai Baraiya	Remunerations (Short term employee benefit)*	-	-	-	-	0.90	0.01%
Jalpaben Abhishek Lenchiya	Remunerations (Short term employee benefit)*	-	-	-	-	0.54	0.00%
Abhishek Vinodbhai Lenchiya	Remunerations (Short term employee benefit)*	-	-	-	-	0.54	0.00%
Hiral Vinodbhai Lenchiya	Remunerations (Short term employee benefit)*	-	-	-	-	0.54	0.00%
Jalpaben Abhishek Lenchiya	Commission Paid	-	-	-	-	0.07	0.00%
Hiral Vinodbhai Lenchiya	Commission Paid	-	-	-	-	0.07	0.00%
Naranbhai Hansrajbhai Patel	Deposits Accepted	-	-	-	-	0.30	0.00%
Ashokbhai Naranbhai Patel	Deposits Repaid	-	-	-	-	0.35	0.00%
Ramanbhai Jivrajbhai Varmora	Deposits Repaid	-	-	-	-	4.28	0.03%
Naranbhai Hansrajbhai Patel	Deposits Repaid	-	-	-	-	7.50	0.06%
Bhavnaben Ramanbhai Varmora	Deposits Repaid	-	-	-	-	6.94	0.05%
Renukaben Ashokbhai Patel	Deposits Repaid	-	-	-	-	3.56	0.03%
Nidhi Bharatkumar Zalariya	Deposits Repaid	-	-	-	-	3.74	0.03%
Parsotambhai Jivrajbhai Patel	Deposits Repaid	-	-	-	-	5.14	0.04%
Nidhi Bharatkumar Zalariya	Salary Paid	-	-	-	-	0.50	0.00%
Manishkumar Vallabhbhai Varmora	Loans Accepted	-	-	-	-	0.43	0.00%
Nidhi Bharatkumar Zalariya	Loans Accepted	-	-	-	-	1.73	0.01%
Bhavnaben Ramanbhai Varmora	Loans Accepted	-	-	-	-	0.10	0.00%
Bharatbhai Vallabhdas Varmora	Loans Accepted	-	-	-	-	1.05	0.01%
Savjibhai Devshibhai Baraiya	Loans Accepted	-	-	-	-	10.75	0.08%
Harshil Snehalbhai Shah	Loans Accepted	-	-	-	-	5.00	0.04%
Pravinbhai Devshibhai Baraiya	Loans Accepted	-	-	-	-	1.00	0.01%
Rameshbhai Devshibhai Baraiya	Loans Accepted	-	-	-	-	6.00	0.04%
Ranjanben Vallabhbhai Varmora	Loans Accepted	-	-	-	-	0.08	0.00%
Bharatbhai Hargovindbhai Zalariya	Loans Repaid	-	-	-	-	8.45	0.06%
Bharatbhai Hargovindbhai Zalariya (HUF)	Loans Repaid	-	-	-	-	1.61	0.01%
Hargovindbhai Tribhovanbhai Zalaria	Loans Repaid	-	-	-	-	0.05	0.00%
Godavariben H. Zalariya	Loans Repaid	-	-	-	-	0.58	0.00%
Ashokbhai Naranbhai Patel	Loans Repaid	-	-	-	-	0.17	0.00%
Vallabhbhai Jivrajbhai Varmora	Loans Repaid	-	-	-	-	2.76	0.02%
Hiren Ramanbhai Varmora	Loans Repaid	-	-	-	-	1.54	0.01%
Rutviben Hirenbhai Varmora	Loans Repaid	-	-	-	-	4.42	0.03%
Manishkumar Vallabhbhai Varmora	Loans Repaid	-	-	-	-	6.08	0.05%
Nidhi Bharatkumar Zalariya	Loans Repaid	-	-	-	-	1.89	0.01%

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Bhavnaben Ramanbhai Varmora	Loans Repaid	-	-	-	-	3.59	0.03%
Bharatbhai Vallabhdas Varmora	Loans Repaid	-	-	-	-	6.81	0.05%
Renukaben Ashokbhai Patel	Loans Repaid	-	-	-	-	0.54	0.00%
Hetal Bharatbhai Varmora	Loans Repaid	-	-	-	-	3.02	0.02%
Lataben Pramodbhai Patel	Loans Repaid	-	-	-	-	0.68	0.01%
Dishita Pramodbhai Patel	Loans Repaid	-	-	-	-	1.09	0.01%
Prakashbhai Parsotambhai Patel	Loans Repaid	-	-	-	-	1.86	0.01%
Savitaben Parsotambhai Patel	Loans Repaid	-	-	-	-	1.08	0.01%
Ranjanben Vallabhbhai Varmora	Loans Repaid	-	-	-	-	3.38	0.03%
Harjivanbhai Muljibhai Detroja	Loans Repaid	-	-	-	-	1.81	0.01%
Savjibhai Devshibhai Baraiya	Loans Repaid	-	-	3.01	0.02%	1.35	0.01%
Harshil Snehalbhai Shah	Loans Repaid	-	-	6.09	0.04%	10.00	0.07%
Pravinbhai Devshibhai Baraiya	Loans Repaid	-	-	5.15	0.04%	3.25	0.02%
Bhavnaben Ramanbhai Varmora	Loans Repaid	-	-	-	-	2.00	0.01%
Hetal Bharatbhai Varmora	Loans Repaid	-	-	-	-	2.13	0.02%
Manishkumar Vallabhbhai Varmora	Loans Repaid	-	-	-	-	1.50	0.01%
Rameshbhai Devshibhai Baraiya	Loans Repaid	-	-	1.17	0.01%	-	-
Savjibhai Devshibhai Baraiya	Interest on unsecured loan	-	-	0.07	0.00%	0.19	0.00%
Harshil Snehalbhai Shah	Interest on unsecured loan	-	-	0.14	0.00%	0.39	0.00%
Pravinbhai Devshibhai Baraiya	Interest on unsecured loan	-	-	0.12	0.00%	0.33	0.00%
Rameshbhai Devshibhai Baraiya	Interest on unsecured loan	-	-	0.03	0.00%	0.07	0.00%
Bharatbhai Hargovindbhai Zalariya	Reimbursement of Expenses	-	-	-	-	0.03	0.00%
Manishkumar Vallabhbhai Varmora	Reimbursement of Expenses	-	-	-	-	0.17	0.00%
Bharatbhai Vallabhdas Varmora	Reimbursement of Expenses	-	-	-	-	0.32	0.00%
Bharatbhai Vallabhdas Varmora	Sale of Plant, Property & Equipment	-	-	-	-	1.83	0.01%
Bharatbhai Hargovindbhai Zalariya (HUF)	Buyback of Shares	-	-	-	-	8.22	0.06%
Harjivanbhai Muljibhai Detroja	Buyback of Shares	-	-	-	-	7.20	0.05%
Parsotambhai Jivrajbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.11	0.00%
Manishkumar Vallabhbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.05	0.00%
Bharatbhai Vallabhdas Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.12	0.00%
Vallabhbhai Jivrajbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.18	0.00%
Bhavnaben Ramanbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.11	0.00%
Ramanbhai Jivrajbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.23	0.00%
Ashokkumar Naranbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.07	0.00%

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Nidhi Bharatkumar Zalariya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.11	0.00%
Pravinbhai Devshibhai Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.03	0.00%
Savjibhai Devshibhai Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.02	0.00%
Harshil Snehalbhai Shah	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.01	0.00%
Rameshbhai Devshibhai Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.02	0.00%
Renukaben Ashokbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.01	0.00%
Naranbhai Hansrajbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.02	0.00%
Bharatbhai Hargovindbhai Zalariya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	-	-	0.16	0.00%

Other related party transactions (representing those eliminated on consolidation) entered into by us for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023, as derived from the Restated Consolidated Financial Information are as set out in the table below:

(*₹ in million*)

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Subsidiaries							
Conffi Sanitaryware Private Limited							
Varmora Granito Limited	Interest on unsecured loan	-	-	-	-	7.81	0.06%
Varmora Ceramics Private Limited	Purchase of goods (including taxes)	-	-	-	-	0.02	0.00%
Varmora Granito Limited	Sale of goods (including taxes)	-	-	-	-	13.03	0.10%
Covertek Ceramica Private Limited	Sale of goods (including taxes)	-	-	-	-	0.02	0.00%
Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	-	-	0.03	0.00%
Varmora Granito Limited	Loans accepted	-	-	-	-	136.00	1.02%
Varmora Granito Limited	Other Income	-	-	-	-	0.02	0.00%
Varmora Granito Limited	Loans repaid	-	-	-	-	2.50	0.02%
Covertek Ceramica Private Limited							
Varmora Granito Limited	Interest on unsecured loan	15.78	0.11%	15.78	0.11%	15.52	0.12%
Varmora Granito Limited	Purchase of goods (including taxes)	4.82	0.03%	0.98	0.01%	-	-
Varmora Granito Limited	Purchase of capital goods (including taxes)	3.30	0.02%	-	-	-	-
Conffi Sanitaryware Private Limited	Purchase of goods (including taxes)	-	-	-	-	0.02	0.00%
Varmora Granito Limited	Sale of goods (including taxes)	857.51	5.93%	1,448.54	10.09%	1,094.38	8.20%
Simola Tiles LLP	Sale of goods (including taxes)	12.40	0.09%	22.80	0.16%	33.12	0.25%

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Varmora Granito Limited	Loans accepted	-	-	-	-	26.29	0.20%
Varmora Granito Limited	Loans repaid	-	-	15.78	0.11%	13.97	0.10%
Varmora Ceramics Private Limited	Loans repaid	-	-	-	-	6.00	0.04%
Nextile Marbosys Private Limited							
Varmora Granito Limited	Purchase of goods (including taxes)	-	-	-	-	2.83	0.02%
Conffi Sanitaryware Private Limited	Purchase of goods (including taxes)	-	-	-	-	0.03	0.00%
Simola Tiles LLP	Purchase of goods (including taxes)	-	-	-	-	48.90	0.37%
Tocco Ceramic Private Limited	Purchase of goods (including taxes)	-	-	-	-	0.01	0.00%
Varmora Ceramics Private Limited	Purchase of goods (including taxes)	-	-	-	-	0.03	0.00%
Varmora Sanitarywares LLP	Purchase of goods (including taxes)	-	-	-	-	428.11	3.21%
Varmora Granito Limited	Sale of goods (including taxes)	-	-	-	-	1,009.38	7.56%
Simola Tiles LLP	Sale of goods (including taxes)	-	-	-	-	1.36	0.01%
Varmora Granito Limited	Loans accepted	-	-	-	-	103.85	0.78%
Varmora Granito Limited	Loans repaid	-	-	-	-	9.13	0.07%
Varmora Granito Limited	Interest on unsecured loan	-	-	-	-	10.14	0.08%
Simola Tiles LLP							
Varmora Granito Limited	Interest on unsecured loan	19.84	0.14%	22.46	0.16%	6.39	0.05%
Varmora Granito Limited	Purchase of goods (including taxes)	65.74	0.45%	7.11	0.05%	11.13	0.08%
Covertek Ceramica Private Limited	Purchase of goods (including taxes)	12.40	0.09%	22.80	0.16%	33.12	0.25%
Nextile Marbosys Private Limited	Purchase of goods (including taxes)	-	-	-	-	1.36	0.01%
Varmora Granito Limited	Sale of goods (including taxes)	32.26	0.22%	129.74	0.90%	37.34	0.28%
Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	-	-	48.90	0.37%
Varmora Granito Limited	Other Income	0.02	0.00%	-	-	-	-
Varmora Granito Limited	Loans accepted	10.00	0.07%	-	-	254.50	1.91%
Varmora Granito Limited	Loans repaid	50.00	0.35%	12.25	0.09%	10.75	0.08%
Solaris Ceramics Private Limited							
Varmora Granito Limited	Purchase of goods (including taxes)	-	-	-	-	0.76	0.01%
Varmora Granito Limited	Sale of goods (including taxes)	-	-	-	-	1,315.90	9.86%
Varmora Granito Limited	Sale of capital goods (including taxes)	-	-	-	-	0.01	0.00%
Tocco Ceramic Private Limited							
Varmora Granito Limited	Purchase of goods (including taxes)	-	-	-	-	0.16	0.00%
Varmora Granito Limited	Sale of goods (including taxes)	-	-	-	-	1,039.41	7.79%
Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	-	-	0.01	0.00%
Varmora Ceramics Private Limited							
Varmora Granito Limited	Interest on unsecured loan	-	-	-	-	1.05	0.01%
Varmora Granito Limited	Rent income (including taxes)	-	-	-	-	5.66	0.04%
Conffi Sanitaryware Private Limited	Sale of goods (including taxes)	-	-	-	-	0.02	0.00%
Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	-	-	0.03	0.00%
Varmora Granito Limited	Sale of capital goods (including taxes)	-	-	-	-	0.01	0.00%
Varmora Granito Limited	Loan repaid	-	-	-	-	2.95	0.02%
Covertek Ceramica Private Limited	Loan recovered	-	-	-	-	6.00	0.04%

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Varmora Granito Limited	Loans accepted	-	-	-	-	143.00	1.07%
Varmora Sanitarywares LLP							
Varmora Granito Limited	Sale of goods (including taxes)	337.13	2.33%	407.29	2.84%	0.47	0.00%
Varmora Granito Limited	Purchase of goods (excluding taxes)	0.64	0.00%	-	-	-	-
Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	-	-	428.11	3.21%
Holding Company							
Covertek Ceramica Private Limited	Sale of Goods (including taxes)	4.82	0.03%	0.98	0.01%	-	-
Simola Tiles LLP	Sale of Goods (including taxes)	65.74	0.45%	7.11	0.05%	11.13	0.08%
Varmora Sanitarywares LLP	Sale of Goods (including taxes)	0.64	0.00%	-	-	-	-
Nextile Marbosys Private Limited	Sale of Goods (including taxes)	-	-	-	-	2.83	0.02%
Solaris Ceramics Private Limited	Sale of Goods (including taxes)	-	-	-	-	0.76	0.01%
Tocco Ceramic Private Limited	Sale of Goods (including taxes)	-	-	-	-	0.16	0.00%
Covertek Ceramica Private Limited	Sale of Capital Goods (including taxes)	3.30	0.02%	-	-	-	-
Covertek Ceramica Private Limited	Purchase of Goods (including taxes)	857.51	5.93%	1,448.54	10.09%	1,094.38	8.20%
Simola Tiles LLP	Purchase of Goods (including taxes)	32.26	0.22%	129.74	0.90%	37.34	0.28%
Varmora Sanitarywares LLP	Purchase of Goods (including taxes)	337.13	2.33%	407.29	2.84%	0.47	0.00%
Conffi Sanitaryware Private Limited	Purchase of Goods (including taxes)	-	-	-	-	13.03	0.10%
Nextile Marbosys Private Limited	Purchase of Goods (including taxes)	-	-	-	-	1,009.38	7.56%
Solaris Ceramics Private Limited	Purchase of Goods (including taxes)	-	-	-	-	1,315.90	9.86%
Tocco Ceramic Private Limited	Purchase of Goods (including taxes)	-	-	-	-	1,039.41	7.79%
Solaris Ceramics Private Limited	Purchase of Capital Goods (including taxes)	-	-	-	-	0.01	0.00%
Varmora Ceramics Private Limited	Purchase of Capital Goods (including taxes)	-	-	-	-	0.01	0.00%
Simola Tiles LLP	Other Expenses	0.02	0.00%	-	-	-	-
Conffi Sanitaryware Private Limited	Showroom Expense / Sales Promotion Expense (including taxes)	-	-	-	-	0.02	0.00%
Varmora Ceramics Private Limited	Showroom Expense / Sales Promotion Expense (including taxes)	-	-	-	-	0.00	0.00%
Varmora Ceramics Private Limited	Rent Paid (including taxes)	-	-	-	-	5.66	0.04%
Covertek Ceramica Private Limited	Loan Recovered	-	-	15.78	0.11%	13.97	0.10%
Simola Tiles LLP	Loan Recovered	50.00	0.35%	12.25	0.09%	10.75	0.08%
Conffi Sanitaryware Private Limited	Loan Recovered	-	-	-	-	2.50	0.02%
Nextile Marbosys Private Limited	Loan Recovered	-	-	-	-	9.13	0.07%
Varmora Ceramics Private Limited	Loan Recovered	-	-	-	-	2.95	0.02%
Simola Tiles LLP	Loan Given	10.00	0.07%	-	-	254.50	1.91%
Conffi Sanitaryware Private Limited	Loan Given	-	-	-	-	136.00	1.02%
Covertek Ceramica Private Limited	Loan Given	-	-	-	-	26.29	0.20%
Nextile Marbosys Private Limited	Loan Given	-	-	-	-	103.85	0.78%
Varmora Ceramics Private Limited	Loan Given	-	-	-	-	143.00	1.07%
Covertek Ceramica Private Limited	Deposit Interest Income	15.78	0.11%	15.78	0.11%	15.52	0.12%
Simola Tiles LLP	Deposit Interest Income	19.84	0.14%	22.46	0.16%	6.39	0.05%
Conffi Sanitaryware Private Limited	Deposit Interest Income	-	-	-	-	7.81	0.06%

Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	% of Revenue from Operations	For the Year Ended 31 March 2024	% of Revenue from Operations	For the Year Ended 31 March 2023	% of Revenue from Operations
Nextile Marbosys Private Limited	Deposit Interest Income	-	-	-	-	10.14	0.08%
Varmora Ceramics Private Limited	Deposit Interest Income	-	-	-	-	1.05	0.01%

Note: Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Nextile Marbosys Private Limited, Varmora Ceramics Private Limited and Solaris Ceramics Private Limited have merged with our Company with effect from April 1, 2023

** Does not include employee benefits in relation to gratuity, as such provisions are for our Company as a whole.*

For details of the related party transactions and the related party transaction eliminated on consolidation, as per the requirements under Ind AS 24 '*Related Party Disclosures*' read with the SEBI ICDR Regulation for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, see *"Restated Consolidated Financial Information – Note 50. Related Party Disclosures"* on page 355.

Financing arrangements

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

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

The weighted average price of acquisition of specified securities by our Promoters and the Selling Shareholders in the one year immediately preceding the date of this Draft Red Herring Prospectus is as follows:

Name of the Promoters/ Selling Shareholders	Nature of specified security	Face value (in ₹)	Number of specified securities acquired	Weighted average price of acquisition per specified security (in ₹)*
Promoters				
Bhavesh Vallabhdas Varmora	Equity shares	2	44,01,240	Nil
Hiren R Varmora	Equity shares	2	Nil	NA
Pramodkumar Parsotambhai Patel	Equity shares	2	Nil	NA
Selling Shareholders				
Katsura Investments	Equity Shares	2	17,96,998	97.81#
Ramanbhai Jivrajbhai Varmora	Equity Shares	2	Nil	Nil
Vallabhbhai Jivrajbhai Varmora	Equity Shares	2	Nil	Nil
Parsotambhai Jivrajbhai Patel	Equity Shares	2	Nil	Nil

**As certified by M/s Doshi Doshi & Co, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*
 # Reflects the nominal price per Equity Share of face value of ₹ 2 each pursuant to the conversion of compulsorily convertible preference shares of face value of ₹ 5 each on December 16, 2024 as adjusted for (i) the sub-division of face value of our Company's equity shares from ₹10 each to ₹5 each approved by resolution of the Board on May 8, 2023 and a resolution passed by the Shareholders on June 7, 2023 and (ii) the sub-division of the face value of our Company's equity shares from ₹5 each to ₹2 each. The consideration of ₹ 10 per compulsorily convertible preference share of face value of ₹ 10 each was paid at the time of allotment of these compulsorily convertible preference shares.

Average cost of acquisition of specified securities of our Promoters and the Selling Shareholders

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

Sr. No.	Name of the Promoters/ Selling Shareholders	Number of Equity Shares of face value of ₹2 each held as on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share of face value of ₹2 each (in ₹)*
Promoters			
1.	Bhavesh Vallabhdas Varmora	19,351,425	2.45
2.	Hiren R Varmora	19,117,155	3.01
3.	Pramodkumar Parsotambhai Patel	13,416,450	4.36
Selling Shareholders			
1.	Katsura Investments	73,734,868	86.68
2.	Ramanbhai Jivrajbhai Varmora	13,168,680	9.10
3.	Vallabhbhai Jivrajbhai Varmora	10,313,355	5.90
4.	Parsotambhai Jivrajbhai Patel	6,381,300	7.26

**As certified by M/s Doshi Doshi & Co., bearing firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*
Notes:
1. Pursuant to a resolution passed by our Board on May 8, 2023 and a resolution passed by the Shareholders on June 7, 2023, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Pursuant to a resolution passed by our Board on December 6, 2024 and a resolution passed by the Shareholders on December 11, 2024, our Company sub-divided the face value of its equity shares from ₹5 each to ₹2 each. Accordingly, the number of equity shares of face value ₹2 acquired and average cost of acquisition per equity share, includes the effect of such sub-divisions.

Weighted average cost of all Equity Shares transacted in the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus

Period	Weighted average cost of acquisition per Equity Share (in ₹)*^	Cap Price is 'x' times the weighted average cost of acquisition#	Range of acquisition price per Equity Share: lowest price –highest price (in ₹)*@^
Last one year preceding the date of this Draft Red Herring Prospectus(2)	28.36	[●]	97.81-97.81
Last 18 months preceding the date of this Draft Red Herring Prospectus(2)	28.36	[●]	97.81-97.81
Last three years preceding the date of this Draft Red Herring Prospectus(1)(2)	33.63	[●]	97.81 – 228.29

** As certified by M/s Doshi Doshi & Co, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*
 # To be updated on finalization of Price Band.
Notes:
@ Computed based on the equity shares acquired/allotted/purchased (including acquisition pursuant to transfer and excluding equity shares acquired pursuant to bonus issuances and gifts).
(1) Pursuant to a resolution passed by our Board on May 8, 2023, and a resolution passed by the Shareholders on June 7, 2023, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each.
(2) Pursuant to a resolution passed by our Board on December 6, 2024, and a resolution passed by the Shareholders on December 11, 2024, our Company sub-divided the face value of its equity shares from ₹5 each to ₹2 each. Accordingly, the number of equity shares of face value ₹2 acquired in the preceding one year and weighted average price per equity share, includes the effect of sub-divisions.
^ Includes the notional price per Equity Share of face value of ₹ 2 each pursuant to conversion of compulsory convertible preference shares into equity shares on March 21, 2023 and December 16, 2024, respectively, as adjusted for (i) the sub-division of face value of the Company's equity shares from ₹ 10 each to ₹5 each approved by resolution of the Board on May 8, 2023 and a resolution passed by the Shareholders on June 7, 2023 and (ii) the sub-division of the face value of the equity shares from ₹5 each to ₹2 each. The consideration of ₹ 10 per compulsorily convertible preference share of face value of ₹10 each, was paid at the time of allotment of these compulsory convertible preference shares.

Details of the price at which specified securities were acquired in the last three years immediately preceding the date of this Draft Red Herring Prospectus by our Promoters, members of our Promoter Group, Selling Shareholders and Shareholders with right to nominate directors or other special rights

Except as stated below, none of our Promoters and members of our Promoter Group, Selling Shareholders and Shareholders with right to nominate directors or other special rights have acquired any Equity Shares or CCPS in the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name	Date of acquisition/ allotment/ acquisition	Nature of allotment/ transaction	Nature of consideration	Face value (₹)	No. of equity shares acquired/ allotted	Acquisition / Offer price per share (including securities premium) (in ₹)@	Adjusted number of shares acquired/ allotted&	Adjusted price per equity share (in ₹)&
Promoters								
Bhavesh Vallabhdas Varmora$	August 18, 2023	Bonus issue	NA	5.00	3,986,716	-	9,966,790	-
	December 6, 2024	Gift from Bharatbhai Vallabhdas Varmora	NA	2.00	2,196,452	NA	2,196,452	-
	December 6, 2024	Gift from Manishkumar Vallabhbhai Varmora	NA	2.00	2,204,788	NA	2,204,788	-
Hiren R Varmora$	August 18, 2023	Bonus issue	NA	5.00	2,985,904	-	7,464,760	-
	September 12, 2023	Gift from Bhaunaben Ramanbhai Patel	NA	5.00	3,168,006	NA	7,920,015	-
Pramodkumar Parsotambhai Patel$	August 18, 2023	Bonus issue	NA	5.00	2,046,440	-	5,116,100	-
	September 12, 2023	Gift from Lataben Pramodbhai Patel	NA	5.00	2,296,920	NA	5,742,300	-
Promoter Group								
Bharatbhai Vallabhdas Varmora$	August 18, 2023	Bonus issue	NA	5.00	2,071,964	-	5,179,910	-
	September 12, 2023	Gift from Ranjanben Vallabhbhai Varmora	NA	5.00	1,623,321	NA	4,058,303	-

Name	Date of acquisition/ allotment/ acquisition	Nature of allotment/ transaction	Nature of consideration	Face value (₹)	No. of equity shares acquired/ allotted	Acquisition / Offer price per share (including securities premium) (in ₹)[@]	Adjusted number of shares acquired/ allotted[&]	Adjusted price per equity share (in ₹)[&]
Bhaunaben Ramanbhai Patel	August 18, 2023	Bonus issue	NA	5.00	2,112,004	-	5,280,010	-
Vallabhbhai Jivrajbhai Varmora[$^]	August 18, 2023	Bonus issue	NA	5.00	2,750,228		6,875,570	-
Ramanbhai Jivrajbhai Varmora[$^]	August 18, 2023	Bonus issue	NA	5.00	3,511,648		8,779,120	-
Ranjanben Vallabhbhai Varmora[$]	August 18, 2023	Bonus issue	NA	5.00	2,164,428	-	5,411,070	-
Lataben Pramodbhai Patel[$]	August 18, 2023	Bonus issue	NA	5.00	1,531,280	-	3,828,200	-
Manishkumar Vallabhbhai Varmora[$]	August 18, 2023	Bonus issue	NA	5.00	1,940,968	-	4,852,420	-
	September 12, 2023	Gift from Ranjanben Vallabhbhai Varmora	NA	5.00	1,623,321	NA	4,058,303	-
Parsotambhai Jivrajbhai Patel[$^]	August 18, 2023	Bonus issue	NA	5.00	1,701,680		4,254,200	-
Praful Parsotambhai Varmora[$]	August 18, 2023	Bonus issue	NA	5.00	894,884	-	2,237,210	-
Ashokkumar Naranbhai Patel[$]	August 18, 2023	Bonus issue	NA	5.00	2,468,704		6,171,760	-
Selling Shareholders								
Katsura Investments[$]	August 30, 2022	Transfer from Vallabhbhai Jivrajbhai Varmora	Cash	10.00	113,031	1,141.44	565,155	228.29
	August 30, 2022	Transfer from Ranjanben Vallabhbhai Varmora	Cash	10.00	270,695	1,141.44	1,353,475	228.29
	August 30, 2022	Transfer from Ramanbhai Jivrajbhai Varmora	Cash	10.00	208,687	1,141.44	1,043,435	228.29
	August 30, 2022	Transfer from Bhaunaben Ramanbhai Patel	Cash	10.00	449,434	1,141.44	2,247,170	228.29
	August 30, 2022	Transfer from Vaishali Bhavesh Varmora	Cash	10.00	244,455	1,141.44	1,222,275	228.29
	August 30, 2022	Transfer from Hetalben Bharatbhai Patel	Cash	10.00	113,462	1,141.44	567,310	228.29
	August 30, 2022	Transfer from Parsotambhai Jivrajbhai Patel	Cash	10.00	233,445	1,141.44	1,167,225	228.29
	August 30, 2022	Transfer from Savitaben Parsotambhai Patel	Cash	10.00	160,557	1,141.44	802,785	228.29
	August 30, 2022	Transfer from Lataben Pramodbhai Patel	Cash	10.00	104,938	1,141.44	524,690	228.29
	August 30, 2022	Transfer from Vanitaben Prafulbhai Patel	Cash	10.00	73,122	1,141.44	365,610	228.29
	August 30, 2022	Transfer from Naranbhai Hansrajbhai Patel	Cash	10.00	185,751	1,141.44	928,755	228.29
	August 30, 2022	Transfer from Ashokbhai Naranbhai Patel	Cash	10.00	54,222	1,141.44	271,110	228.29

Name	Date of acquisition/ allotment/ acquisition	Nature of allotment/ transaction	Nature of consideration	Face value (₹)	No. of equity shares acquired/ allotted	Acquisition / Offer price per share (including securities premium) (in ₹)@	Adjusted number of shares acquired/ allotted&	Adjusted price per equity share (in ₹)&
	August 30, 2022	Transfer from Renukaben Ashokbhai Patel	Cash	10.00	75,692	1,141.44	378,460	228.29
	August 30, 2022	Transfer from Rasilaben Harilal Patel	Cash	10.00	14,363	1,141.44	71,815	228.29
	August 30, 2022	Transfer from Meera Manishbhai Varmora	Cash	10.00	95,376	1,141.44	476,880	228.29
	August 30, 2022	Transfer from Nidhi Bharatkumar Zalariya	Cash	10.00	50,046	1,141.44	250,230	228.29
	August 30, 2022	Transfer from Rutvi Hiren R Varmora	Cash	10.00	72,384	1,141.44	361,920	228.29
	March 21, 2023	Conversion of CCPS	Cash#	10.00	2,276,198	1,467.10	11,380,990	293.42
	August 18, 2023	Bonus issue	NA	5.00	19,183,432	-	47,958,580	-
	December 16, 2024	Conversion of CCPS	Cash#	2.00	1,796,998	97.81	1,796,998	97.81
Other Shareholders								
Naranbhai Hansrajbhai Patel	August 18, 2023	Bonus issue	NA	5.00	1,449,004	-	3,622,510	-
Adarsh Harilal Patel	August 18, 2023	Bonus issue	NA	5.00	267,488	-	668,720	-
	September 12, 2023	Gift from Naranbhai Hansrajbhai Patel	NA	5.00	2,173,506	NA	5,433,765	-

**As certified by M/s Doshi Doshi & Co, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

^ Also the Promoter Group Selling Shareholders

$Also, a Shareholder with rights to nominate directors or other special rights.

 # The consideration was received at the time of allotment of preference shares.

@ Rounded off to two decimal places.

&Pursuant to a resolution passed by our Board on May 8, 2023 and a resolution passed by the Shareholders on June 7, 2023, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Pursuant to a resolution passed by our Board on December 6, 2024 and a resolution passed by the Shareholders on December 11, 2024, our Company sub-divided the face value of its equity shares from ₹5 each to ₹2 each. Accordingly, the number of equity shares acquired and of acquisition price per equity share has been adjusted to give effect to such sub-divisions.

Details of pre-IPO placement

Our Company, in consultation with the BRLMs, and subject to the approval of the Selling Shareholders, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), of up to [●] Equity Shares for an amount aggregating up to ₹ 800.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

Issue of equity shares of our Company for consideration other than cash in the last one year

Our Company has not issued any equity shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or consolidation of equity shares in the last one year

Except as disclosed in "*Capital Structure – Notes to the Capital Structure –Share capital history of our Company*" on page 90, our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

Our Company has not sought for or been granted any exemption by SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information as may be disclosed in this Draft Red Herring Prospectus before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Red Herring Prospectus. The risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future and may also impair our business. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, prospects, results of operations and financial condition, cash flows, could suffer, the trading price and the value of your investment in our Equity Shares could decline and you may lose all or part of your investment. In order to obtain an understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Key Regulations and Policies", "Financial Information- Restated Consolidated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Outstanding Litigation and Material Developments" on pages 151, 203, 237, 289, 391 and 427, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Unless specified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Offer, including the merits and the risks involved.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may 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 Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 14. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. See "Financial Information - Restated Consolidated Financial Information" on page 289.

Unless otherwise indicated, or if the context otherwise requires, in this section, references to "the Company" or "our Company" are to Varmora Granito Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Varmora Granito Limited and its Subsidiaries, Associates and Joint Ventures, on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Industry Report on Tiles, Bathware & Sanitaryware Market in India" dated August 7, 2025 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited and exclusively commissioned and paid for by us in connection with the Offer, pursuant to a letter of authorisation dated October 4, 2024. A copy of the Technopak Report is available on the website of our Company at https://varmora.com/investor-relations/industry-report/. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "— Internal Risks — 48. Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which has been prepared exclusively for the Offer and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 61.*

INTERNAL RISKS

1. ***We are dependent on our manufacturing facilities for a significant portion of our revenues (78.55% of our total revenue from operations in Fiscal 2025). Any delay in production at, or shutdown of, or any interruption in these manufacturing facilities may significantly and adversely affect our business, financial condition, cash flows and results of operations.***

We are engaged in the manufacturing of tiles through our in-house manufacturing facilities and third party contract manufacturers. As of March 31, 2025, we operate nine in-house manufacturing facilities and engaged 269 third party contract manufacturers, which are critical to our operations. However, a significant portion of our revenues are attributable to our in-house manufacturing facilities. Set out below are details of our revenue contribution from our in-house manufacturing facilities and third-party contract manufacturers for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Revenue from operations	Amount (₹ million)	% of Revenue from operations	Amount (₹ million)	% of Revenue from operations
Revenue from products manufactured by in-house manufacturing facilities	11,358.53	78.55%	9,593.49	66.83%	9,679.03	72.51%
Revenue from products manufactured by third party contract manufacturers	2,984.09	20.64%	4,620.40	32.19%	3,560.05	26.67%
Sale of products	14,342.62	99.19%	14,213.89	99.02%	13,239.08	99.17%
Other operating revenue	117.67	0.81%	140.92	0.98%	110.38	0.83%
Total	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

Any shutdown or interruption in the operations of any of our existing facilities, or our inability to respond to such shutdown or disruption in a timely manner or at an acceptable cost, could significantly and adversely affect the entire manufacturing of the product specifically produced at such facility. We may experience interruptions at our manufacturing facilities due to external factors such as adverse weather conditions, natural disasters, fire, terrorism, vandalism, extended power failures, internet failures or changes in laws and regulations, and internal factors such as loss of licenses, certifications and permits, failure to comply with regulatory requirements and the resulting loss of authorization to operate the facility, employee or manpower conflict, breakdown or failure of machinery/ equipment for a prolonged period which may affect our ability to manufacture our products, may increase our costs and could lead to an adverse effect on our business, financial condition, cash flows and results of operations. For instance, the operations at our manufacturing facilities were disrupted for approximately three weeks by Cyclone Biparjoy that hit the Morbi region in Fiscal 2024. This disruption significantly interrupted our production activities and increased our dependency on third-party contract manufacturers in that period. Any prolonged disruptions at our manufacturing plants could also result in a lower capacity utilization, which in turn could have an adverse impact on our operations, our ability to meet our production schedules, our reputation, and our results of operations. We cannot assure you that we will be able to reduce our reliance on these manufacturing facilities in the future.

Further, certain of our products are produced at dedicated manufacturing facilities. For instance, we undertake the manufacturing of our IST products (such as engineered stones) solely at our Varmora Unit 2 in Morbi, Gujarat. Accordingly, any shutdown or interruption in the operations of any of our dedicated units, or our inability to respond to such shutdown or disruption in a timely manner or at an acceptable cost, could significantly and adversely affect the manufacturing of a particular product in its entirety.

In addition, all our manufacturing facilities are situated in Morbi, Gujarat, India, and any disruption in the Morbi region, could adversely affect our business and operation. For more details, see "- *Internal Risks – 3. All our revenues are attributable to manufacturing facilities (owned by us or third-party contract manufacturers) situated in Morbi, Gujarat, India. Any disruption in the Morbi region, may significantly and adversely affect our business, financial condition, cash flows and results of operations*" on page 40.

2. ***We derive a substantial portion of our revenue from the sale of glazed vitrified tiles ("GVT") (69.56% of our total revenue from operations in Fiscal 2025), and any slowdown in the demand for GVT could have a material adverse effect on our business, financial condition, cash flows and results of operations.***

As on March 31, 2025, our product portfolio included over 3,500 stock-keeping units ("**SKUs**") for tiles including GVT, polished vitrified tiles ("**PVT**") and ceramic tiles, and over 500 SKUs for bathware (including sanitary ware). We depend on our sale of tiles and in particular, GVT, for a significant portion of our revenues. Set out below are details of our revenues generated from each of our product offerings for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Revenue from operations	Amount (₹ million)	% of Revenue from operations	Amount (₹ million)	% of Revenue from operations
GVT	10,058.44	69.56%	9,408.85	65.54%	8,045.06	60.27%
PVT	1,560.40	10.79%	1,820.28	12.68%	1,993.76	14.94%
Ceramics	1,160.50	8.03%	1,254.86	8.74%	1,561.28	11.70%
Total - Tiles	**12,779.34**	**88.38%**	**12,483.99**	**86.97%**	**11,600.10**	**86.90%**
Bathware	1,287.55	8.90%	1,432.83	9.98%	1,427.47	10.69%
Adhesive	209.27	1.45%	203.81	1.42%	130.21	0.98%
Others	184.13	1.27%	234.18	1.63%	191.68	1.44%
Revenue from operations	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

** Others include sale of broken tile and samples, revenue from dealer display, insurance facilitation charges and export incentive income*

Any negative trend or downturn in the tiles market (particularly GVT) and other markets that we cater to (such as bathware), due to reasons such as consumer demand, consumer confidence, disposable income levels, employment levels, changes in national and international trade policies, geopolitics and trade tariffs, changes in government policies, environmental, health and safety regulations, could result in loss of business or reduction in the volume of business from customers in these industries. While we have not faced any slowdown in the demand for GVT in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such instances will not occur in the future. There can be no assurance that any instance of economic cyclicality, significant reduction in demand or negative trends in the titles market or other markets that we cater to, will not occur in the future, which may impact our sales and in turn adversely affect our business, financial condition, cash flows and results of operations.

3. ***All our revenues are attributable to manufacturing facilities (owned by us or third-party contract manufacturers) situated in Morbi, Gujarat, India. Any disruption in the Morbi region, may significantly and adversely affect our business, financial condition, cash flows and results of operations.***

All our manufacturing facilities and the manufacturing facilities of our third-party contract manufacturers are situated in the Morbi, Gujarat in India. Accordingly, any disruption caused by local and regional factors in the Morbi cluster including agitations, accidents, system failures, economic, political and weather conditions, natural disasters, demographic factors, and other unforeseen events and circumstances, could have a significant impact on our operations. In addition, changes in government policies affecting the Morbi region, including any increase in the imposition of tax, tariffs or duties, may require us to change our business strategy. Any such disruption may interrupt the operations at such manufacturing facilities or cause a complete shutdown and affect our ability to provide quality products to our customers in a timely manner. For further details, see "*- Internal Risks – 1. We are dependent on our manufacturing facilities for a significant portion of our revenues (78.55% of our total revenue from operations in Fiscal 2025). Any delay in production at, or shutdown of, or any interruption in these manufacturing facilities may significantly and adversely affect our business, financial condition, cash flows and results of operations*" and "*- Internal Risks – 5. A portion of our revenue is generated from products manufactured by third-party contract manufacturers, (20.64% of our total revenue from operations in Fiscal 2025). Any disruption or non-performance by these third parties may affect our ability to obtain sufficient or desired quantities of products in a timely manner or at acceptable prices, which may adversely affect our business, financial condition, cash flows and results of operations*" on pages 38 and 41, respectively.

4. ***We have an extensive retail distribution network and derive a significant portion of our revenue from operations from our B2C retail chain (comprising exclusive brand outlets ("EBOs") and multi brand outlets ("MBOs")) (accounting for 68.82% of our total domestic sales in Fiscal 2025). We operate all our EBOs and MBOs through franchisees and any non-performance by our franchisees may adversely affect our business, results of operations and financial condition.***

As of the date of this Draft Red Herring Prospectus, we sell our products through various distribution channels including B2C retail channel (through EBOs and MBOs which are operated on a franchisee-owned-franchisee-operated model) and B2B channel comprising partnerships with various architects, builders and contractors and government agencies. For further details, see "*Our Business – Description of our Business – Distribution Network*" on page 227. Set out below are certain details of our revenues by B2C and B2B channels in India for the years indicated:

	Fiscal					
	2025		**2024**		**2023**	
	(₹ million)	**% of Total domestic sales**	**(₹ million)**	**% of Total domestic sales**	**(₹ million)**	**% of Total domestic sales**
India						
B2B	3,519.02	31.18%	2595.99	24.04%	2,074.78	19.59%
B2C	7,767.33	68.82%	8,204.69	75.96%	8,517.96	80.41%
Total domestic sale	**11,286.35**	**100.00%**	**10,800.68**	**100.00%**	**10,592.74**	**100.00%**

There can be no assurance that we will be able to successfully expand, maintain or manage our distribution network in the future. If we lose any of our significant channel partners, including to our competitors, our business, results of operations and financial condition will be adversely affected. While we have not faced any instances of loss of any significant channel partner in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such events will not occur in the future.

Our business significantly depends on the performance of our franchisees, who may be responsible for obtaining required permissions, permits and approvals for setting up the outlets, procuring supplies and recruiting staff, among others. As of March 31, 2025, we had a network of 286 EBOs and over 2,000 MBOs. There can be no assurance that the performance of such franchisees will meet our required specifications or performance parameters. Set out below are details of our revenue generated from tiles through our EBOs and MBOs in India for the years indicated:

	Fiscal					
	2025		2024		2023	
	(₹ million)	% of Total domestic tiles sales	(₹ million)	% of Total domestic tiles sales	(₹ million)	% of Total domestic tiles sales
India						
EBO (A)	2,631.22	26.95%	2,269.03	24.90%	1,878.97	20.89%
MBO (B)	7,130.94	73.05%	6,841.77	75.10%	7,116.14	79.11%
Total domestic tiles sales (A+B)	**9,762.16**	**100.00%**	**9,110.80**	**100.00%**	**8,995.11**	**100.00%**

Our franchisees are contractually obligated to operate their outlets in accordance with the standards prescribed by our Company from time to time including in relation to, among others, sales targets as per the marketing plan of the Company, usage of branding accessories and customer service. However, franchisees are independent third parties over which we do not have control, and the franchisees unilaterally operate and oversee the daily operations of their outlets. As a result, the ultimate success and quality of our franchised network rests with the respective franchisees. Moreover, there can be no assurance that our franchisees will not enter into agreements with our competitors despite non-compete restrictions in our agreements. In addition, any instances of fraud, counterfeiting or malfeasance, or any non-compliance by our franchisees of statutory and government regulations, may have an adverse impact on our reputation and may impact customer confidence in our brand. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these franchisees. While we have not experienced any instances of inadequate or non-satisfactory performance by our franchisees or disputes with our franchisees in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such events will not occur in the future. Additionally, there can be no assurance that our franchisees will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our franchisees. For more details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Quantitative and Qualitative Disclosures about Market Risk - Credit Risk*" and "- *Internal Risks – 27. Our inability to collect receivables from our customers or default or delays in payment by them could adversely affect our business, financial condition, cash flows and results of operations*" on pages 420 and 54, respectively.

5. ***A portion of our revenue is generated from products manufactured by third-party contract manufacturers (20.64% of our total revenue from operations in Fiscal 2025). Any disruption or non-performance by these third parties may affect our ability to obtain sufficient or desired quantities of products in a timely manner or at acceptable prices, which may adversely affect our business, financial condition, cash flows and results of operations.***

We use various third-party contract manufacturers to produce standard, high-volume and low-complexity products such as ceramic and PVT tiles. In Fiscal 2025, we engaged with 269 contract manufacturers, all of which are located in the Morbi cluster of Gujarat in India. Also see "- *Internal Risks – 3. All our revenues are attributable to manufacturing facilities (owned by us or third-party contract manufacturers) situated in Morbi, Gujarat, India. Any disruption in the Morbi region, may significantly and adversely affect our business, financial condition, cash flows and results of operations*" on page 40. Set out below are details of our revenues generated from products manufactured by third-party contract manufacturers for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Revenue from operations	Amount (₹ million)	% of Revenue from operations	Amount (₹ million)	% of Revenue from operations
Revenue from products manufactured by third party contract manufacturers	2,984.09	20.64%	4,620.40	32.19%	3,560.05	26.67%

Our contract manufacturers do not manufacture products exclusively for us and accordingly, some of them may choose to manufacture products for other parties, including our competitors, at any time, which may lead to conflicts of interest. We enter into non-exclusive short-term agreements with third-party contract manufacturers, typically in the nature of purchase orders with such contract manufacturers, and do not pre-book any minimum capacity with them. Accordingly, there can be no assurance that our contract manufacturers will, at all times, have sufficient capacity to meet our orders, or be able to fulfil their obligations, including those in relation to maintenance of quality standards in a manner acceptable to us, or at all. While we have not faced any instances of delays or disruption in supplies or increase in prices from third-party contract manufacturers in Fiscals 2025, 2024 and 2023 that led to an adverse impact on our business and operations, there can be no assurance that these instances will not occur in the future.

Further, we have in the past rejected manufactured products from our third-party manufacturers due to certain quality issues, such as among others, finished goods packaging. While these quality issues were all rectified by our third-party manufacturers within a short period of time, we cannot assure you that any such quality issues in the future will be rectified within a short period of time, or at all, which could adversely affect our business, results of operations, cash flows and financial condition.

6. ***Our operations are subject to volatility in the supply and pricing of raw materials and packing materials. We are also dependent on our top suppliers for the supply for certain raw materials (top 10 suppliers contributed to 11.83% of our total expenses in Fiscal 2025). Any loss of suppliers or interruptions in the timely delivery of supplies or price escalations could have an adverse impact on our business, financial condition, cash flows and results of operations.***

We depend on certain raw materials including clays, glaze, ink, feldspar, frit and bentonite and packing materials including wooden pallets (for export materials), box/ cartons, corners, strapping rolls and paper sheets from third parties, for our manufacturing processes. Set out below are details of our cost of materials consumed and purchase of stock-in-trade for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income
Cost of materials consumed	4,381.71	29.35%	3,442.51	23.38%	3,447.05	24.62%
Purchase of stock-in-trade	1,985.93	13.30%	3,283.33	22.30%	2,543.74	18.17%

Further, as of March 31, 2025, we had a network of over 500 suppliers. Set out below are details of our top suppliers for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total expenses	Amount (₹ million)	% of Total expenses	Amount (₹ million)	% of Total expenses
Top supplier	608.67	4.18%	452.72	3.20%	562.89	4.27%
Top five suppliers	1,227.54	8.43%	1,413.82	10.01%	1,464.07	11.12%
Top ten Suppliers	1,722.90	11.83%	2,052.86	14.53%	2,145.53	16.29%

Note: The top supplier, top five suppliers and top ten suppliers are the top supplier, top five suppliers and top ten suppliers, respectively, in terms of total expenses for each of the respective years and may not necessarily be the same suppliers in each year; excludes intercompany transactions (with subsidiaries).

We procure our raw materials and packing materials from our suppliers through purchase orders. Our suppliers may not be obligated to supply their products to us and/or may choose to sell their products to our competitors. While we have a large network of suppliers, we purchase certain types of raw materials from a limited number of suppliers. Any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule and lead to the under-utilization of our manufacturing facilities. Our operations may also be impacted due to instances such as disputes with suppliers, our inability to make timely payments to the suppliers, changes in governmental or regulatory policies or any other circumstances specific to our suppliers such as acquisition or consolidation or bankruptcy of such supplier, or any other adverse market conditions affecting the industry in which our supplier operates or the economic environment generally.

We may also experience prolonged shortages of supplies from any of our suppliers and may be unable to procure such supplies from other sources. This may expose us to delays in our production schedules, which may adversely affect our customer relations and reputation. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards or if a supplier unexpectedly suspends or discontinues operations due to reasons beyond its or our control, including strikes, natural calamities or financing constraints caused by credit market conditions. While we have not faced any instances of disputes with suppliers, disruption in supplies or increase in their prices in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that these instances will not occur in the future.

7. ***We have significant power and fuel requirements and any disruption to power or fuel sources could increase our production costs and adversely affect our business, financial condition, cash flows and results of operations.***

Our operations require substantial and uninterrupted amount of power and fuel. We source the power requirements for our manufacturing facilities mainly from the state electricity board. However, we cannot assure you that our facilities will be operational during power failures. To battle electricity failures, we also deploy diesel generators to meet exigencies at our facilities. In the event of disruption in fuel supply we may need to rely on alternative sources. The cost of fuel from such alternate sources may be significantly higher, thereby adversely affecting our cost of production and profitability. We source our fuel requirements, mainly natural gas through various suppliers of natural gas.

Any disruption / non availability of power or fuel or any failure on our part to arrange alternate sources of electricity and fuel supply, in a timely manner and at an acceptable cost shall adversely affect our production which in turn shall have an impact on operations and financial condition of our Company. Set out below are details of our expenses towards power and fuel for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income
Power and fuel	3,650.72	24.46%	2,844.29	19.31%	3,244.64	23.18%

We are exposed to fluctuations in prices of power and fuel, mainly natural gas. Our inability to pass on any increased costs of power and fuel to the customers may adversely affect our profitability. While we have not faced any material interruption in power and fuel to our manufacturing facilities or any irregular or significant hike in tariff rates which we have been unable to pass on to customers in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that these instances will not occur in the future.

8. ***If we are unable to maintain and enhance the value and reputation of our brand and/or counter any negative publicity, our business, financial condition, cash flows and results of operations could be materially adversely affected.***

Brand recognition is critical to the success of our business. We believe that the recognition and reputation of our brand, "*Varmora*", among customers have significantly contributed to the growth of our business. For details in relation to our intellectual property see "*Our Business – Description of Our Business – Intellectual Property*" and "*– Internal Risks – 35. We may be unable to adequately obtain, maintain, protect and enforce our intellectual property rights. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations*" on pages 232 and 56, respectively. To be successful in the future, we must continue to preserve, grow and leverage the value of our brand. Many factors, some of which are beyond our control including market perception of the products we sell and regulatory restrictions, may negatively impact our brand and reputation.

We may be subject to media reports that result in negative publicity. While we have not faced any negative publicity in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that any such negative publicity in the future will not result in damage to our brand or reputation, which in turn could adversely affect our business, results of operations and financial condition.

Maintaining and enhancing the recognition and reputation of our brand is critical to our business and competitiveness. This may require us to make substantial investments, including television and digital marketing campaigns. Our investments in marketing our brands may not be successful and may be affected if such investments and initiatives are not appropriately timed with market opportunities or are not effectively brought to market. Set out below are details of our advertisement and promotion expense for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income
Advertisement and promotion expense	332.36	2.23%	375.59	2.55%	357.60	2.55%

If our marketing activities fail to yield the intended results, or we fail to control the misuse of our brand or maintain or enhance our brand recognition and reputation or increase positive awareness of our services, our business, financial condition, cash flows and results of operations may be adversely affected. While we have not faced any instances of failed marketing campaigns in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such instances will not occur in the future.

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

We are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules, generally for carrying out our business and for our manufacturing facilities such as registrations and licenses granted under the Factories Act, 1948, Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Plastic Waste Management Rules, 2016, Legal Metrology Act, 2009 and the relevant shops and establishments legislations. The applicable authorities may inspect our manufacturing facilities and there can be no assurance that we will receive the approvals or any renewals thereof, in time or at all. In case any of these registrations, approvals or licenses are cancelled, or are subject to penalties or investigations, our business, financial condition, cash flows and results of operations could be adversely affected. For further information on material approvals relating to our business and operations, see "*Government and Other Approvals*" on page 433.

Several of our approvals are granted for a limited duration, which expire from time to time and we are required to make applications for renewal of such approvals. Except as disclosed under "*Government and Other Approvals*" on page 433, as on the date of this Draft Red Herring Prospectus, our Company has obtained all material approvals in relation to our business. We cannot assure you that the conditions of approvals obtained by us will be met at all times or that the approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled or suspended or not renewed or not obtained, or are subject to penalties or investigations, our business, financial condition, cash flows and results of operations could be adversely affected. While we have not faced any instances of rejection or non-renewal of our approvals in Fiscals 2025, 2024 and 2023, there can be no assurance that these instances will not occur in the future.

10. ***Our operations are dependent on our research and development activities to introduce new products in line with emerging industry trends, customer preferences and upcoming technologies. Any inability to do so could adversely affect our business, financial condition, cash flows and results of operations.***

Our success depends on our ability to cater to evolving consumer preferences in terms of designs and technological advancements and emerging industry standards in a timely and cost-efficient manner. We leverage our research and development capabilities to develop and implement new technologies in our manufacturing processes and produce high quality products. For instance, we launched 1,034, 1,171 and 800 SKUs in Fiscals 2025, 2024 and 2023, respectively. We may also have to incur substantial capital investment to upgrade our equipment and manufacturing facilities.

The development and implementation of new technology subjects us to technical and business risks including the lack of market acceptance and delays in product development. While we endeavor to introduce new products or variants, we recognize that customer tastes cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our customers. If we are unable to foresee or respond effectively to the changes in market conditions, there may be a decline in the demand for our products, thereby reducing our market share, which could adversely affect our business and results of operations. There can be no assurance that we will be able to successfully develop new products or that such new products will receive market acceptance or adapt our manufacturing processes to incorporate new technologies or address changing consumer trends or emerging industry standards. Any rapid change in the expectations of our end customers in our business on account of changes in lifestyle or technology could adversely affect our business, results of operations and financial condition.

In addition, introduction of new alternate products to tiles or any of our other product offerings by our competitors could render our products obsolete and reduce the demand for our products thereby challenging our competitive market position. For instance, we have recently launched certain marble-like products using our integrated stone technology in Fiscal 2025, with the aim of achieving a competitive edge in our industry. However, if our competitors introduce such products or alternate products in a timelier manner and/or at lower pricing, our business, results of operations and financial condition could be adversely affected. While we have not faced any instances of difficulties to design and develop innovative products suitable for the evolving needs of our customers and market trends that led to any adverse effect on our business or operations in Fiscals 2025, 2024 and 2023, there can be no assurance that such instances will not occur in the future.

Although we strive to maintain and upgrade our technologies, manufacturing facilities and machinery consistent with current national and international standards, the technologies, manufacturing facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition. Any failure on our part to effectively innovate and keep up with technological advancements or to successfully introduce new products and services in these areas, could adversely affect our business, results of operations, financial condition and cash flows. While we have not faced any instances of difficulties in maintaining and upgrading our technologies, manufacturing facilities and machinery in a timely and effective manner that led to any adverse effect on our business or operations in Fiscals 2025, 2024 and 2023, there can be no assurance that such instances will not occur in the future.

11. ***We derive a portion of our revenue from operations from outside India (revenue from contracts with customers from outside India was 21.31% of our Sale of Products in Fiscal 2025) which exposes us to risks inherent to operations in these foreign jurisdictions. Our global operations expose us to risks such as compliance with local laws, and any failure to comply with applicable laws or regulations could lead to civil, administrative or regulatory proceedings which could adversely affect our business, results of operations and financial condition.***

Since inception, we exported our products to over 100 countries as of March 31, 2025. We depend on our exports for a significant portion of our revenues. Set out below is the disaggregation of our revenue from contracts with customers by geographical markets for the years indicated:

	Fiscal					
	2025		2024		2023	
	(₹ million)	% of Sale of Products	(₹ million)	% of Sale of Products	(₹ million)	% of Sale of Products
Geographical markets						
India	11,286.35	78.69%	10,800.68	75.99%	10,592.74	80.01%
Outside India	3,056.27	21.31%	3,413.21	24.01%	2,646.34	19.99%
Sale of Products	**14,342.62**	**100.00%**	**14,213.89**	**100.00%**	**13,239.08**	**100.00%**

Our international operations are subject to risks that could adversely affect our business and results of operations, including risks associated with uncertain political and economic environments, government instability and legal systems, laws and regulations that are different from the legal systems (including in relation to custom duties and tariffs), laws and regulations that we are familiar with in India, and which may be less established or predictable than those in more developed countries. Our operations may also be impacted by fluctuations in anti-dumping duties or tariffs levied by countries where we sell our products, which in turn will impact the cost of our exports. We continuously monitor regulatory changes in key export destinations and engage with legal and trade experts to mitigate these risks. However, we cannot assure that such measures will entirely prevent potential adverse impacts arising from challenges in customs tariffs and duties. Further, any restriction or additional tariffs or duties on imports from India imposed by any jurisdiction of our international customers could adversely affect our business, financial condition, cash flows and results of operations. For more details, see "- *External Risk Factors – 64. Changes in international trade policies, geopolitics and trade tariffs, export controls, economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.*" on page 67.

Further, small portions of our revenues in the past have originated from dealings with entities that are located in countries that are subject to certain sanctions, such as Syria, Russia, Belarus, Ukraine and Venezuela. Accordingly, we are exposed to the risk of violations of sanctions laws or other similar regulations, as well as the risk of becoming targeted with sanctions. For more details, see "- *Internal Risks – 33. We are exposed to the risk from sanctions laws or other similar regulations, and failure to comply with such laws could potentially have an adverse effect on our business, financial condition, cash flows, results of operations and prospects*" on page 55.

In addition, we could be subject to foreign currency restrictions, exchange rate fluctuations and unanticipated taxes or encounter potential incompatibility with foreign franchise partners and non-availability of suitable personnel. While we do not have a formal hedging policy, we undertake natural hedging for open exposure of foreign currency. However, these activities may not be sufficient to protect us against incurring potential foreign exchange related losses. While we have not incurred any losses due to foreign exchange rate fluctuations in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such instances will not occur in the future.

12. We have witnessed negative operating cash flows in the past and may continue to have negative cash flows in the future.

We have witnessed negative operating cash flows in the past, and it is possible that we may experience negative operating cash flows in the future. Set out below are details of such negative operating cash flows for the years indicated:

	Fiscal		
	2025	2024	2023
	(₹ million)		
Net cash flows from/ (used in) operating activities	632.13	882.91	(101.78)*

**We reported negative cash flows in Fiscal 2023 primarily attributable to the business operations of Simola Tiles LLP, which was acquired during the year.*

For further details, see "M*anagement's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 413. Negative cash flows over extended periods, or significant negative cash flows in the short term, may materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

13. Our operations require a significant amount of working capital and an inability to meet our working capital requirements may adversely affect our business, financial condition, cash flows and results of operations.

Our business requires a significant amount of working capital and as a result, we are required to maintain sufficient inventory at all times to meet manufacturing requirements. Set out below are details of our working capital for the years indicated:

Particulars	Fiscal		
	2025	2024	2023
Net working capital requirements (₹ million) (1)	4,582.79	3,299.10	3,106.63
Working capital turnover ratio (2)	3.26	4.46	4.51
Net working capital days (3)	112	82	81

Notes:
(1) Net working capital requirements is calculated as the sum of trade receivables and inventory, less trade payables

[2] Net working capital turnover ratio is calculated as 365 divided by net working capital days
[3] Net working capital days is calculated as the sum of trade receivable days and inventory days, less payable days

The actual amount of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. While we have not faced any instances of difficulties to meet our working capital requirements in Fiscals 2025, 2024 and 2023, there can be no assurance that such instances will not occur in the future.

As we pursue our growth plans, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our working capital in the future. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Any failure to effectively implement internal control procedures and management systems to manage our working capital and other sources of financing may lead us to having insufficient capital to maintain and grow our business or we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and/or be unable to obtain new financing, any of which would have a material adverse effect on our business, financial condition, cash flows and results of operations. For further details on our working capital facilities, see "*Financial Indebtedness*" on page 424.

14. ***Our business is capital intensive and we have incurred indebtedness. Further, our lenders have created charges over our movable and immovable properties in respect of finance availed by us. Our inability to obtain further financing or meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, cash flows and results of operations.***

Our operations require us to continuously develop new products and enhance our manufacturing capabilities, which makes our business capital intensive. In addition, we intend to expand our operations over the next few years. For details of our expansion plans, see "*Our Business – Strategies*" on page 216. We fund a portion of our capital expenditure needs through debt financing. For further details on the nature of our outstanding borrowings, see "*Financial Indebtedness*" on page 424.

Set out below are details of our indebtedness, as of and for the years indicated:

Particulars	As of and for the financial years ended March 31,		
	2025	2024	2023
Total borrowings (₹ million) (A) [1]	5,051.55	4,128.88	2,676.49
Finance costs (₹ million)	424.90	290.56	417.28[4]
Total equity (₹ million) (B)	7,431.95	7,033.61	6,692.74
Total borrowings to total equity ratio (C = A/B) (in times)	0.68	0.59	0.40
Interest coverage ratio (in times) [2]	1.86	3.05	2.98
Debt service coverage ratio [3]	1.88	1.62	1.58

Note:
[1] Total borrowings is calculated as the sum of current borrowing and non-current borrowing
[2] Interest coverage ratio is calculated as earnings available for debt service/ debt service, where earning available for debt service is calculated as the sum of net profit after tax (before OCI), depreciation and amortisation expenses, finance cost, expected credit loss and loss/ profit on sale of fixed asset; debt service is calculated at payment of lease liability, interest paid and principal repayments
[3] Debt service coverage ratio is calculated as EBIT/ finance cost, where EBIT is calculated as profit before share of profit of associates and joint venture and tax + finance cost
[4]Includes interest expense on CCPS liability amounting to ₹182.09 million

Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions.

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. 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, cash flows and results of operations. While we have not faced any instances of delayed payment to our bankers/financers in Fiscals 2025, 2024 and 2023, there can be no assurance that these instances will not occur in the future.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions including but not limited to altering our capital structure, effecting any scheme of amalgamation or reconstruction, changing the management and dilution of Promoters' shareholding, alteration in the constitutional documents and undertaking any new business or operations or project or diversification, modernization or substantial expansion of any of our existing business or operations. While we have not faced any instances of difficulties to obtain further financing or breach of covenants of our financing agreements that led to any adverse effect on our business or operations in Fiscals 2025, 2024 and 2023 and we have obtained necessary consents from our lenders for the Offer, there can be no assurance that these instances will not occur in the future. A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may also lead to, among others, the termination of our credit facilities and acceleration of amounts due under such facilities.

15. There are outstanding litigation against our Company, Directors, Promoters, Subsidiaries, Key Managerial Personnel, Senior Management and Group Companies. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

As of the date of this Draft Red Herring Prospectus, we are involved in certain civil, tax, regulatory and criminal legal proceedings which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favor. Decisions in proceedings adverse to our interests may have a significant adverse effect on our business, financial condition, cash flows and results of operations. In relation to tax proceedings, in the event of any adverse outcome, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Directors, our Promoters, our KMPs, our Senior Management and our Group Companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft Red Herring Prospectus, is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved* (₹ in million)
Company						
By our Company	57	N.A.	N.A.	N.A.	Nil	42.57
Against our Company	1	11	1		Nil	230.47
Directors						
By our Directors	Nil	N.A.	N.A.	N.A.	Nil	Nil
Against our Directors	2	1	Nil		Nil	Nil
Promoters**^						
By our Promoters	Nil	N.A.	N.A.	N.A.	Nil	Nil
Against our Promoters	1	Nil	Nil		Nil	Nil
Subsidiaries						
By our Subsidiaries	9	N.A.	Nil	N.A.	Nil	5.58
Against our Subsidiaries	Nil	Nil	Nil		Nil	Nil
Key Managerial Personnel (excluding our Directors and Promoters)						
By our Key Managerial Personnel	Nil	N.A	N.A	N.A.	N.A	Nil
Against our Key Managerial Personnel	Nil	N.A	Nil		N.A	Nil
Senior Management						
By our Senior Management	Nil	N.A	N.A	N.A.	N.A	Nil
Against our Senior Management	Nil	N.A	Nil		N.A	Nil

* *To the extent quantifiable*

** *Does not include pre-litigation notices received by any of our Company, our Subsidiaries, our Directors, our Promoters or our Group Companies from third parties (excluding those notices issued by statutory/regulatory/governmental/tax authorities) and police complaints, unless otherwise decided by the Board of Directors of our Company*

The amounts claimed in these proceedings include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long-term liabilities or reduce our cash and bank balance. Further, there is an ongoing proceeding of our Company before the High Court of Gujarat relating to a demand for an environmental compensation arising from notices issued by the Gujarat Pollution Control Board, pursuant to a National Green Tribunal order prohibiting coal gasifier units. For details see "*Outstanding Litigation and Material Developments-Litigation involving our Company-Actions by statutory or regulatory authorities against our Company*" on page 428.

For details in relation to other litigation, see "*Outstanding Litigation and Material Developments*" on page 427.

16. ***Our Statutory Auditors have included certain qualifications (with respect to the adequacy of internal financial controls) and emphasis of matter in their audit report for Fiscal 2023. Further, our audit reports include certain observations in the annexure to the report prescribed under the Companies (Auditor's Report) Order, 2020 for Fiscals 2025, 2024 and 2023. There can be no assurance that our audit reports for any future periods or financial years will not contain qualifications, matters of emphasis or other observations, including any observations that may have an effect on our financial statements and which could adversely affect our business, financial condition, cash flows and results of operations.***

Our Statutory Auditor's reports on our consolidated financial statements contain certain modifications, qualifications, emphasis of matter for Fiscal 2023 which do not require any adjustments in the Restated Consolidated Financial Information, as set forth below:

- Our Statutory Auditor's audit report on the audited Indian GAAP consolidated financial statements of our Company as of and for the year ended March 31, 2023 includes the following qualification with respect to the adequacy of the internal financial controls:

  For year ended March 31, 2023:

  Qualification

  According to the information and explanation given to us, and consideration of the reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, the following material weakness has been reported by the other auditor on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited, which are subsidiaries of the Holding Company, as at 31 March 2023. The possible effects of the material weakness has been assessed as material but not pervasive to these consolidated financial statements:

  "The Company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023."

  The report on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited has been qualified with respect to the above matter, issued by another firm of chartered accountants vide their audit report dated 11 September 2023, 12 September 2023, 11 September 2023, 09 September 2023 and 11 September 2023, respectively.

  Company response

  In response to the material weakness identified in our Statutory Auditor's audit report on our consolidated financial statements for the year ended March 31, 2023, our Subsidiaries, i.e., Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited undertook remedial actions, including increasing the frequency of internal audits, updating the risk control matrix, conducting meetings on a quarterly basis with the internal auditors and conducting third-party physical verification of inventory. As a result of these measures, the identified weakness was addressed and, accordingly, was not included in our Statutory Auditor's audit report on the consolidated financial statements for the years ended March 31, 2024 and 2025.

- Our Statutory Auditor's audit report on the audited special purpose consolidated Ind AS financial statements of our Company as of and for the year ended March 31, 2023 includes the following emphasis of matter and other matter paragraphs:

  For year ended March 31, 2023:

  Emphasis of Matter- Basis of Accounting and Restriction on Distribution or Use

  We draw attention to Note 2.01(a) to the accompanying Special Purpose Consolidated Ind AS Financial Statements, which describes the basis of its preparation. These Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Holding Company's management solely for the preparation of Restated Consolidated Financial Information of the Group, its associates and its joint ventures for the year ended 31 March 2023, to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter Ill of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Holding Company, which is to be filed with the SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Accordingly, these Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

Other Matter

The Holding Company had prepared separate set of statutory consolidated financial statements for the year ended 31 March 2023 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 (as amended) (hereinafter referred to as 'Indian GAAP financial statements') on which we had issued unmodified opinion vide our audit report dated 14 September 2023 to the members of the Holding Company. The Special Purpose Consolidated Ind AS Financial Statements for the year ended 31 March 2023 has been prepared by the management based on aforesaid Indian GAAP financial statements after adjusting for the differences in the accounting principles adopted by the Group on transition to Ind AS using 1 April 2022 as transition date adopted by the Group for the preparation its of first Ind AS compliant financial statements, which have been audited by us and the other auditors of subsidiaries, associates and joint ventures, as mentioned in paragraph 12 below. Our opinion is not modified in respect of this matter.

Additionally, the audit reports issued by our Statutory Auditors also includes certain observations in the annexure to the reports prescribed under the Companies (Auditor's Report) Order, 2020 for Fiscals 2025, 2024 and 2023 in relation to our Company, which do not require any corrective adjustments in the Restated Consolidated Financial Information. These matters involve loans granted by the Company which are repayable on demand, delays in payment of statutory dues and the filing of statements with certain banks, which are not in agreement with the unaudited books of accounts, among others.

For further information including in relation to reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), see "*Annexure VI – Restated Consolidated Financial Information - Notes 65, 66, 67 and 68*" on pages 377, 381, 382 and 387.

We cannot assure you that any similar qualifications, emphasis of matter, remarks or observations 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, results of operations, financial condition and cash flows may be adversely affected.

17. We face risks such as cost overruns and delays in expanding and commissioning new manufacturing facilities. Failure to manage these risks could delay the commissioning of our upcoming manufacturing facilities and adversely impact our business, prospects, results of operations, cash flows and financial condition.

We may plan to set up additional manufacturing facilities in the future. These plans may subject us to various risks such as cost overruns or delays for various reasons, including, changes in business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, increase in input costs of construction materials and labor costs, taxes, tariffs and duties and other external factors which may not be within the control of our management such as engineering or technical problems and government approvals and consents. Any delay in the commissioning of our upcoming facilities could interrupt our operational plans in terms of, among others, inventory management and timely fulfilment of customer orders. For instance, in Fiscal 2024, we experienced a delay of approximately six to nine months in the commencement of operations for our two new manufacturing units, i.e., Varmora – Unit 2 and Varmora Unit – 3 on account of supply chain disruptions attributable to macro-economic developments (including cyclones in the Morbi cluster). This led to an increase in our purchase of stock-in-trade by 29.07% from ₹2,543.74 million in Fiscal 2023 to ₹3,283.33 million in Fiscal 2024. These delays resulted in the share of our revenue from outsourced products increasing from 26.67% in Fiscal 2023 to 32.19% in Fiscal 2024. There can be no assurance that there will be no such instances of delay or cost overruns in the future. Our inability to manage such risk could adversely affect our business, prospects, results of operations, cash flows and financial condition.

18. Any non-availability of contract workers at reasonable cost or any strikes, work stoppages or increased wage demands could lead to disruption in our manufacturing facilities, which could adversely impact on our business, financial condition, cash flows and results of operations.

We engage certain contract workers for our operations. Set out below are details of contract workers engaged by us during the years indicated:

Particulars	As of and for the financial years ended March 31,		
	2025	2024	2023
Number of contract workers	1,939	1,429	537
Number of contract workers as a % of total workforce	62.65%	56.89%	33.88%
Labour work contract expense (₹ million)	759.41	581.53	444.63
Labour work contract expense as a % of Total expenses (%)	5.21%	4.12%	3.38%

Our operations are exposed to the risk of non-availability of skilled contract laborers during periods of high demand in the labor market. There can be no assurance that we will have adequate access to a skilled contract labor workforce at reasonable rates or at all. As a result, we may be required to incur additional costs to ensure continuity of production. The utilization of our workforce is affected by a variety of factors including our ability to forecast our production schedules and contract labor requirements. The success of our operations depends on the availability of labor and maintaining good relationships with our workforce. Shortage of skilled and unskilled personnel or work stoppages caused by disagreements with employees could materially and adversely affect our business and results of operations. If we are unable to employ contract labor at reasonable costs or manage the requirements of our workforce effectively, our business, financial condition, cash flows and results of operations may be adversely affected.

India has stringent labor legislations that protect the interests of workers. We are also subject to laws and regulations governing relationships with employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although none of our employees are currently associated with any labor union as of March 31, 2025, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies. While we have not experienced disruption in our business operations due to disputes with our workforce in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that we will not experience such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert our management's attention and result in increased costs.

19. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, financial condition, cash flows and results of operations.

Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented or any future capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance. For information in relation to our installed capacity and capacity utilization for our manufacturing facilities, see "*Our Business – Manufacturing Facilities - Installed Capacity and Capacity Utilization*" on page 224.

We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our internal estimates of orders prepared using historical sales data. The changes in demand for the products of customers (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers may not be restricted to one type of product and therefore variations in demand for certain types of products also require us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, financial condition, cash flows and results of operations. While we have not faced any instances of mismatch leading to over or under utilization of our manufacturing facilities in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that these instances will not occur in the future.

20. There are certain instances of delays in payment of statutory dues. Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities, which may have an adverse impact on our business, financial condition, cash flows and results of operations.

We are required to pay certain statutory dues including provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, and professional taxes. The table below sets forth the details of the statutory dues paid by us in relation to our employees for the periods indicated below:

Particulars		Fiscal 2025	Fiscal 2024	Fiscal 2023
Employee provident fund	Statutory dues Paid (₹ million)	21.76	21.83	11.70
	Number of employees covered	422	398	237

Particulars		Fiscal 2025	Fiscal 2024	Fiscal 2023
Employees' state insurance corporation contribution	Statutory dues paid (₹ million)	0.01	0.03	0.03
	Number of employees covered	119	117	178
Tax deducted at source (on salaries of employees)	Statutory dues paid (₹ million)	36.65	37.12	34.41
	Number of employees covered	301	234	249
Tax deducted at source (other than salaries of employees)	Statutory dues paid (₹ million)	46.50	54.30	71.27
Professional tax	Statutory dues paid (₹ million)	2.45	2.60	3.78
	Number of employees covered	1,707	1,423	1,385
GST	Statutory dues paid (₹ million)	1,716.61	2,322.16	2,477.15
Tax collected at source	Statutory dues paid (₹ million)	4.76	3.54	3.51

The table below sets out details of the delays in the payment of statutory dues paid by us for the periods indicated below:

Particulars	Amount delayed during Fiscal		
	2025	2024	2023
	(in ₹ million)		
GST	-	1.64	67.30
Employee provident fund	3.06	1.94	1.34
Professional tax	0.35	0.80	0.79
Employees' state insurance corporation contribution	-	-	0.01
Tax deducted at source (on salaries of employees)	-	0.11	0.47
Tax deducted at source (other than salaries of employees)	0.03	2.75	0.02
Tax collected at source	0.02	0.13	0.01

While our Company has subsequently made payment of all pending statutory dues, we cannot assure that we will not incur delays in payment of statutory dues in the future. Further, any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, which may adversely affect our business, results of operations, cash flows and financial condition.

21. ***Failure to accurately forecast customer demand could lead to excess inventories or inventory shortages, which could result in decreased operating margins and reduced cash flows and adversely affect to our business, financial condition, cash flows and results of operations.***

Our business depends upon our ability to anticipate and forecast customer demand and trends and maintain an optimal level of inventory. Set out below are details of our inventories for the years indicated:

Particulars	Fiscal		
	2025	2024	2023
Inventories (in ₹ million)	2,859.49	1,902.88	1,892.67
Inventory days (1) (in days)	70	47	49
Inventory turnover ratio (2)	5.22	7.77	7.45

Notes:

(1) *Inventory days is calculated as Inventory/ Total Income * 365*

(2) *Inventory turnover ratio is calculated as 365/ Inventory Turnover Days*

Any error in such identification could result in either surplus inventories, which we may not be able to sell in a timely manner, or under stocking, which will affect our ability to meet customer demand. We typically plan our inventory based on the orders for our products received from customers. An optimal level of inventory is important to our business and requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our forecasts of the required stocks, may not always be accurate. While we have not faced any instances of difficulty to identify customer demand accurately and maintain an optimal level of inventory in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that these instances will not occur in the future. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. Any over-stocked and unsold inventory may have to be sold at a discount, leading to losses.

22. ***We depend on third party transportation providers for the delivery of raw materials and packing materials to our manufacturing facilities. We have not entered into any formal contracts with our transport providers and any failure on the part of such service providers to meet their obligations could adversely affect our business, financial condition, cash flows and results of operations.***

We depend on third party transportation providers for the transport of various raw materials and packing material to our manufacturing facilities from our suppliers, which are subject to various uncertainties and risks.

A failure to maintain a continuous supply of raw materials in a timely, efficient and reliable manner could adversely affect our business, financial condition, cash flows and results of operations. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies. Additionally, supplies may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters.

Further, we do not enter into formal agreements with our transportation providers which may expose us to the risk of logistical disruption including cost implications, which could negatively impact our business and operations. While we have not faced any instances of delay in transportation of supplies or damage or loss of supplies during transportation, that led to any adverse effect on our business or operations in Fiscals 2025, 2024 and 2023, there can be no assurance that such instances will not occur in the future.

23. ***We are subject to governmental regulation in India and we may incur material liabilities under, or costs in order to comply with, existing or future laws and regulation, and our failure to comply may result in enforcements, recalls, and other adverse actions.***

We are subject to extensive regulatory requirements with respect to our products in India. An adverse change in the laws governing the manufacturing of our products, imposition of additional duties by target markets or laws governing the infrastructure or real estate sector, may have an adverse impact on our operations. We may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us. We cannot assure you that we will be able to comply with such changes or additional regulatory requirements. For instance, the recent observations from the ozone monitoring instrument which revealed significant sulfur dioxide (SO_2) pollution in the Morbi region could lead to government restrictions or levy of penalties in the future in relation to our operations.

Any failure to comply with new statutory or regulatory requirements could expose us to rejections or delays in the grant of various approvals required for our manufacturing processes. Further, changes in regulatory requirements, may result in our channel partners being unable to utilize our products for execution of their projects. We may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, loss of export operations, imposition of penalties, loss of demand by our end consumer which may adversely impact our business, financial condition, cash flows and results of operations.

We are also subject to laws and Government regulations, including in relation to safety, health and environmental protection, including the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act, 1974, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. These environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other such aspects of our manufacturing. Except as disclosed in "*Outstanding Litigation and Material Development – Litigations involving our Company – Actions by statutory or regulatory authorities against our Company*" on page 428 of this Draft Red Herring Prospectus, as of the date of this Draft Red Herring Prospectus, we are not involved in any environmental law related litigation. However, in the future, if we fail to meet environmental requirements, we may be subject to further administrative, civil and criminal proceedings by Government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations including injunction orders against us. Further, the approvals required by our Company are granted for a limited duration, require renewal and are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Additionally, we export our products to various overseas markets across outside India. In the overseas market, maintaining certain standards are customarily expected and compliance with laws relating to safety, health and environmental protection of relevant jurisdictions is required and our inability to maintain such standards and non-compliance of laws may impact our business, financial condition and results of operations.

While we have not experienced any instances of failure to obtain, maintain or renew required approvals, licenses, registrations or permissions that materially affected our business, financial condition or results of operations in Fiscals 2025, 2024 and 2023, if we fail to do so in the future, in a timely manner or at all, our business, financial condition and results of operations could be adversely affected.

24. ***We plan to establish a manufacturing facility in Tezpur, Assam, India which could be subject to the risk of unanticipated delays in implementation and cost overruns. Further, we have no prior experience of operating in Tezpur, Assam, India.***

We have entered into a term sheet to acquire a 51% equity shareholding in Allemby Ceramics Private Limited ("**Allemby**"), pursuant to which we propose to establish a greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India. Factors that could adversely affect our expansion plans include inability to raise significant additional funds on reasonable terms or at all, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facility, delays in completion, defects in design or construction, failure of third-parties to adhere to our specifications, quality standards, the possibility of future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, environment costs and other external factors which may not be within our control. Therefore, the capacity of the proposed plant may not be utilised effectively, whose proposed capacity is based entirely on the consent to establish. There can be no assurance that we will be able to successfully complete the construction of this manufacturing facility or that we will be able to recover the value of our investment. Any delay or failure in the development of this manufacturing facility, or increase in its costs of development, may adversely affect our business, financial condition, cash flows and results of operations.

Further, we have no prior experience operating in Tezpur, Assam, India. The business environment, including competition, regulatory requirements, local practices and customer preferences, may differ significantly in Tezpur, Assam, India from our existing markets. There can be no assurance that we will be able to successfully grow our business in Tezpur, Assam, India and any failure to do so could adversely affect our business, financial condition, cash flows and results of operations. Further, constructing a manufacturing facility in a new area introduces several risks, including potential delays and increased costs associated with navigating unfamiliar regulatory environments, securing necessary approvals, and dealing with local infrastructure limitations. The availability and cost of skilled labor, as well as the local economic conditions, could also affect our construction timelines and expenses. Additionally, unforeseen environmental conditions, social concerns, and the need for additional mitigation measures may lead to further delays and increased costs. Local political and administrative processes may differ from those in our current areas of operation, potentially causing additional hurdles and expenses. These risks could require us to expend additional capital and may adversely affect our business, financial condition, cash flows and results of operations.

25. ***Any inability to maintain or failure in our quality control processes may result in delays, modifications or cancellations of orders placed by our customers, damage our reputation and/ or result in legal proceedings, any of which may adversely affect our business, financial condition, cash flows and results of operations.***

We depend on our ability to deliver high-quality products that meet our customers' expectations and comply with applicable standards and regulations. We rely on domestic suppliers for the procurement of raw materials such as feldspar, clay, frit and bentonite. There exists a risk associated with the potential variation in the quality of raw material supplied to us. This could result in the production of sub-standard products that may not meet the specific requirements outlined by the customer. Factors such as impurities and moisture content can influence the quality of the final product. Inadequate control over these variables may lead to instances where the manufactured product falls short of the customer's expectations.

Our customers may delay, modify or cancel their orders for various reasons, such as changes in their demand, budget, specifications, preferences, regulatory requirements or satisfaction with our products or unforeseen economic conditions. However, if we fail to deliver quality products, or if our products are defective, faulty, unsafe or subject to recalls, we may face customer complaints, claims, litigation, regulatory actions, negative publicity or loss of confidence in our products. This could also result in increased warranty costs, mandatory product redesigns, and long-term damage to our brand equity. These outcomes may adversely affect our customer relationships, reputation, competitive position and profitability. While we have not faced any instances of quality control failures leading to any litigation or delays, modifications or cancellations of orders placed by our customers in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that these instances will not occur in the future.

26. ***We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.***

We have in the past made and may in the future continue to make strategic acquisitions of other companies or businesses with the belief that their resources, capabilities and strategies are complementary, and are likely, to enhance our business operations. For instance, in Fiscal 2023, we acquired a majority partnership interest in Simola Tiles LLP ("Simola") and have successfully integrated our operations as on the date of this Draft Red Herring Prospectus that has led us to increase our sales and revenue from operations in Fiscal 2024. Further, we have entered into a term sheet to acquire a 51% equity shareholding in Allemby, pursuant to which we propose to establish a greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India. Also see "- *Internal Risks – 24. We plan to establish a manufacturing facility in Tezpur, Assam, India which could be subject to the risk of unanticipated delays in implementation and cost overruns. Further, we have no prior experience of operating in Tezpur, Assam, India*" on page 52. Set out below are details of revenue of our acquired business in the last three Fiscals at the time of their acquisition:

Date of acquisition	Name of the acquired business	Revenue from operations of the acquired business in Fiscal 2023*	Revenue from operations of the Company in Fiscal 2023	% of our revenue from operations in Fiscal 2023	Purchase consideration	Goodwill
		(₹ million)			(₹ million)	
August 25, 2022	Simola	886.19	13,349.46	6.64%	507.10**	329.20

* *The results of operations of the acquired business are reflected in our Restated Consolidated Financial Information only with effect from the date of such acquisitions and not for the entire relevant financial reporting periods during which we made such acquisition*

** *Excluding the amount paid towards call option*

Additionally, we intend to leverage our capabilities and focus on brownfield expansion through companies and businesses that offer access to untapped geographies. For further details, see "*Our Business – Strategies – Pursue inorganic growth opportunities*" on page 220. In acquiring and integrating new businesses, we may encounter a variety of challenges in connection with developing and preserving uniform culture, values and work environment across our operations, which may impact employee morale and customer relationships and we may also face delays or failure to obtain requisite consents or authorizations from relevant statutory authorities. Further, acquired businesses or assets may not generate the financial results we expect and may incur losses over time. Our Board may identify suitable acquisition or investment opportunities and there can be no assurance that we will complete those transactions on terms commercially acceptable to us or at all, which may adversely affect our competitiveness and growth prospects. While we have not faced any instances of difficulties in integrating or managing our acquisitions or investments in the past, there can be no assurance that such instances will not occur in the future.

27. Our inability to collect receivables from our customers or default or delays in payment by them could adversely affect our business, financial condition, cash flows and results of operations.

Our business depends on our ability to successfully collect payment from our customers for the products sold by us. Set out below are details of our trade receivables and expected credit loss for the years indicated:

Particulars	As of and for the financial year ended March 31		
	2025	2024	2023
Trade receivables (in ₹ million)	3,822.15	3,329.16	3,614.52
Trade receivable days (in days)[(1)]	93	83	94
Trade receivables turnover ratio[(2)]	3.92	4.40	3.88
Allowance for expected credit loss (in ₹ million)	(463.48)	(702.49)	(532.13)

Notes:

(1) *Trade receivable days is calculated as average trade receivable/Total Income*365*

(2) *Trade receivables turnover ratio is calculated as 365/ Trade receivable days*

There can be no assurance that we will be able to accurately assess the creditworthiness of our customers and will be able to collect the dues in time. Macroeconomic conditions could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. While we typically limit the credit we extend, we may nonetheless experience losses in the event our customers are unable to pay. As a result, while we maintain an allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. While there have been no instances of material bad debts in Fiscals 2025, 2024 and 2023, there can be no assurance that we would not have any material bad debts in the future. Any occurrence of delays or default in payment obligations by our customers in the future could adversely affect our business, financial condition, cash flows and results of operations.

28. We are significantly dependent on the performance of the real estate and infrastructure industries where our products are utilized. Any negative trend in these industries could adversely affect demand for our products, our costs of doing business and our business, financial condition, cash flows and results of operations.

According to the Technopak Report, the tile industry's growth is intricately linked to the performance of the real estate and construction sectors. Initiatives such as affordable housing schemes, smart city projects, and the expansion of transportation networks are leading to significant growth in both residential and commercial real estate development. Several fundamental and long-term macro drivers and opportunities, such as increasing demand for housing and office spaces, have significantly influenced the growth of the tiles industry. (*Source: Technopak Report*) Our products are primarily used in the real estate, infrastructure and related sectors. Any adverse conditions in or uncertainty about these markets, or the economy could adversely impact our end-customers' confidence or financial condition, causing the reduction of demand for our products or delay purchasing or payment for those products. The performance of these sectors, and consequently the demand for our products in these sectors, are dependent on economic and other factors such as government policies, regulations and budgetary allocations as well as investments made in these industries and sectors. The financial performance of the end users of our products and any adverse developments that affect the tile industry and the real estate, infrastructure and related sectors where our products are used may adversely affect our business, financial condition, cash flows and results of operations. While we have not faced any negative trend in the real estate, infrastructure and related sectors in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that these instances will not occur in the future.

29. We operate in highly competitive markets in each of our product categories and an inability to compete effectively may adversely affect our business, financial condition, cash flows and results of operations.

We face competition from large, organized and branded players. We also compete with smaller, regional and unbranded players in the market that may have more flexibility in responding to changing business and economic conditions than us. For further information, see "*Industry Overview – Operational Benchmarking*" on page 185. Certain factors that affect our ability to compete successfully include price, demand for products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the organized Indian tiles and bathware market as compared to us. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. We cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

30. ***The activities carried out at our manufacturing facilities may result in injury to persons or property, which could result in a suspension of operations and/or the imposition of civil or criminal liabilities. These may adversely affect our business, financial condition, cash flows and results of operations.***

Certain operations at our manufacturing facilities, including exposure to heavy machinery such as kiln, chemicals such as inks and sprays or fuels such as propane can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties or equipment and the properties of others or to the environment. Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters, discharges or releases of chemicals or gases and other environmental risks. The occurrence of any of these hazards could result in a suspension of operations and/or the imposition of civil or criminal liabilities. We may also face claims and litigation, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, financial condition, cash flows and results of operations could be adversely affected. While we have not faced any instances of injury to persons or property due to activities carried out at our manufacturing facilities in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such instances will not occur in the future.

31. ***Any significant disruptions of information technology systems or breaches of data security could adversely affect our business, financial condition, cash flows and results of operations.***

We depend on certain information technology ("**IT**") systems such as our ERP software, Keka HRMS and Power Bi in connection with our business operations. Any failure of our IT systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our IT systems may be vulnerable to computer viruses, piracy, hacking or similar disruptive issues. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. These systems may be potentially vulnerable to data security breaches, whether by employees or others, which may result in unauthorized persons getting access to sensitive data. In the event a data security breach leads to the loss of sensitive information and other trade secrets, our business operations could be compromised. While we protect our computer systems from security breaches through firewalls and password encryption, any disruptions in our security systems could affect the security of information stored in our computer systems, which may in turn lead to leakage of confidential and/or sensitive data. Further, there can be no assurance that our existing insurance policies will be adequate to cover any such potential losses in the future in full or at all. While we have not faced any instances of IT breach or cyber-attack in Fiscals 2025, 2024 and 2023, there can be no assurance that these instances will not occur in the future. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

32. ***Information relating to the historical capacity of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and our future production and capacity may vary.***

Information relating to the historical capacity of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels, date of commencement of production/dismantling, unscheduled breakdowns and expected operational efficiencies. The capacity information has been certified by Nimesh Sureshchandra Upadhyay, Chartered Engineer, pursuant to the certificate dated August 7, 2025. Actual and future production levels and capacity utilization rates may differ significantly from the estimated production capacities or historical estimated capacity information of our facilities due to various factors including maintenance of our machines and infrastructure and continuous availability of power and labor. Any undue reliance should not be placed on our historical capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

33. ***We are exposed to the risk from sanctions laws or other similar regulations, and failure to comply with such laws could potentially have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

We are exposed to the risk of violations of sanctions laws or other similar regulations, as well as the risk of becoming targeted with sanctions. We have sold our products in jurisdictions that may expose us to heightened risks with respect to anti-bribery and sanctions laws and regulations. For example, small portions of our revenues in the past have originated from dealings with entities that are located in countries that are subject to certain sanctions, such as Syria, Russia, Belarus, Ukraine and Venezuela. International dealings, particularly those involving these countries come with risks of dealing with individuals or entities that have been specifically targeted with sanctions by the US government (including "**SDNs**"), and entities that are owned by such targets ("**Blocked Persons**"). Any dealings with SDNs, Blocked Persons or other sanctions targets create risks under sanctions laws. We cannot assure you that our business will not be impacted by such US sanctions in the future, particularly if there are changes to or more stringent application of US sanctions laws. Since sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in certain of our business activities being deemed to have violated sanctions, or being sanctionable. Any future changes to US sanctions laws may also require us to discontinue our arrangements with our customers or other counterparties in such jurisdictions or elsewhere, or prevent us from having dealings in jurisdictions subject to such US sanctions. Violations of sanctions laws and regulations, or engaging in sanctionable conduct, could expose us to potential civil or criminal penalties or sanctions designations under the relevant applicable sanctions laws, which may have material adverse consequences on our business, financial condition, results of operations, cash flows and prospects.

34. ***Improper storage, processing and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, financial condition, cash flows and results of operations.***

Our inventory of raw materials includes feldspar, clay, frit and bentonite. Our raw materials, manufacturing processes and finished products are susceptible to damages and manufacturing defects, if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event any contamination is detected at the facility during quality checks, we may be required to discard the inventory batches resulting in a temporary suspension of manufacturing activities and lower capacity utilizations, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Improper storage may also result in higher than usual spoilage of inventory, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins. Further, natural disasters can adversely impact our inventory, leading to spoilage, damage or destruction. For instance, we faced damage and destruction to our inventory during Cyclone Biparjoy that hit the Morbi region in Fiscal 2024.

35. ***We may be unable to adequately obtain, maintain, protect and enforce our intellectual property rights. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.***

We rely on a combination of intellectual property laws and contractual arrangements to protect our proprietary rights and as on the date of this Draft Red Herring Prospectus, we have obtained registrations for 18 trademarks under the Trade Marks Act, 1999. Further, our Company has also filed an application for trademark registration. For further details, see "*Our Business - Description of Our Business – Intellectual Property*" on page 232.

In addition, our Company has entered into separate trademark license agreements with Varmora Furnitures Private Limited and Varmora Plastech Private Limited, both dated June 18, 2022. Under these agreements, our Company has granted the license to use the 'Varmora' trademark on a revocable basis, subject to the payment of an annual royalty fee of ₹ 1 each, including the right to sub-license, as per the terms outlined in the agreements. The license is valid for a period of five years from the date of execution and will automatically renew for an additional five years on the same terms and conditions. Further, our Company has also authorized a few of its valued partners who act as dealers of our products, to use the "*Varmora*" brand name for purposes of marketing, advertising and/or as part of their entity name. The validity of the authority letters is for the entire period of association with the Company.

It is often difficult to register, maintain and enforce intellectual property rights in India. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality agreements and license agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. While we have not faced any such instances relating to our intellectual property or contractual rights in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in India in the future for any or all of the reasons mentioned above.

Policing any unauthorized use of our intellectual property is difficult and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. While we have not faced any such instances of intellectual property-related litigation in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, in the event that we resort to litigation to enforce our intellectual property rights in the future, such litigation could result in substantial costs and a diversion of our managerial and financial resources. There can be no assurance that we will prevail in such litigation.

Any failure to protect or enforce our intellectual property rights could have an adverse effect on our business, financial condition, cash flows and results of operations.

36. Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management may be interested in our Company other than remuneration and reimbursement of expenses.

Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management are interested in our Company, in addition to regular remuneration or benefits, as applicable and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and stock options in our Company and benefits arising therefrom. There can be no assurance that our Promoters, Directors, Key Managerial Personnel and Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner. For details, see "*Our Promoters and Promoter Group*", "*Our Management*", "*Group Companies*" and "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" on pages 283, 262, 435 and 355, respectively.

37. Our success depends in large part upon our Promoters, Directors, Key Managerial Personnel, Senior Management and certain other employees and our inability to attract, train and retain such persons could adversely affect our business, financial condition, cash flows and results of operations.

We are highly dependent on our Promoters, a number of our Directors, Senior Management and Key Managerial Personnel for formulating our business strategies and managing our business. For further information, see "*Our Management*" on page 262. 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 market for skilled employees is extremely competitive, and the process of hiring employees with the necessary skills requires the diversion of significant time and resources. The specialized skills we require can be difficult and time-consuming to acquire and develop and, as a result, such skilled personnel are often in short supply.

Set out below are details of our attrition for Key Managerial Personnel, members of the Senior Management and permanent employees for the years indicated:

Particulars	Fiscal		
	2025	2024	2023
Total number of Key Managerial Personnel	5	4	4
Attrition rate of Key Managerial Personnel (%)	NA	25.00%	NA
Total number of members of Senior Management (other than Key Managerial Personnel)	4	4	4
Attrition rate of members of Senior Management (other than Key Managerial Personnel) (%)	NA	NA	NA
Total number of permanent employees	1,156	1,083	1,048
Attrition rate of permanent employees (%)	44.32%	56.97%	NA

Note: Attrition rate is the number of employees who have resigned divided by the previous Fiscal closing number of employees

Competition remains intense for well-qualified employees in certain aspects of our business, including information technology and product management and development. To attract and retain top talent, we have had to offer, and we believe we will need to continue to offer, competitive compensation and benefits packages. Competition for talent in our industry is intense, and we may need to offer more attractive compensations and other benefits packages to attract and retain them. While we have not faced any instances of difficulties in hiring and retaining our Directors, Key Managerial Personnel, members of the Senior Management and other employees that led to any adverse effect on our business or operations in Fiscals 2025, 2024 and 2023, there can be no assurance that such instances will not occur in the future. The loss of the services of our Promoters, Directors, Senior Management or any Key Managerial Personnel and our inability to locate suitable or qualified replacements or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may incur additional expenses which could severely disrupt our business and have an adverse effect on our business, financial condition, cash flows and results of operations.

38. Our Corporate Office and two manufacturing facilities are situated in a building/on land that are not owned by us. In the event that we lose such rights or are required to renegotiate arrangements for such rights, our business, financial condition, cash flows and results of operations may be adversely affected.

As of the date of this Draft Red Herring Prospectus, our Corporate Office and two of our manufacturing facilities are held on leasehold basis. Set out below are details of the address of such leased properties:

Particulars	Address	Lease tenure	Registration status
Corporate Office	Unit no. s 1004, 1005 and 1006, 10th Floor. South Tower, One 42 Mall, Iscon Ambli Road, Ashok Vatika, Ahmedabad- 380054, Gujarat, India	9 years	Registered

Particulars	Address	Lease tenure	Registration status
Manufacturing facility	Sr. No. 237/1P14, Unit Conffi Sanitaryware, NH 8A, Gram Panchayat, Ratavirda, Morbi-363621, Gujarat, India	50 years	Registered
Manufacturing facility	Sr. No. 154,155,156, Unit Conffi Sanitaryware, NH 8A, Gram Panchayat, Ratavirda, Morbi-363621, Gujarat, India	50 years	Registered

For further details, please see section "*Our Business – Our Properties*" on page 233.

Under the terms of the lease agreement for our Corporate Office, the leased premises may only be used for the purpose of running an office for the conduct of business activities involving non-manual work. The use of the premises as a showroom, display center, or for any other activities not falling within the permitted scope as determined by the Promoters is prohibited. Further, certain lease agreements, including pertaining to our Corporate Office, are subject to lock-in periods, during which termination by either party is not permitted except in cases of incurable breach by one of the parties, force majeure, or action by a governmental authority.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. While we have not faced any instances of non-renewal or early termination of our lease agreements in Fiscals 2025, 2024 and 2023, there can be no assurance that such instances will not occur in the future. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

39. ***Our insurance coverage may not be sufficient or may not adequately protect us against risks and unexpected events, which may adversely affect our business, financial condition, cash flows and results of operations.***

Our operations are subject to various risks inherent in the manufacturing industry including defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We maintain insurance policies that are customary in the industry in which we operate such as standard fire and allied perils insurance, burglary insurance, marine cargo insurance, workman's compensation insurance, vehicle insurance, directors' & officers' liability insurance, transit of raw material and finished goods insurance and consequential loss (fire) of profit policy. For further details of the insurance policies availed by our Company, see "*Our Business – Insurance*" on page 233.

Set out below are details of our insurance coverage in relation to our total assets as of the dates indicated:

Particulars	As of March 31,		
	2025	2024	2023
Insurance cover (₹ million) (A)	13,788.83	14,896.45	12,370.87
Total tangible assets (₹ million) (B)	6,559.47	6,904.92	3,233.52
Insurance coverage ratio (%) (C = A/B)	210.21%	215.74%	382.58%

Note: Total tangible assets include net block of property, plant, equipment and capital work in progress

Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Accordingly, our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. While we have not faced any instances of insufficient insurance coverage in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such instances will not occur in the future. We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies. To the extent that we suffer loss or damage as a result of events for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or the amount received pursuant to an insurance claim, the loss would have to be borne by us and our business, financial condition, cash flows and results of operations could be adversely affected.

40. ***We have certain contingent liabilities that have not been provided for in our Restated Consolidated Financial Information, which if they materialize, may adversely affect our financial condition.***

The details of our contingent liabilities are set out below as of March 31, 2025:

	As of March 31, 2025
	(₹ million)
Claims against the company not acknowledged as a debt	
- Claims under Central Excise Duty Act	58.96
- Claims under Income Tax Act	139.44
- Claims under Goods and Service Tax Act	18.65
- Others (National Green Tribunal)	13.68
- Interim Compensation demanded by National Green Tribunal and GPCB for the usage of Coal Gasifier Plant	18.40
- Other business litigation	0.11

Our contingent liabilities may become actual liabilities. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further information, see "*Financial Information - Restated Consolidated Financial Information*" on page 289.

41. ***If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.***

We possess extensive technical knowledge about our products, which has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights such as design registration. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Certain proprietary knowledge may be leaked (either inadvertently or willfully), at various stages of the manufacturing processes.

The potential damage from such disclosure is increased as our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the security and surveillance product manufacturing sector could be compromised. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. While there have been no instances of leakage of confidential technical information in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such instances will not occur in the future. Any leakage of confidential technical information could have an adverse effect on our business, financial condition, cash flows and results of operations.

42. ***We have entered into and may continue to enter into related party transactions. Failure to ensure that such related party transactions are entered into on an "arm's length" basis could have an adverse effect on our business, financial condition, cash flows and results of operations.***

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. Set out below are details of our related party transactions for years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income
Arithmetic aggregated absolute total of our related party transactions	199.83	1.34%	491.85	3.34%	1,049.64	7.50%

For details, see "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" on page 355. All such transactions have been conducted on an arm's length basis in accordance with applicable laws and are not prejudicial to the interest of our Company. We cannot assure you that we could not have obtained more favorable terms had such transactions been entered into with unrelated parties. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholders' approval, as necessary under the Companies Act and the Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

43. ***We currently avail benefits under certain export promotion schemes. Any failure in meeting the obligations under such schemes, may result in adversely affecting our business, financial condition, cash flows and results of operations.***

We currently avail benefits under the GoI's Refund of Duties and Taxes on Exported Products (RoDTEP) scheme under the Foreign Trade Policy of India which allow us duty free import of certain inputs used for manufacturing and availing duty drawbacks. We also took benefit from export incentives under other export promotion schemes including the Export Promotion

Capital Goods (EPCG) scheme and Duty Drawback. Set out below are the details of our export incentive income for years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income
Export incentive income	79.72	0.53%	90.90	0.62%	71.18	0.51%

If these export incentives are withdrawn, or there is a delay in disbursements of benefits under such schemes, our business, financial condition, cash flows and results of operations may be adversely affected. In addition, we may be subject to disputes with tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions under these benefits. While we have not faced any instances of non-compliance or disputes with tax authorities in relation to these benefits in Fiscals 2025, 2024 and 2023 that led to any material adverse impact on our business and operations, there can be no assurance that such instances will not occur in the future. For further information on our tax benefits, see our "*Statement of Special Tax Benefits*" on page 142.

44. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategies could have an adverse effect on our business, financial condition, cash flows and results of operations.

The success of our business depends on our ability to effectively implement our growth strategy. For instance, we intend to focus on expanding our distribution network across India. Achieving this growth will depend on various factors, including regulatory challenges, our capacity to identify industry trends and demands, competition from existing companies, maintaining effective quality control, and recruiting and training qualified personnel. Many of these factors are beyond our control, and there is no guarantee that we will succeed in executing our strategies. For details in relation to our strategies, see "*Our Business – Strategies*" on page 216.

Our future growth will also hinge on expanding our sales network into new markets and geographies through different sales channels, which carries increased risks. We may encounter difficulties in hiring, training, and retaining qualified employees, as well as in sourcing reliable suppliers that meet our quality standards. Consequently, products introduced in new markets may be more costly to produce and distribute, potentially leading to longer timelines for achieving expected sales and profit levels compared to our existing markets. Further, our growth could strain our managerial, operational, and financial resources. Effectively managing future growth will depend on our ability to implement and enhance operational, financial, and management information systems, as well as internal controls in a timely manner. We will also need to expand, train, and motivate our workforce, which may impose significant demands on our management and resources. We cannot assure you that our personnel, systems, procedures, and controls will be sufficient to support our growth. We have not faced any difficulties in managing and implementing our business plan and growth strategies that led to any material adverse impact on our business and operations during Fiscals 2025, 2024 and 2023. Failure to effectively manage our expansion could lead to increased costs, reduced profitability, and negatively impact our growth prospects. There is no assurance that we will achieve our business strategy within the expected timeframe or budget, or that our expansion efforts will enhance profitability. Our inability to manage our business and implement our growth strategy could materially adversely affect our financial condition and profitability.

45. Any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business, financial condition, cash flows and results of operations.

Our credit ratings are intended to measure our ability to meet our debt obligations and are a significant factor in determining our finance costs. Set out below are details of our credit ratings:

Date	Rating Agency	Credit Rating	Outlook
Varmora Granito Limited			
July 2024	CRISIL Limited	A1	Positive
July 2023	CRISIL Limited	A1	Positive
Simola Tiles LLP			
October 2024	CRISIL Limited	Long term rating – BBB- Short term rating – A3	Positive
October 2023	CRISIL Limited	Long term rating – BBB- Short term rating – A3	Positive
August 2023	CRISIL Limited	Long term rating – BBB- Short term rating – A3	Positive
September 2022	CRISIL Limited	Long term rating – D INC Short term rating – D INC	-

The credit ratings have been obtained for a wide range of debt instruments availed by our Company and our Subsidiary namely Simola Tiles LLP, including, inter alia, bank guarantees, cash credits, export packing credits, letters of credit, long term loans, term loans, working capital facilities and working capital term loans. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. While there has been no downgrade to our Company's or our said Subsidiary's credit ratings during Fiscals 2025, 2024 and 2023, any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets which, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. For more information, see "*Financial Indebtedness*" starting at page 424.

46. An inability to establish and maintain effective internal controls could lead to an adverse effect on our business, financial condition, cash flows and results of operations.

We manage regulatory compliance by monitoring and evaluating our internal controls (led by our dedicated internal audit team) and ensuring that we are in compliance with all relevant statutory and regulatory requirements. We have also implemented risk control matrices together with IT related control mechanisms that allows us to track any changes in our internal control processes. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected. While we have not faced any lapses in our internal controls that led to any adverse effect on our business or operations in Fiscals 2025, 2024 and 2023, any such lapses in the future may lead to an adverse effect on our business, financial condition, cash flows and results of operations.

There can be no assurance that deficiencies in our internal controls and non-compliances with statutory requirements will not arise in the future, particularly as our business grows, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Also see "- *Internal Risks – 16. Our Statutory Auditors have included certain qualifications (with respect to the adequacy of internal financial controls) and emphasis of matter in their audit report for Fiscal 2023. Further, our audit reports include certain observations in the annexure to the report prescribed under the Companies (Auditor's Report) Order, 2020 for Fiscals 2025, 2024 and 2023. There can be no assurance that our audit reports for any future periods or financial years will not contain qualifications, matters of emphasis or other observations, including any observations that may have an effect on our financial statements and which could adversely affect our business, financial condition, cash flows and results of operations*" on page 48.

47. Increased losses due to fraud, employee misconduct, employee negligence, theft or similar incidents may have a negative impact on our business, financial condition, cash flows and results of operations.

Our operations may be subject to incidents of fraud, employee misconduct, employee negligence, theft or similar incidents. We may also encounter inventory loss on account of employees/ supplier/ customer fraud, theft, or embezzlement. While we have not faced any instances of fraud, employee misconduct, employee negligence, theft in Fiscals 2025, 2024 and 2023, there can be no assurance that such instances will not occur in the future. Any such instances of fraud, employee misconduct, employee negligence, theft or similar incidents in the future, could adversely affect our reputation, business, financial condition, cash flows and results of operations. We have set up various security measures in our units such as deployment of security guards and operational processes such as periodic stock taking as a safety net. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have an adverse effect on our business, financial condition, cash flows and results of operations. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

48. Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which has been prepared exclusively for the Offer and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

We have commissioned a report from Technopak Advisors Private Limited titled "*Industry Report on Tiles, Bathware & Sanitaryware Market in India*" dated August 7, 2025 (the "**Technopak Report**"), pursuant to a letter of authorisation dated October 4, 2024. Certain information in this section and "*Industry Overview*," "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 151, 203 and 391, respectively, have been derived from the Technopak Report.

The commissioned Technopak Report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that these assumptions are correct and will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Draft Red Herring Prospectus. Further, the Technopak Report is prepared based on information as of specific dates, which may no longer be current or reflect current trends. For the disclaimer regarding the Technopak Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and market data*" on page 17.

Further, the commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as an expert advice or investment advice. Prospective investors are advised not to unduly rely on the Technopak Report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions.

49. We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate.

Certain non-GAAP financial measures, such as EBITDA, EBITDA margin, Gross Profit, Gross Margin, Profit for the Year Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Net Worth, Net Debt, Return on Capital Employed, Return on Equity, Net Asset Value per Equity Share ("**Non-GAAP Measures**") and certain other industry measures relating to our operations and financial performance, such as, Tiles Sales Volume have been included in this Draft Red Herring Prospectus. Such Non-GAAP Measures are supplemental measures of our performance and liquidity is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. We compute and disclose such Non-GAAP Measures and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of similar businesses, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the periods/years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. These Non-GAAP Measures and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other similar companies. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure.

Further, we track certain operating metrics with our internal systems and tools. Our methodologies for tracking these metrics may change over time, which could result in changes to our metrics in the future, including to metrics that we publicly disclose. If our internal systems and tools track our metrics inaccurately in the future, the corresponding data may be inaccurate. This may impair our understanding and evaluation of certain aspects of our business, which could affect our operations and long-term strategies.

Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 417.

50. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which may be beyond our control. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

We intend to use the net proceeds of the Offer for (i) repayment/ pre-payment, in full or in part, of all or certain outstanding borrowings and accrued interest availed by our (a) Company; and (b) our wholly-owned subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and of our subsidiary, Simola Tiles LLP, through investment in such Subsidiaries; and (iii) general corporate purposes, as described in the section "*Objects of the Offer*" on page 117. The amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. As of the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates and our current business plans and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Offer. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, cash flows and results of operations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors. Accordingly, investors in Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds.

Further, we will appoint a monitoring agency for monitoring the utilization of the Gross Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

In accordance with Section 27 of the Companies Act, 2013 and Regulation 59 of the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, 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 Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations. Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section "*Risk Factors*", may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

51. A portion of the Net Proceeds is proposed to be utilized for repayment or pre-payment, in full or part, all or a portion of certain loans availed by our Company and Subsidiary namely Varmora Sanitarywares Private Limited (Formerly Known as Varmora Sanitarywares LLP), from State Bank of India, an affiliate of one of the BRLMs to the Offer.

We propose to either repay or pre-pay, in full or part, all or a portion of certain outstanding borrowings availed by our Company and Subsidiary namely Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*) from the State Bank of India ("**SBI**"), an affiliate of SBI Capital Markets Limited ("**SBICAPS**"), from the Net Proceeds. The amount outstanding as of March 31, 2025, in relation to the facilities availed from SBI, which are proposed to be repaid, in full or part, from the Net Proceeds, are set out below:

(*₹ in million*)

Name of the lender	Nature of borrowing	Amount sanctioned	Principal amount outstanding as on March 31, 2025
Varmora Granito Limited			
State Bank of India	Term loan	60.60	31.39
State Bank of India	Guaranteed emergency credit line	17.00	17.00
State Bank of India	Cash credit	800.00	39.20
State Bank of India	Working capital demand loan		700.86
Varmora Sanitarywares Private Limited (Formerly Known as Varmora Sanitarywares LLP)			
State Bank of India	Cash credit	32.50	23.03

SBICAPS is one of the BRLMs to the Offer. The loans were sanctioned by SBI as part of their separate lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. The Board of Directors of our Company have chosen the loans and facilities to be repaid/ prepaid based on commercial considerations. For further information, see "*Objects of the Offer – Details of the Objects of the Offer to be funded from Fresh Issue proceeds*" on page 118.

52. Our Promoters and Promoter Group will continue to retain significant shareholding in our Company after the Offer, which will allow them to exercise significant influence over us.

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold 51.52% of the pre-Offer paid-up Equity Share capital of our Company. After the completion of the Offer, our Promoters and Promoter Group will hold [●]%* of the post-Offer paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to exercise influence over all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. Further, our Promoter's shareholding may limit the ability of a third party to acquire control. The interests of our Promoters and Promoter Group could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favor.

** Subject to finalisation of basis of allotment. To be updated at the Prospectus stage.*

53. We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements and we may not be able to pay dividends in future.

Our Company did not pay dividends on the Equity Shares during Fiscals 2025, 2024 and 2023. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure requirements and restrictive covenants under financing arrangements that we may enter into. 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. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. 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 288.

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

The Offer comprises the Fresh Issue and the Offer for Sale. The Selling Shareholders will be entitled to the entire proceeds from the Offer from Sale and our Company will not receive any portion of the proceeds from the Offer for Sale. For details, see "*Objects of the Offer*" on page 117.

EXTERNAL RISK FACTORS

55. Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, financial condition, cash flows, results of operations and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. For further information, see "*Key Regulations and Policies*" on page 237.

The GoI has passed new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, respectively which were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our labor costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

Further, the application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by the Ministry of Finance, GoI, prescribed certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can, henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the basic rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as loss of minimum alternate tax carry forward, exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse orders passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Digital Personal Data Protection Act, 2023 ("**PDP Act**") provides for personal data protection and privacy of individuals, regulates cross border data transfer, and provides several exemptions for personal data processing by the Government. It also provides for the establishment of a Data Protection Board of India for taking remedial actions and imposing penalties for breach of the provisions of the PDP Act. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Act.

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

56. Subsequent to the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures ("**ASM**") and Graded Surveillance Measures ("**GSM**") by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

57. Any adverse development, slowdown in Indian economy, political or any other factors beyond our control may have an adverse impact on our business, results of operations, cash flows and financial condition.

Our Company, incorporated in India with all its assets located in India, is subject to various factors that may impact its performance and the market price of its Equity Shares. These factors include interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India. Adverse effects on the Indian economy, and consequently on our operations, may arise from several sources: macroeconomic climate changes such as increased interest rates or inflation; exchange rate fluctuations and currency controls; scarcity of credit or financing; prevailing income conditions among customers and corporations; public health crises such as epidemics or pandemics; volatility in trading activity on India's stock exchanges; political instability, terrorism, or military conflict; natural or man-made disasters; regional or global economic conditions; significant regulatory or economic developments; international business practices conflicting with local laws; protectionist policies; logistical and communication challenges; downgrading of India's sovereign debt rating; difficulties in forming partnerships with local businesses; and being subject to foreign judicial processes. Any slowdown or perceived slowdown in the Indian economy or specific sectors could adversely affect our business, results of operations, financial condition, and the price of our Equity Shares.

In case we are not able to react to adverse economic developments, sector-specific conditions and cyclical trends in a flexible and appropriate way, business, financial condition, cash flows and results of operations could be adversely affected. Also, see "- *66. Financial instability in other countries may cause increased volatility in Indian financial markets.*" on page 68.

58. The locations in which we operate could experience natural disasters. The occurrence of natural or man-made disasters may adversely affect our business, results of operations, cash flows and financial condition.

A natural disaster, severe weather conditions or an accident that damages or otherwise adversely affects any of our business operations, or our customers' business operations, could have a material adverse effect on our business, results of operations, cash flows and financial condition. Severe flooding, lightning strikes, earthquakes, extreme wind conditions, severe storms, wildfires, and other unfavorable weather conditions (including those from climate change) or natural disasters could damage our offices or other assets, or require us to shut down our or our customers' operations, impeding our ability to on-board new customers or collect repayments from our existing customers. For instance, some of the states in which we operate are prone to natural disasters and have suffered these in recent years including cyclones in Gujarat. For further information, see "- *Internal*

Risk Factors – 1. We are dependent on our manufacturing facilities for a significant portion of our revenues (78.55% of our total revenue from operations in Fiscal 2025). Any delay in production at, or shutdown of, or any interruption in these manufacturing facilities may significantly and adversely affect our business, financial condition, cash flows and results of operations" on page 38. Further, catastrophic events such as explosions, terrorist acts, riots or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of our offices or field activities, or suspension of our business operations or our customers' business operations. Any of these events could have an adverse effect on our business, results of operations, cash flows and financial condition.

59. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have a material adverse effect on the trading price of, and returns on, our Equity Shares, independent of our operating results.

Any dividends in respect of our Equity Shares will 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 foreign investors receive. 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 a material adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

60. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. High inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries and other operating expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability.

Fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

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

The Restated Consolidated Financial Information of our Company, subsidiaries, associates and joint ventures as at and for the years ended March 31, 2025, 2024 and 2023, comprising the restated consolidated statement of assets and liabilities of the Company as of March 31, 2025, 2024 and 2023, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated cash flow statement for the years ended March 31, 2025, 2024 and 2023, the consolidated summary statement of material accounting policies and other explanatory information, derived from the audited consolidated Ind AS financial statements as at and for the years ended March 31, 2025 and 2024 and the audited special purpose consolidated Ind AS financial statements as at and for the year ended March 31, 2023. The Restated Consolidated Financial Information is restated in accordance with the requirements of the Companies Act and the SEBI ICDR Regulations and the "Guidance Note on Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify their impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

62. Any adverse revision to India's debt rating could adversely affect our business.

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings, terms on which we are able to raise additional finances or refinance any existing indebtedness. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

63. Our business may be adversely affected by competition laws in India.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates and was enacted for the purpose of preventing practices that have or are likely to have an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India and mandates the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC in India, is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services, including by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall also be guilty of the contravention and may be punished. The Competition Act was amended in April 2023 to, inter alia, increase the scope of definition of anti-competitive agreements and empower the CCI to impose penalties based on a company's global turnover.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an AAEC in India. The Competition Act also includes provisions in relation to combinations which require any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, to be mandatorily notified to and pre-approved by the CCI. While certain agreements entered into by us could be within the purview of the Competition Act, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows and results of operations. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

64. Changes in international trade policies, geopolitics and trade tariffs, export controls, economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

Our export business is exposed to international trade policies, geopolitical tensions and the imposition of tariffs, export controls or economic sanctions, which are inherently unpredictable and beyond our control. In particular, geopolitical tensions and economic sanctions may lead to restrictions on our product sales and raw material procurement in certain countries, limiting our access to key markets. Changes in trade or investment agreements could result in bans or limitations on our goods, thereby curbing our expansion efforts. In addition, sanctions could strain our relationships with foreign partners and suppliers, adversely affecting our international business. Additionally, heightened tensions may shift consumer preferences in overseas markets toward domestically produced products, reducing demand for imported goods, including ours. In some regions, we may face increased tariffs on our products, driving up our products' prices, undermining our competitiveness and impacting our profit margins.

In 2025, the United States administration implemented tariffs on several major trading partners, including India, Canada and the European Union, with a baseline of 10% tariffs on all countries, including India, and an additional individualized reciprocal higher tariff on the countries with which the U.S. has the largest trade deficits. These tariffs, together with countermeasures that have been or may be adopted by trading partners affected by these tariffs are likely to disrupt global trade and increase volatility in financial markets, including stock, currency and interest rate markets. Also, see "- *Internal Risk Factors — 11. We derive a portion of our revenue from operations from outside India (revenue from contracts with customers from outside India was 21.31% of our Sale of Products in Fiscal 2025) which exposes us to risks inherent to operations in these foreign jurisdictions. Our global operations expose us to risks such as compliance with local laws, and any failure to comply with applicable laws or regulations could lead to civil, administrative or regulatory proceedings which could adversely affect our business, results of operations and financial condition."* on page 44.

Any negative trends or changes in international trade policies, geopolitics and trade tariffs, export controls, economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

65. Investors may have difficulty enforcing foreign judgments in India against us or our management.

Our Company is incorporated under the laws of India, a majority of our Directors and Key Managerial Personnel and members of Senior Management are residents of India and all our assets are located in India. As a result, it may not be possible for investors to effect service of process on us or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities on us or such directors and executive officers under laws other than Indian Law.

Recognition and enforcement of foreign judgments is provided for, under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**"). India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has a reciprocal recognition or enforcement of foreign judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Hong Kong, Republic of Singapore, United Arab Emirates, among others. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, such as the United States, cannot be enforced through execution proceedings in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, the enforcement process would involve instituting a fresh proceeding in India and obtaining a decree from an Indian court. However, if a final foreign judgment has been obtained in a non-reciprocating territory, the party in whose favor such final foreign judgment is rendered may initiate a fresh suit in a competent court in India within three years of obtaining such final foreign judgment. Generally, there are considerable delays in the disposal of suits by Indian courts.

However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India or that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with the public policy in India. Further, there can be no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain a prior approval from the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe, China and certain emerging economies in Asia. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Further, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by conflicts between Israel-Palestine, Russia-Ukraine and Israel-Iran. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. These conflicts could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy. Moreover, the failure or abandonment of proposed or current free trade agreements and pacts by major participants, the introduction of duties and taxes on imported goods, or the implementation of other significant trade barriers can directly or indirectly impede cross-border trade, production, and demand for goods. Changes in international trade policy could lead to retaliatory actions by affected countries, resulting in "trade wars" and increased costs for globally transported goods. These increased costs may reduce customer demand for products if the parties paying the tariffs raise their prices, or trading partners may limit their trade with countries that impose anti-trade measures. Also, see "*-64. Changes in international trade policies, geopolitics and trade tariffs, export controls, economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.*" on page 67. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

The global credit and equity markets have from time to time, experienced substantial dislocations, liquidity disruptions and market corrections. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, may implement a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of our Equity Shares.

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

RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

67. *The Offer Price of our Equity Shares, price-to-earnings ratio and market capitalization to total income may not be indicative of the trading price of the Equity Shares upon listing on the Stock Exchanges subsequent to the Offer and, as a result, you may lose a significant part or all of your investment.*

Our market capitalization to revenue from operations for Fiscal 2025 is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band, and our price to earnings ratio multiple for Fiscal 2025 is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band. The table below provides the details of our price to earnings ratio and market capitalization to revenue from our operations at the Offer Price:

Particulars	Price to Earnings Ratio	Market Capitalization to Revenue from operations
[●]	[●]	[●]

Our Offer Price, the multiples and ratios specified above may not be comparable to the market price, market capitalization and price-to-earnings ratios of our peers. Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company in consultation with the BRLMs, would not be based on a benchmark with our industry peers. The relevant financial parameters on the basis of which Price Band will be determined, have been disclosed under "*Basis for Offer Price*" on page 128 and shall be disclosed in the price band advertisement.

Further, the current market price of some of the securities listed pursuant to initial public offerings which were managed by the BRLMs in the past are below their respective issue prices. The relevant financial parameters on the basis of which Price Band will be determined, shall be disclosed in the price band advertisement. Prior to this Offer, there has been no public trading market for our Equity Shares. It is possible that, after this Offer, an active trading market will not develop or continue. Listing and quotation do not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. If an active trading market does not develop, you may have difficulty selling any of our Equity Shares that you buy.

68. *Any future issuance of our Equity Shares or convertible securities or other equity linked instruments by our Company may dilute prospective investors' shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.*

We may be required to raise additional capital and finance our growth through future equity offerings. Any future equity that we issue, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

69. *The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Further, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 128 and may not be indicative of the market price for the Equity Shares after the Offer.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. Our Equity Shares are expected to trade on the NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

70. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Any change in Indian tax laws could have an effect on our operations. The GoI has implemented major reforms in Indian tax laws including provisions relating to general anti-avoidance rules ("**GAAR**"). GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the Income-tax Act, 1961 ("**IT Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Further, the Finance Act, 2025, was notified on March 29, 2025, which has introduced various amendments to the IT Act. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Act, 2025 may have on our business and operations or on the industry in which we operate. 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.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the bid amount on submission of the bid and are not permitted to withdraw or lower their bids (in terms of quantity of equity shares or the bid amount) at any stage after submitting a bid. Retail Individual Bidders can revise or withdraw their bids at any time during the bid/offer period and until the bid/offer closing date, but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their bids.

72. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

Certain provisions in Indian law may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of our Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

73. 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.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required.

Shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT as consolidated in the FDI Policy with effect from October 15, 2020, 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 share a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. Any such approval(s) would be subject to the discretion of the regulatory authorities. Restrictions on foreign investment activities and impact on our ability to attract foreign investors may cause uncertainty and delays in our future investment plans and initiatives. We cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all.

74. Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Draft Red Herring Prospectus.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, other than India. As such, the Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

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

Our Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before our Equity Shares can be listed and trading of our Equity Shares may commence, including the crediting of the Investors' "demat" accounts within the timeline specified under applicable law. Further, in accordance with Indian law, permission for listing of our Equity Shares will not be granted until after our Equity Shares in this Issue have been Allotted and submission of all other relevant documents authorizing the issuing of our Equity Shares. There could be a failure or delay in listing of our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise to commence trading in our Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that our Equity Shares will be credited to investors' demat accounts, or that trading in our Equity Shares will commence, within the prescribed time periods or at all.

76. Rights of shareholders of companies under Indian law may be different compared to the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may be different from shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder in an Indian company rather than as a shareholder of an entity in another jurisdiction.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares (1)^	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹ [●] million
Of which:	
Fresh Issue(1)^	Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹ 4,000.00 million
Offer for Sale(2)	Up to 52,435,268 Equity Shares of face value of ₹2 each, aggregating up to ₹ [●] million by the Selling Shareholders
A) QIB Portion(3)(4)(5)	Not more than [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million
of which:	
(i) Anchor Investor Portion(5)	Up to [●] Equity Shares of face value of ₹2 each
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹2 each
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares of face value of ₹2 each
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹2 each
B) Non-Institutional Portion(3)(4)	Not less than [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million
of which:	
(a) One-third available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million	Up to [●] Equity Shares of face value of ₹2 each
(b) Two-third available for allocation to Bidders with an application size of more than ₹ 1.00 million	Up to [●] Equity Shares of face value of ₹2 each
C) Retail Portion(3)(4)	Not less than [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million
Pre- and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	201,625,108 Equity Shares of face value of ₹2 each
Equity Shares outstanding after the Offer*	[●] Equity Shares of face value of ₹2 each
Use of Net Proceeds of the Offer	See "*Objects of the Offer*" on page 117 for information on the use of the Net Proceeds of the Offer. Our Company will not receive any proceeds from the Offer for Sale.

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

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

(1) The Offer has been authorized pursuant to the resolutions dated July 21, 2025 and July 28, 2025 passed by our Board and the Fresh Issue has been authorized by our Shareholders by a special resolution dated July 23, 2025. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated July 28, 2025.

(2) The Selling Shareholders, severally and not jointly, confirm that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 438. The Selling Shareholders confirmed and approved its participation in the Offer for Sale and confirms that it has authorized the sale of the Offered Shares in the Offer for Sale as set out below:

Selling Shareholder	***Total No. of Offered Shares***	***Aggregate Value of Offer for Sale***	***Date of corporate approval***	***Date of consent Letter***
Katsura Investments	Up to 49,156,579 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	July 28, 2025	July 28, 2025
Ramanbhai Jivrajbhai Varmora	Up to 1,092,896 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	N.A.	July 28, 2025

Selling Shareholder	*Total No. of Offered Shares*	*Aggregate Value of Offer for Sale*	*Date of corporate approval*	*Date of consent Letter*
Vallabhbhai Jivrajbhai Varmora	Up to 1,092,896 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	N.A.	July 28, 2025
Parsotambhai Jivrajbhai Patel	Up to 1,092,897 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	N.A.	July 28, 2025

(3) Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Undersubscription, if any, in the QIB Portion (excluding the Anchor Investor Portion) will not be allowed to be met with spill-over from other categories or a combination of categories.

(4) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investors shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. The allocation to each Non-Institutional Investors shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

(5) Our Company, in consultation with the BRLMs, allocate 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 shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investors Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. For further information, see "Offer Procedure" on page 465.

For further details, see *"Offer Structure"*, *"Offer Procedure"* and "*Terms of the Offer*" on pages 461, 465, and 454.

SUMMARY FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 289 and 391, respectively. The following tables set forth summary financial information derived from our Restated Consolidated Financial Information.

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Summary of Restated Consolidated Statement of Assets and Liabilities

(*in ₹ million*)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	6,457.60	6,877.65	3,205.73
Capital work in progress	101.87	27.27	27.79
Right of use of assets	149.07	157.53	90.78
Goodwill	332.67	332.67	332.67
Other Intangible assets	116.64	156.73	195.11
Financial assets			
(i) Investments	335.22	321.68	285.89
(ii) Other financial assets	31.44	57.95	53.25
Deferred tax asset (net)	47.22	87.42	85.55
Non current tax assets (net)	11.55	-	9.62
Other non-current assets	26.03	66.07	31.22
Total Non-Current Assets	**7,609.31**	**8,084.97**	**4,317.61**
Current Assets			
Inventories	2,859.49	1,902.88	1,892.67
Financial assets			
(i) Trade receivables	3,822.15	3,329.16	3,614.52
(ii) Cash and cash equivalents	821.03	922.15	2,254.27
(iii) Bank balances other than cash and cash equivalents	330.42	61.06	117.42
(iv) Loans	98.20	94.57	146.56
(v) Other financial assets	80.32	83.84	89.71
Other current assets	277.12	283.01	209.25
Total Current Assets	**8,288.73**	**6,676.67**	**8,324.40**
TOTAL ASSETS	**15,898.04**	**14,761.64**	**12,642.01**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	403.25	399.66	133.22
Instruments entirely equity in nature	-	175.76	175.76
Other equity	6,917.24	6,301.96	6,204.80
Total equity attributable to equity holders of the Holding Company	**7,320.49**	**6,877.38**	**6,513.78**
Non controlling interest	111.46	156.23	178.96
Total equity	**7,431.95**	**7,033.61**	**6,692.74**
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	2,212.71	2,623.55	994.52
(ii) Lease Liability	141.88	141.30	73.73
(iii) Other financial liabilities	-	12.93	12.60
Provisions	45.72	39.58	34.99
Deferred tax liabilities (net)	154.09	220.69	218.14
Other non-current liabilities	351.53	429.22	41.88
Total Non-Current Liabilities	**2,905.93**	**3,467.27**	**1,375.86**
Current Liabilities			
Financial liabilities			
(i) Borrowings	2,838.84	1,505.33	1,681.97
(ii) Lease Liability	18.01	18.22	17.47
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	33.11	18.38	34.44
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,065.74	1,914.56	2,366.12
(iv) Other financial liabilities	412.08	630.05	216.97
Contract liabilities	75.71	105.70	102.19
Other current liabilities	112.12	41.19	96.62
Provisions	3.46	3.25	3.33
Current tax liabilities (net)	1.09	24.08	54.30
Total Current Liabilities	**5,560.16**	**4,260.76**	**4,573.41**

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Total Liabilities	**8,466.09**	**7,728.03**	**5,949.27**
TOTAL EQUITY AND LIABILITIES	**15,898.04**	**14,761.64**	**12,642.01**

Summary of Restated Consolidated Statement of Profit and Loss

(in ₹ million, unless stated otherwise)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
INCOME			
Revenue from operations	14,460.29	14,354.81	13,349.46
Other income	466.46	371.01	649.69
Total Income	**14,926.75**	**14,725.82**	**13,999.15**
EXPENSES			
Cost of materials consumed	4,381.71	3,442.51	3,447.05
Purchases of stock-in-trade	1,985.93	3,283.33	2,543.74
Change in inventories of finished goods, work in progress and stock-in-trade	(906.01)	(36.64)	(483.13)
Employee benefits expenses	1,091.16	975.06	909.16
Finance costs	424.90	290.56	417.28
Depreciation and amortisation expense	1,194.08	616.11	561.52
Other expenses	6,391.05	5,558.26	5,775.52
Total Expenses	**14,562.82**	**14,129.19**	**13,171.14**
Profit before Share of profit of associates and joint venture and tax	**363.93**	**596.63**	**828.01**
Share of profit of associates and joint venture, net of tax	12.57	33.73	20.11
Profit before tax	**376.50**	**630.36**	**848.12**
Tax expense			
Current tax	98.20	186.64	253.63
Deferred tax	(26.95)	(2.29)	42.72
Earlier year tax adjustments	(2.48)	(3.34)	1.13
Total Tax Expense	**68.77**	**181.01**	**297.48**
Profit for the year	**307.73**	**449.35**	**550.64**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains on defined benefit plans	2.30	6.52	17.63
(ii) Share of OCI in associates and joint ventures	0.37	1.48	0.11
(iii) Bargain gain on acquisition of subsidiary	-	-	7.57
(iv) Income tax relating to items that will not be reclassified to profit or loss	(0.55)	(1.95)	(3.32)
Other comprehensive income for the year, net of tax	**2.12**	**6.05**	**21.99**
Total comprehensive income for the year	**309.85**	**455.40**	**572.63**
Profit is attributable to:			
Owners of the Holding Company	352.47	441.70	509.56
Non-controlling interests	(44.74)	7.65	41.08
Other comprehensive income is attributable to:			
Owners of the Holding Company	2.15	5.11	21.46
Non-controlling interests	(0.03)	0.94	0.53
Total comprehensive income is attributable to:			
Owners of the Holding Company	354.62	446.81	531.02
Non-controlling interests	(44.77)	8.59	41.61
Earnings per Equity Share			
Basic Earning per Equity Share	1.75	2.19	2.80
Diluted Earning per Equity Share	1.74	2.19	2.80

Summary of Restated Consolidated Statement of Cash Flows

(*in ₹ million*)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Cash Flow from Operating Activities			
Profit before Tax	376.50	630.36	848.12
Adjustments for :			
Share of profit of associate and joint venture	(12.57)	(33.73)	(20.11)
Depreciation and amortisation expenses	1,194.08	616.10	561.52
Expected credit loss	(210.45)	194.07	89.73
Interest income on security deposit	(0.46)	(0.43)	(1.04)
(Profit)/ Loss on sale of assets	17.76	(1.39)	(2.59)
Interest income on loan to employee	(0.89)	(0.83)	-
Interest income on fixed deposits with banks	(74.80)	(127.76)	(80.16)
ESOP expense	88.50	31.58	-
Interest on lease liabilities	12.41	11.82	3.88
Interest expenses on borrowings	398.17	263.98	214.14
Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	2.06
Other finance cost	14.32	9.79	13.41
Sundry balances written off/ (back)	(8.66)	(3.83)	1.29
Interest income on inter corporate loans	(5.03)	(4.86)	(5.85)
Fair value gain on mutual fund	(0.59)	(0.57)	(0.29)
Government grant income	(88.47)	(152.53)	(65.49)
Change in fair value of investment classified at fair value through profit or loss	-	-	(12.11)
(Gain)/Loss on fair value of call option measured at FVTPL	(5.97)	4.50	106.20
Loss on fair value of Differential voting right (DVR Shares)	0.13	0.31	0.30
Operating profit before working capital changes	**1,693.98**	**1,436.58**	**1,653.01**
Change in operating assets and liabilities			
(Increase) in inventories	(956.61)	(10.20)	(441.36)
(Increase)/Decrease in trade receivables	(282.54)	91.29	(1,103.80)
(Increase)/Decrease in other current and non current financial assets	15.04	(8.47)	(17.25)
(Increase) /Decrease in other current and non -current assets	6.52	(73.62)	(4.73)
Increase/(Decrease) in trade payables	174.57	(463.81)	102.70
Increase/(Decrease) in contract liabilities	(29.99)	3.55	(30.65)
Increase in provisions	8.65	10.56	9.50
Increase/(Decrease) in other current and non current financial liabilities	51.06	154.98	(7.29)
Increase/(Decrease) in other current and non-current liabilities	81.71	(56.77)	(11.91)
Cash generated from operations	**762.39**	**1,084.09**	**148.22**
Income tax paid, net	(130.26)	(201.18)	(250.00)
Net cash flows from/ (used in) Operating Activities (A)	**632.13**	**882.91**	**(101.78)**
Cash Flow from Investing Activities			
Payment for property, plant and equipment and capital work in progress (including capital creditors and capital advances)	(1,116.69)	(3,482.97)	(201.37)
Payments towards acquisition of interest in subsidiaries, net of cash acquired	-	-	(487.73)
Proceeds from sale of property, plant and equipment	93.46	22.58	74.00
Payments for intangible asset	(5.39)	(6.49)	(0.97)
Proceeds from / (payments towards) loan to employee, net	1.37	(6.82)	(4.97)
Loans to related parties	-	-	13.08
Proceeds from / (investment in) fixed deposit, net	(243.38)	46.76	(58.74)
Net proceeds from / (investment in) inter corporate loans	(4.11)	63.68	91.61
Payments towards acquisition of interest in associates	-	-	(76.53)
Proceeds from sale of investment	-	-	95.72
Payments towards acquisition of additional interest in subsidiaries	-	(146.10)	(193.94)
Interest received	75.27	143.76	64.50
Payments towards purchase of call options		-	(147.80)
Net cash flow used in Investing Activities (B)	**(1,199.47)**	**(3,365.60)**	**(833.14)**
Cash Flow from Financing Activities			
Proceeds from issue of equity share capital	-	-	427.29
Principal and interest payment of lease liability	(30.91)	(28.06)	(14.50)
Proceeds from long term borrowings	313.44	2,256.20	262.02
Repayment of long term borrowings	(483.40)	(652.43)	(793.39)
Proceeds from / (Repayment of) current borrowings, net	1,090.62	(147.68)	124.24
Redemption of non-cumulative redeemable preference shares (NCRPS)/redeemable preference shares	-	-	(131.81)
Buy back of shares by subsidiaries	-	-	(245.00)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Taxes paid on buy back	-	-	(38.35)
Interest expense paid	(410.48)	(277.46)	(217.90)
Proceeds from issue CCPS	-	-	3,515.17
Proceeds from / (Buyback of) DVR Shares	(13.05)	-	12.30
Net cash flows from Financing Activities (C)	**466.22**	**1,150.57**	**2,900.07**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(101.12)**	**(1,332.12)**	**1,965.15**
Cash and cash equivalents at the beginning of the year	922.15	2,254.27	289.12
Cash and cash equivalents at the end of the year	**821.03**	**922.15**	**2,254.27**

Cash and cash equivalents comprise:

(in ₹ million)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Balances with banks	11.50	28.04	215.02
Fixed deposits with original maturity of less than 3 months	794.86	884.14	2,029.29
Cash on hand	14.67	9.97	9.96
Total cash and cash equivalents at end of the year	**821.03**	**922.15**	**2,254.27**

GENERAL INFORMATION

Registered Office of our Company

Varmora Granito Limited
8-A, National Highway, Dhuva,
Taluka Wankaner, Rajkot – 363 641,
Gujarat, India

There has been no change in the registered office of our Company since its incorporation.

Corporate Office of our Company

Varmora Granito Limited
1004/5/6, South Tower, ONE42,
Off. Iscon-Ambli Road,
Ahmedabad – 380 054,
Gujarat, India

Company registration number and corporate identity number

Registration number: 043194
Corporate identity number: U26914GJ2003PLC043194

Address of the RoC

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

Registrar of Companies, Gujarat at Ahmedabad
ROC Bhavan, Opposite Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad – 380 013,
Gujarat, India.

Board of Directors

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

Name	DIN	Address
Bhavesh Vallabhdas Varmora (*Chairman and Managing Director*)	02718600	19, Jayraj Park, Ravapar Road Morvi, Rajkot – 363 641, Gujarat, India
Pramodkumar Parsotambhai Patel (*Executive Director*)	01935197	Lalkrupa, Anupam Society, Street of Kadam Medical, Ravapar Road, Morvi, Morbi – 363641, Gujarat, India
Hiren R Varmora (*Executive Director*)	05162353	301, Rudraksha Apartments, Dr. Pandit Dindayal Marg, Mayur Nagar, Rajkot – 360005, Gujarat, India.
Aamir Zeb (*Non-Executive Nominee Director*)	09813777	1001, Z-16, 16th Road, Bandra West, Mumbai, Mumbai Suburban – 400050, Maharashtra, India
Amit Jain (*Non-Executive Nominee Director*)	06917608	A-902 Lodha Bellissimo, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi East, Mumbai, Mumbai City – 400011, Maharashtra, India
Suryanarayanan Sivaramakrishnan (*Independent Director*)	00444230	52/ 53, Sagar Tarang 81/ 83 Bhulabhai Desai Road, Cumballa Hill, Mumbai – 400026, Maharashtra, India
Chandubhai Virani (*Independent Director*)	00524980	Arjun Park Society, Amin Marg, Balaji, Rajkot – 360001, Gujarat, India
Sandhya Maulik Patel (*Independent Director*)	02215022	Satyagrah Chhavni Society 359, Lane-18, Satellite Road, Ahmedabad City, Ahmedabad – 380015, Gujarat, India
Vivek Vikram Singh *(Independent Director)*	07698495	Villa no. 71, the Palm Springs, Golf Course Road, opposite Hotel IBIS, Sector 54, Gurgaon – 122 001, Haryana, India
Shital Bharatkumar Badshah *(Independent Director)*	10039677	K-102, Binori Sonnet, Nr. Sarkari Tubewell Bopal, Daskroi, Bopal, Ahmedabad - 380058, Gujarat, India

For further details of our Board of Directors, see "*Our Management – Board of Directors*" on page 262.

Company Secretary and Compliance Officer

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

Nilesh Sharma
1004/5/6, South Tower,
ONE42, Off. Iscon-Ambli Road,
Ahmedabad – 380 054,
Gujarat, India.
Telephone: + 91 – 9909913657
E-mail: investor.relations@varmora.com

Investor grievances

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

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

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

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025
Maharashtra, India
Telephone: +91 22 6630 3030
Email: vgl.ipo@jmfl.com
Website: www.jmfl.com
Investor grievance E-mail: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration no.: INM000010361

Goldman Sachs (India) Securities Private Limited
9th and 10th Floor, Ascent-Worli
Sudam Kalu Ahire Marg Worli,
Mumbai 400 025
Maharashtra, India
Telephone: +91 22 6616 9000
E-mail: varmoraipo@gs.com
Investor grievance E-mail: india-client-support@gs.com
Website: www.goldmansachs.com
Contact person: Devarajan Nambakam
SEBI registration number: INM000011054

SBI Capital Markets Limited
1501, 15th floor, A & B Wing
Parinee Crescenzo, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Telephone: +91 22 4006 9807
Email: varmora.ipo@sbicaps.com
Website: www.sbicaps.com
Investor grievance E-mail: investor.relations@sbicaps.com
Contact person: Kristina Dias
SEBI registration no.: INM000003531

Syndicate Members

[●]

Statement of *inter-se* allocation of responsibilities among the BRLMs

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

Sr No	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy, due diligence of our Company including its operations/management, legal etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with the 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.	All BRLMs	JM Financial
2.	Drafting and approval of statutory advertisements	All BRLMs	JM Financial
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including audio & visual presentation, corporate advertising, brochure, etc. and filing of media compliance report.	All BRLMs	GS
4.	Appointment of intermediaries –Registrar to the Issue, advertising agency including co-ordination for agreements to be entered into with such intermediaries.	All BRLMs	JM Financial
5.	Appointment of intermediaries – Bankers to the Issue, Monitoring Agency, Sponsor Banks, printers to the Issue and other intermediaries including co-ordination for agreements to be entered into with such intermediaries.	All BRLMs	SBICAPS
6.	Preparation of road show marketing presentation and frequently asked questions	All BRLMs	GS
7.	International institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	All BRLMs	GS
8.	Domestic institutional marketing of the Issue, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting Schedule	All BRLMs	JM Financial
9.	Retail - non-institutional marketing of the Issue, which will cover, inter alia: • Finalising media, marketing, public relations strategy and publicity • Budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow - up on distribution of publicity; and • Issue material including form, Red Herring Prospectus/ Prospectus and deciding on the quantum of the Issue material	All BRLMs	SBICAPS
10.	Managing the book and finalization of pricing in consultation with the Company	All BRLMs	GS
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, anchor coordination, anchor CAN and intimation of anchor allocation.	All BRLMs	SBICAPS
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 our Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit	All BRLMs	SBICAPS

Sr No	Activity	Responsibility	Co-ordination
	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. Co-ordination with SEBI and Stock Exchanges for submission of all post Issue reports including the post Issue report to SEBI.		

Legal Counsel to our Company as to Indian Law

Trilegal
One World Centre
10th floor, Tower 2A & 2B
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Telephone: +91 22 4079 1000

Registrar to the Offer

KFin Technologies Limited
Selenium, Tower B, Plot No –31 and 32
Financial District, Nanakramguda, Serilingampally
Hyderabad, Rangareddy – 500 032
Telangana, India
Telephone: +91 040 6716 2222
E-mail: vgl.ipo@kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Banker(s) to the Offer

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

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

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

Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

Eligible SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 read with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, read with other applicable UPI Circulars, UPI Bidders, bidding using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) 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 at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, as 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 at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Experts

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

Our Company has received the written consent dated August 7, 2025 from our Statutory Auditor, Walker Chandiok & Co LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report dated July 28, 2025 on the Restated Consolidated Financial Information; and (ii) the statement of special tax benefits available to the Company, and its shareholders, under the direct and indirect laws in India dated August 7, 2025, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Our Company has also received written consent dated August 7, 2025, from the independent chartered accountant, namely M/s Doshi Doshi & Co., bearing firm registration number 153683W, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the certificates dated August 7, 2025, issued by them in their capacity as an independent chartered accountant to our Company and details derived therefrom as included in this Draft Red Herring Prospectus. However, the term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Our Company has also received written consent dated August 7, 2025, from the independent chartered engineer, namely Nimesh Upadhyay bearing chartered engineer registration number CE/IET/LM/111996-24, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the certificate dated August 7, 2025, issued by them in their capacity as an independent chartered engineer to our Company and details derived therefrom as included in this Draft Red Herring Prospectus. However, the term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Statutory Auditor to our Company

Walker Chandiok & Co LLP
Block No. D/15th Floor,
Cabin No. A8 to A10
"West Gate" Near YMCA Club,
S.G. Highway, Sarkhej Road,
Ahmedabad – 380015, Gujarat, India
Email: mehul.janani@walkerchandiok.in
Telephone: +91 79 6900 2600
Peer Review Certificate No.: 020566
Firm Registration No.: 001076N/N500013

Changes in Auditors

Except as stated below, there has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of change	Reason for change
K C Mehta & Co LLP, Chartered Accountants Meghdhanush, Racecourse Circle, Vadodara - 390007 Gujarat, India. **Email**: neela.shah@kcmehta.com **Telephone:** +91 (265) 244 0400 **Peer Review Certificate No.**: 012675 **Firm Registration No.**: 106237W/W100829	July 1, 2022	Resignation as statutory auditors due to pre-occupation
Walker Chandiok & Co LLP, Chartered Accountants 11th Floor, Tower II, One International Centre, S B Marg, Prabhadevi (W), Mumbai – 400 013, Maharashtra, India. **Email**: Mehul.Janani@WalkerChandiok.in **Telephone:** +91 79 6900 2600 **Peer Review Certificate No.**: 020566 **Firm Registration No.**: 001076N/N500013	July 22, 2022	Appointment as statutory auditors of the Company to fill the casual vacancy following the resignation of K C Mehta & Co LLP, Chartered Accountants

Bankers to our Company

ICICI Bank Limited
ICICI Bank, 8th Floor, Anam 1.
Opp. Parimal Garden,
Ambavadi – 380 006,
Gujarat, India
Telephone: +91 8511346061
Email: kishan.chandarana@icicibank.com
Website: www.icicibank.com
Contact person: Kishan Chandarana

State Bank of India
Commercial Branch, Morbi (16390),
Dharmjeet Complex, NH-8A,
Morbi – 363 642,
Gujarat, India
Telephone: +91 2822244120
Email: sbi.16390@sbi.co.in
Website: www.bank.sbi
Contact person: Ayus Meharia

HDFC Bank Limited
Ambika Township Branch,
Rajkot – 360 005,
Gujarat, India

Telephone: +91 94267 92009
Email: soham.dave@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Soham Dave

Grading of the Offer

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

Appraising Entity

No appraising entity has been appointed for the Offer.

Monitoring Agency

As the size of the Fresh Issue exceeds ₹ 1,000.00 million, our Company will appoint a credit rating agency registered with SEBI as a monitoring agency to monitor the utilisation of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. For details in relation to the proposed utilisation of the Gross Proceeds, see "*Objects of the Offer*" on page 117.

Credit Rating

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

Debenture Trustee

As the Offer is of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed through SEBI's online intermediary portal at https://siportal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI ICDR Regulations and in accordance with SEBI master circular bearing reference no. SEBIHO/CFD/PoD- 1/P/CIR/2024/0154 dated November 11, 2024. It will also be filed at:

Securities and Exchange Board of India

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office, and through the electronic portal of MCA.

Book Building Process

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

For details, see "*Offer Procedure*" on page 465.

All Bidders other than Anchor Investors shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or in the case of UPI Bidders, by using the UPI Mechanism. In addition to this, the Retail Individual Investors shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or by using the UPI Mechanism. Non-Institutional Investors with an application size of up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted 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. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis.

For further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 454 and 465, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. The Selling Shareholders have specifically confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, in relation to the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the Book Running Lead Managers to manage this Offer and procure Bids for this Offer.

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

Bidders should note that the Offer is also subject to (i) filing of the Prospectus by our Company with the RoC; and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" and "*Offer Structure*" on pages 465 and 461, respectively.

Underwriting Agreement

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

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

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

(₹ in million)

Name, address, telephone and e-mail address of the Underwriters	Indicative Number of Equity Shares of face value of ₹2 each to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

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

(in ₹, except share data or indicated otherwise)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL#**		
	2,010,502,500 Equity Shares of face value of ₹2 each	4,021,005,000	[●]
	50,000 equity shares of face value of ₹ 10 each with differential voting rights	500,000	[●]
	50,000,000 compulsorily convertible cumulative and participating preference shares of face value ₹10 each	500,000,000	[●]
	Total	**4,521,505,000**	[●]
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	201,625,108 Equity Shares of face value of ₹2 each	**403,250,216**	[●]
C)	**PRESENT OFFER(1)**		
	Offer of up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million (1)	[●]	[●]
	Which includes:	[●]	[●]
	Fresh Issue of up to [●] Equity Shares of face value ₹2 each aggregating up to ₹ 4,000.00 million (1)(2)	[●]	[●]
	Offer for Sale of up to 52,435,268 Equity Shares of face value ₹2 each aggregating up to ₹ [●] million(1)(3)	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER*$**		
	[●] Equity Shares of face value of ₹ 2 each	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	4,057,550,000	
	After the Offer*	[●]	

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

\# *For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association in the last 10 years" on page 245.*

$ *Assuming full subscription in the Offer.*

(1) *The Offer has been authorized pursuant to the resolutions passed by our Board dated July 21, 2025 and July 28, 2025 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed on July 23, 2025. Further, the Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale by its resolution dated July 28, 2025. For further details of authorization received for the Offer for Sale, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 72 and 438, respectively.*

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

(3) *The Selling Shareholders confirm that the Equity Shares to be offered by it in the Offer for Sale are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.*

1. Notes to the Capital Structure

Share capital history of our Company

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

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees[$]	
								Name	**No. of equity shares**
November 18, 2003	Initial subscription to the Memorandum of Association	50,000	50,000	500,000	10	10	Cash	Vallabhbhai Jivrajbhai Patel	10,000
								Pramod Parshottambhai Patel	10,000
								Jagjivanbhai Ganeshbhai Varmora	10,000
								Bharatbhai Vallabhbhai Patel	10,000
								Manoj Govindbhai Patel	10,000
								Name	**No. of equity shares**
March 6, 2004	Further issue	3,600,000	3,650,000	36,500,000	10	10	Cash	Vallabhbhai Jivrajbhai Patel	101,700
								Pramod Parshottambhai Patel	64,900
								Jagjivanbhai Ganeshbhai Varmora	33,400
								Bharatbhai Vallabhbhai Patel	153,200
								Manoj Govindbhai Patel	114,600
								Govindbhai Ganeshbhai Patel	172,700
								Vasantben Govindbhai Patel	175,700
								Kantaben Jagjivanbhai Varmora	30,500
								Bhudarbhai Ganeshbhai Patel	80,800
								Jayaben Bhudarbhai Patel	181,100
								Jagrutiben Manojbhai Patel	54,800
								Ganeshbhai Shivabhai Patel	157,300
								Govindbhai Ganeshbhai Patel (HUF)	98,800
								Jagjivanbhai G. Varmora (HUF)	77,000
								Bhudharbhai Ganeshbhai (HUF)	79,700
								Jivrajbhai S. Patel	177,500
								Shantaben Jivrajbhai Patel	24,500
								Ranjanben Vallabhbhai Patel	139,300
								Ramanbhai Jivrajbhai Varmora	177,500
								Bhavnaben Ramanbhai Patel	121,100
								Bhaveshbhai Vallabhbhai Patel	141,000
								Vaishaliben Bhaveshbhai Patel	103,300
								Hetalben Bharatbhai Patel	49,000
								Manishbhai Vallabhbhai Patel	94,900
								Nidhiben Ramanlal Patel	11,000

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees[$]	
								Parsotambhai Jivrajbhai Patel	59,100
								Suvitaben Parsotambhai Patel	24,000
								Prakashbhai Parsotambhai Patel	35,100
								Ektaben Prakashbhai Patel	93,800
								Lataben Pramodbhai Patel	105,800
								Prafulbhai Parshotambhai Patel	59,300
								Vanitaben Prafulbhai Patel	59,000
								Naranbhai Hansrajbhai Patel	72,900
								Kanchanben Naranbhai Patel	7,000
								Ashokbhai Naranbhai Patel	92,200
								Renukaben Ashokbhai Patel	37,700
								Rasilaben Harilal Patel	6,000
								Adarshbhai Harilal Patel	39,700
								Pravinbhai Narshibhai Patel	110,700
								Lalitaben Pravinbhai Patel	144,800
								Bhavinaben Hareshbhai Patel	37,600
May 17, 2004	Further issue	1,511,000	5,161,000	51,610,000	10	10	Cash	**Name**	**No. of equity shares**
								Govindbhai Ganeshbhai Patel	10,000
								Dilipbhai Prahladbhai Patel and Arvindbhai Kachrabhai Patel (Partners of Raja Industries)	1,000
								Sunhill Ceramic Private Limited	1,500,000
March 3, 2005	Further issue	339,000	5,500,000	55,000,000	10	10	Cash	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Patel	25,300
								Pramod Parshottambhai Patel	7,000
								Jagjivanbhai Ganeshbhai Varmora	8,100
								Manoj Govindbhai Patel	22,400
								Govindbhai Ganeshbhai Patel	30,200
								Vasantben Govindbhai Patel	17,300
								Kantaben Jagjivanbhai Varmora	14,600
								Bhudarbhai Ganeshbhai Patel	8,000
								Jayaben Bhudarbhai Patel	21,530
								Jagrutiben Manojbhai Patel	15,200
								Ganeshbhai Shivabhai Patel	20,200
								Govindbhai Ganeshbhai Patel (HUF)	3,000
								Jagjivanbhai G. Varmora (HUF)	3,650
								Bhudharbhai Ganeshbhai (HUF)	3,000

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees[$]	
								Jivrajbhai S. Patel	16,200
								Ranjanben Vallabhbhai Patel	24,760
								Ramanbhai Jivrajbhai Varmora	23,860
								Bhaveshbhai Vallabhbhai Patel	9,600
								Nidhiben Ramanlal Patel	3,500
								Naranbhai Hansrajbhai Patel	3,500
								Pravinbhai Narshibhai Patel	24,800
								Lalitaben Pravinbhai Patel	3,500
								Bhavinaben Hareshbhai Patel	27,000
								Bhuderbhai Patel (partner in M/s Sunshine Ceramic)	1,000
								Govindbhai Patel (partner in M/s Jaysan Ceramics)	1,000
								Bharatbhai Prahladbhai Patel	500
								Jayantilal J. Patel	100
								Harshadbhai K. Patel	100
								Ashokbhai O. Patel	100
March 31, 2006	Further issue	1,503,800	7,003,800	70,038,000	10	10	Cash	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Patel	83,500
								Pramod Parshottambhai Patel	103,300
								Jagjivanbhai Ganeshbhai Varmora	35,400
								Bharatbhai Vallabhbhai Patel	41,180
								Manoj Govindbhai Patel	18,600
								Govindbhai Ganeshbhai Patel	35,700
								Vasantben Govindbhai Patel	17,400
								Kantaben Jagjivanbhai Varmora	11,700
								Bhudarbhai Ganeshbhai Patel	37,520
								Jayaben Bhudarbhai Patel	18,700
								Jagrutiben Manojbhai Patel	30,500
								Ganeshbhai Shivabhai Patel	48,400
								Govindbhai Ganeshbhai Patel (HUF)	4,100
								Jivrajbhai S. Patel	56,500
								Shantaben Jivrajbhai Patel	3,500
								Ranjanben Vallabhbhai Patel	50,300
								Ramanbhai Jivrajbhai Varmora	52,200
								Bhavnaben Ramanbhai Patel	20,700
								Bhaveshbhai Vallabhbhai Patel	22,200
								Vaishaliben Bhaveshbhai Patel	37,700

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees[$]	
								Hetalben Bharatbhai Patel	15,000
								Parsotambhai Jivrajbhai Patel	20,000
								Suvitaben Parsotambhai Patel	26,000
								Prakashbhai Parsotambhai Patel	12,700
								Lataben Pramodbhai Patel	20,000
								Naranbhai Hansrajbhai Patel	49,800
								Kanchanben Naranbhai Patel	2,600
								Ashokbhai Naranbhai Patel	13,700
								Renukaben Ashokbhai Patel	21,000
								Adarshbhai Harilal Patel	3,900
								Pravinbhai Narshibhai Patel	66,200
								Bhavinaben Hareshbhai Patel	23,800
								Sunhill Ceramic Private Limited	500,000
March 26, 2007	Further issue	1,496,200	8,500,000	85,000,000	10	10	Cash	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Patel	160,200
								Pramodbhai Parshotambhai Patel	113,000
								Jagjivanbhai Ganeshbhai Varmora	76,800
								Bharatbhai Vallabhbhai Patel	38,200
								Manojbhai Govindbhai Patel	37,500
								Govindbhai Ganeshbhai Patel	38,700
								Vasantben Govindbhai Patel	34,800
								Kantaben Jagjivanbhai Varmora	31,000
								Bhudarbhai Ganeshbhai Patel	15,400
								Jayaben Bhudarbhai Patel	37,700
								Jagrutiben Manojbhai Patel	33,200
								Ganeshbhai Shivabhai Patel	1,100
								Govindbhai Ganeshbhai Patel (HUF)	7,400
								Jivrajbhai Shivabhai Patel	38,300
								Ranjanben Vallabhbhai Patel	47,300
								Ramanbhai Jivrajbhai Patel	33,600
								Bhavnaben Ramanbhai Patel	14,400
								Bhaveshbhai Vallabhbhai Patel	30,000
								Parshotambhai Jivrajbhai Patel	27,000
								Naranbhai Hansrajbhai Patel	35,200
								Kanchanben Naranbhai Patel	26,100
								Adarsh Harilal Patel	8,700
								Pravinbhai Narshibhai Patel	70,000

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees[$]	
								Bhavinaben Hareshbhai Patel	46,400
								Bhudarbhai Ganeshbhai Patel (partner of M/s Sunshine Ceramic)	244,200
								Govindbhai Ganeshbhai Patel (partner of M/s Jaysan Ceramics)	250,000
February 21, 2013	Further issue	100	8,500,100	85,003,000	10	30	Cash	**Name**	**No. of equity shares**
								Pravinbhai Nagda	100
March 29, 2013	Buy-back	(425,000)	8,075,100	80,751,000	10	20	Cash	**Name**	**No. of equity shares**
								Ranjanben Vallabhbhai Patel	153,000
								Ramanbhai Jivrajbhai Varmora	51,000
								Bhavnaben Ramanbhai Patel	114,750
								Parsotambhai Jivrajbhai Patel	106,250
August 28, 2017	Rights issue	473,921	8,549,021	85,490,210	10	140	Cash	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Varmora	79,805
								Pramodbhai Parshottambhai Varmora	31,556
								Bharat Vallabhbhai Varmora	25,902
								Ranjanben Vallabhbhai Patel	28,046
								Ramanbhai Jivrajbhai Varmora	29,844
								Bhavnaben Ramanbhai Varmora	17,798
								Bhaveshbhai Vallabhbhai Varmora	59,221
								Vaishaliben Bhaveshbhai Varmora	3,279
								Hetalben Bharatbhai Varmora	4,312
								Manishbhai Vallabhbhai Varmora	34,155
								Purshotambhai Jivrajbhai Varmora	56,086
								Prakashbhai Parsotambhai Varmora	3,683
								Ektaben Prakashbhai Varmora	2,551
								Lataben Pramodbhai Varmora	1,639
								Prafulbhai Parshotambhai Varmora	8,080
								Vanitaben Prafulbhai Varmora	4,380
								Naranbhai Hansrajbhai Patel	14,260
								Ashokbhai N. Patel	15,774
								Hirenbhai Ramanlal Varmora	22,428
								Savitaben Parshotambhai Varmora	2,667
								Meera Manishbhai Varmora	5,131
								Nidhi Bharatkumar Zalariya	23,324

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees[$]	
August 29, 2017	Rights issue	269,212	8,818,233	88,182,330	10	140	Cash	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Varmora	26,497
								Pramodbhai Parshottambhai Varmora	25,115
								Bharat Vallabhbhai Varmora	35,282
								Ranjanben Vallabhbhai Patel	14,611
								Ramanbhai Jivrajbhai Varmora	25,964
								Bhavnaben Ramanbhai Varmora	27,356
								Bhaveshbhai Vallabhbhai Varmora	25,995
								Hetalben Bharatbhai Varmora	871
								Manishbhai Vallabhbhai Varmora	1,553
								Parsotambhai Jivrajbhai Varmora	13,579
								Prakashbhai Parsotambhai Varmora	9,720
								Ektaben Prakashbhai Varmora	8,174
								Lataben Pramodbhai Varmora	4,126
								Prafulbhai Parshotambhai Varmora	2,920
								Vanitaben Prafulbhai Varmora	3,255
								Naranbhai Hansrajbhai Patel	12,819
								Kanchanben Naranbhai Patel	785
								Ashokbhai N Patel	14,425
								Renukaben Ashokbhai Patel	1,828
								Rasilaben Harilal Patel	852
								Hirenbhai Ramanbhai Patel	13,272
								Meera Manishbhai Varmora	213
August 30, 2017	Rights issue	334,188	9,152,421	91,524,210	10	140	Cash	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Varmora	8,354
								Pramodbhai Parshottambhai Patel	48,737
								Bharat Vallabhbhai Varmora	33,419
								Ranjanben Vallabhbhai Patel	2,088
								Ramanbhai Jivrajbhai Varmora	21,754
								Bhavnaben Ramanbhai Varmora	18,450
								Bhaveshbhai Vallabhbhai Varmora	33,837
								Vaishaliben BhaveshbhaiVarmora	25,984
								Hetalben Bharatbhai Varmora	2,088
								Manishbhai Vallabhbhai Varmora	18,798
								Parshotambhai Jivrajbhai Varmora	29,291
								Lataben Pramodbhai Varmora	2,026
								Naranbhai Hansrajbhai Patel	16,670

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees$	
								Ashokbhai N Patel	14,273
								Renukaben Ashokbhai Patel	6,962
								Rasilaben Harilal Patel	3,133
								Hirenbhai Ramanlal Varmora	20,539
								Savitaben Parshotambhai Varmora	2,026
								Meera Manishbhai Varmora	2,088
								Nidhi Bharatkumar Zalariya	6,962
								Rutvi Varmora	16,709
September 1, 2017	Rights issue	834,248	9,986,669	99,866,690	10	140	Cash	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Varmora	102,885
								Pramodbhai Parshottambhai Varmora	46,227
								Bharat Vallabhbhai Varmora	31,610
								Ranjanben Vallabhbhai Patel	47,564
								Ramanbhai Jivrajbhai Varmora	130,526
								Bhavnaben Ramanbhai Varmora	65,717
								Bhaveshbhai Vallabhbhai Varmora	50,600
								Vaishaliben Bhaveshbhai Varmora	4,499
								Hetalben Bharatbhai Varmora	26,862
								Manishbhai Vallabhbhai Varmora	59,619
								Parsotambhai Jivrajbhai Varmora	66,871
								Prakashbhai Parsotambhai Varmora	1
								Ektaben Prakashbhai Varmora	6,249
								Lataben Pramodbhai Varmora	7,873
								Prafulbhai Parshotambhai Varmora	12,558
								Vanitaben Prafulbhai Varmora	1,876
								Naranbhai Hansrajbhai Patel	42,367
								Kanchanben Naranbhai Patel	4,624
								Ashokbhai N Patel	53,048
								Renukaben Ashokbhai Patel	2
								Rasilaben Harilal Patel	1
								Adarshbhai Harilal Patel	10,620
								Hirenbhai Ramanlal Varmora	16,243
								Savitaben Parshotambhai Varmora	18,317
								Meera Manishbhai Varmora	27,487
								Nidhi Bharatkumar Zalariya	1
								Rutvi Varmora	1

<table>
<tr><th>Date of allotment/buyback of equity shares</th><th>Nature of allotment / buy-back</th><th>Number of equity shares allotted/bought back</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity share capital</th><th>Face value per equity share (₹)</th><th>Issue/buyback price per equity share (₹)</th><th>Form of consideration</th><th>Names of allottees[$]</th></tr>
<tr><td>July 15, 2022</td><td>Conversion of 17,000,000 non-cumulative redeemable preference shares into equity shares in the ratio of 5:282 i.e. for every 282 non-cumulative redeemable preference shares, 5 equity shares were allotted</td><td>301,409</td><td>10,288,078</td><td>102,880,780</td><td>10</td><td>564</td><td>Cash*</td><td>
<table>
<tr><th>Name</th><th>No. of equity shares</th></tr>
<tr><td>Vallabhbhai Jivrajbhai Varmora</td><td>34,628</td></tr>
<tr><td>Pramodkumar Parshottambhai Patel</td><td>19,848</td></tr>
<tr><td>Bharatbhai Vallabhdas Varmora</td><td>27,883</td></tr>
<tr><td>Ranjanben Vallabhbhai Varmora</td><td>16,866</td></tr>
<tr><td>Ramanbhai Jivrajbhai Varmora</td><td>43,461</td></tr>
<tr><td>Bhavnaben Ramanbhai Varmora</td><td>21,619</td></tr>
<tr><td>Bhavesh Vallabhdas Varmora</td><td>20,545</td></tr>
<tr><td>Hetal Bharatbhai Varmora</td><td>6,007</td></tr>
<tr><td>Manishkumar Vallabhbhai Varmora</td><td>4,773</td></tr>
<tr><td>Parsotambhai Jivrajbhai Patel</td><td>19,596</td></tr>
<tr><td>Savitaben Parsotambhai Patel</td><td>5,319</td></tr>
<tr><td>Prakashbhai Parsotambhai Varmora</td><td>11,531</td></tr>
<tr><td>Ektaben Prakashbhai Varmora</td><td>6,460</td></tr>
<tr><td>Lataben Pramodbhai Varmora</td><td>3,261</td></tr>
<tr><td>Praful Parsotambhai Varmora</td><td>4,081</td></tr>
<tr><td>Vanitaben Prafulbhai Varmora</td><td>4,345</td></tr>
<tr><td>Naranbhai Hansrajbhai Patel</td><td>21,071</td></tr>
<tr><td>Ashokkumar Naranbhai Patel</td><td>12,021</td></tr>
<tr><td>Renukaben Ashokbhai Patel</td><td>1,445</td></tr>
<tr><td>Rasilaben Harilal Patel</td><td>673</td></tr>
<tr><td>Hiren Ramanbhai Varmora</td><td>10,489</td></tr>
<tr><td>Miraben Maniskumar Varmora</td><td>5,487</td></tr>
</table>
</td></tr>
<tr><td>July 26, 2022</td><td>Rights issue</td><td>757,598</td><td>11,045,676</td><td>110,456,760</td><td>10</td><td>564</td><td>Cash</td><td>
<table>
<tr><th>Name</th><th>No. of equity shares</th></tr>
<tr><td>Vallabhbhai Jivrajbhai Varmora</td><td>14,601</td></tr>
<tr><td>Pramodkumar Parshottambhai Patel</td><td>40,327</td></tr>
<tr><td>Bharatbhai Vallabhdas Varmora</td><td>58,839</td></tr>
<tr><td>Ranjanben Vallabhbhai Varmora</td><td>15,767</td></tr>
<tr><td>Ramanbhai Jivrajbhai Varmora</td><td>109,738</td></tr>
<tr><td>Bhavnaben Ramanbhai Varmora</td><td>30,755</td></tr>
<tr><td>Bhavesh Vallabhdas Varmora</td><td>7,181</td></tr>
<tr><td>Vaishali Bhavesh Varmora</td><td>32,693</td></tr>
<tr><td>Hetal Bharatbhai Varmora</td><td>9,022</td></tr>
<tr><td>Manishkumar Vallabhbhai Varmora</td><td>20,444</td></tr>
<tr><td>Parsotambhai Jivrajbhai Patel</td><td>18,878</td></tr>
<tr><td>Savitaben Parsotambhai Patel</td><td>82,228</td></tr>
<tr><td>Prakash Parsotambhai Varmora</td><td>5,752</td></tr>
</table>
</td></tr>
</table>

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees$	
								Ektaben Prakashbhai Varmora	6,918
								Lataben Pramodbhai Varmora	3,353
								Praful Parshotambhai Varmora	1,782
								Vanitaben Prafulbhai Varmora	266
								Naranbhai Hansrajbhai Patel	69,675
								Ashokbhai Naranbhai Patel	25,560
								Renukaben Ashokbhai Patel	6,755
								Rasilaben Harilal Patel	3,704
								Adarsh Harilal Patel	3,952
								Hiren Ramanbhai Varmora	73,505
								Miraben Manishkumar Varmora	54,970
								Nidhi Bharatkumar Zalariya	5,259
								Rutvi Hiren Varmora	55,674
March 21, 2023	Conversion of compulsory convertible preference shares into equity shares in the ratio of 1 equity share for every 146.71** compulsorily convertible preference share held	2,276,198	13,321,874	133,218,740	10	1,467.10	Cash*	**Name**	**No. of equity shares**
								Katsura Investments	2,276,198
Pursuant to our Board resolution dated May 8, 2023, and our Shareholder's resolution dated June 7, 2023, the existing equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 133,218,740 comprising of 13,321,874 equity shares of ₹ 10 each were sub-divided into ₹ 133,218,740 comprising of 26,643,748 Equity Shares of face value of ₹ 5 each.									
August 18, 2023	Bonus issue	53,287,496	79,931,244	399,656,220	5	N.A.	N.A.	**Name**	**No. of equity shares**
								Vallabhbhai Jivrajbhai Patel	2,750,228
								Pramod Parshottambhai Patel	2,046,440
								Bharatbhai Vallabhbhai Patel	2,071,964
								Ranjanben Vallabhbhai Patel	2,164,428
								Ramanbhai Jivrajbhai Varmora	3,511,648
								Bhavnaben Ramanbhai Patel	2,112,004
								Bhaveshbhai Vallabhbhai Patel	3,986,716
								Manishbhai Vallabhbhai Patel	1,940,968

Date of allotment/buyback of equity shares	Nature of allotment / buy-back	Number of equity shares allotted/bought back	Cumulative number of equity shares	Cumulative paid-up equity share capital	Face value per equity share (₹)	Issue/buyback price per equity share (₹)	Form of consideration	Names of allottees$
								Parsottambhai Jivrajbhai Patel: 1,701,680 Lataben Pramodbhai Patel: 1,531,280 Prafulbhai Parshotambhai Patel: 894,884 Naranbhai Hansrajbhai Patel: 1,449,004 Ashokbhai Naranbhai Patel: 2,468,704 Adarshbhai Harilal Patel: 267,488 Hiren Ramanbhai Patel: 2,985,904 Katsura Investments: 19,183,432 Rajkumar P Varmora: 2,196,108 Steer Advisory Services Private Limited: 24,616
Pursuant to our Board resolution dated December 6, 2024, and our Shareholder's resolution dated December 11, 2024, the existing equity shares of face value of ₹ 5 each of our Company were sub-divided into equity shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 399,656,220 comprising of 79,931,244 equity shares of face value of ₹ 5 each were sub-divided into ₹ 399,656,220 comprising of 199,828,110 equity shares of face value of ₹ 2 each.								
December 16, 2024	Conversion of compulsory convertible preference shares into equity shares in the ratio of 1 equity share for every 9.78** compulsorily convertible preference share held	1,796,998	201,625,108	403,250,216	2	97.81	Cash*	**Name** – **No. of equity shares** Katsura Investments: 1,796,998
Total			**201,625,108**	**403,250,216**				

**The consideration was received at the time of allotment of preference shares.*
*** Rounded off to two decimal places.*

(b) Our Company does not have any existing Preference Shares as on the date of this Draft Red Herring Prospectus.

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All the issuances of the specified securities since the date of inception by our Company, have been in compliance with the relevant provisions of the Companies Act, 1956 and Companies Act, 2013.

2. Secondary Transactions involving the Promoters, Promoter Group and the Selling Shareholders

Except as disclosed below and under "*-Build-up of our Promoters' shareholding in our Company*" on page 110, there has been no acquisition or transfer of equity shares through secondary transactions by our Promoters, the members of the Promoter Group and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus:

Date of transaction	Number of securities transferred	Face value per equity shares (in ₹)	Price per equity share (in ₹)	Details of transferor(s)	Details of transferee(s)	Nature of transaction	Nature of consideration	Total consideration (in ₹ million)
Promoter Group: Bharatbhai Vallabhdas Varmora								
October 1, 2009	62,476	10	10.00	Sunhill Ceramics Private Limited	Bharatbhai Vallabhdas Varmora	Transfer	Cash	0.62
September 12, 2023	1,623,321	5	NA	Ranjanben Vallabhbhai Varmora	Bharatbhai Vallabhdas Varmora	Gift	NA	-
December 6, 2024	2,196,452	2	NA	Bharatbhai Vallabhdas Varmora	Bhavesh Vallabhdas Varmora	Gift	NA	-
Promoter Group: Bhaunaben Ramanbhai Patel								
October 1, 2009	245,200	10	10.00	Sunshine Ceramics Private Limited	Bhaunaben Ramanbhai Patel	Transfer	Cash	2.45
October 1, 2009	559,090	10	10.00	Sunhill Ceramics Private Limited	Bhaunaben Ramanbhai Patel	Transfer	Cash	5.59
March 29, 2013	50,000	10	NA	Bhaunaben Ramanbhai Patel	Hiren R Varmora	Gift	NA	-
August 30, 2022	449,434	10	1,141.44	Bhaunaben Ramanbhai Patel	Katsura Investments	Transfer	Cash	513.00
September 12, 2023	3,168,006	5	NA	Bhaunaben Ramanbhai Patel	Hiren R Varmora	Gift	NA	-
Promoter Group: Lataben Pramodbhai Patel								
October 1, 2009	80,650	10	10.00	Jagjivanbhai G. Varmora (HUF)	Lataben Pramodbhai Patel	Transfer	Cash	0.81
October 1, 2009	259,030	10	10.00	Jayaben Bhudarbhai Patel	Lataben Pramodbhai Patel	Transfer	Cash	2.59
August 30, 2022	104,938	10	1,141.44	Lataben Pramodbhai Patel	Katsura Investments	Transfer	Cash	119.78
September 12, 2023	2,296,920	5	NA	Lataben Pramodbhai Patel	Pramodkumar Parsotambhai Patel	Gift	NA	-
Promoter Group: Manishkumar Vallabhbhai Varmora								
October 1, 2009	2,51,000	10	10.00	Jaysan Ceramics (Govindbhai Patel)	Manishkumar Vallabhbhai Varmora	Transfer	Cash	2.51
September 12, 2023	16,23,321	5	NA	Ranjanben Vallabhbhai Varmora	Manishkumar Vallabhbhai Varmora	Gift	NA	-
December 6, 2024	22,04,788	2	NA	Manishkumar Vallabhbhai Varmora	Bhavesh Vallabhdas Varmora	Gift	NA	-

Date of transaction	Number of securities transferred	Face value per equity shares (in ₹)	Price per equity share (in ₹)	Details of transferor(s)	Details of transferee(s)	Nature of transaction	Nature of consideration	Total consideration (in ₹ million)
Promoter Group: Nidhi Bharatkumar Zalariya								
August 30, 2022	50,046	10	1,141.44	Nidhi Bharatkumar Zalariya	Katsura Investments	Transfer	Cash	57.12
Promoter Group: Prakash P Varmora								
October 28, 2022	78,487	10	NA	Prakash P Varmora	Rajkumar P Varmora	Gift	NA	-
Promoter Group: Rasilaben Harilal Patel								
August 30, 2022	14,363	10	1,141.44	Rasilaben Harilal Patel	Katsura Investments	Transfer	Cash	16.39
Promoter Group: Rutvi Hiren Varmora								
August 30, 2022	72,384	10	1,141.44	Rutvi Hiren Varmora	Katsura Investments	Transfer	Cash	82.62
Promoter Group: Savitaben Parsotambhai Patel								
August 30, 2022	160,557	10	1,141.44	Savitaben Parsotambhai Patel	Katsura Investments	Transfer	Cash	183.27
Promoter Group: Vaishali Bhavesh Varmora								
March 29, 2013	37,000	10	NA	Bhavesh Vallabhdas Varmora	Vaishali Bhavesh Varmora	Gift	NA	-
August 30, 2022	244,455	10	1,141.44	Vaishali Bhavesh Varmora	Katsura Investments	Transfer	Cash	279.03
Promoter Group: Ranjanben Vallabhbhai Varmora								
October 1, 2009	203,100	10	10.00	Manoj Govindbhai Patel	Ranjanben Vallabhbhai Varmora	Transfer	Cash	2.03
October 1, 2009	87,800	10	10.00	Kantaben Jagjivanbhai Varmora	Ranjanben Vallabhbhai Varmora	Transfer	Cash	0.88
October 1, 2009	287,300	10	10.00	Govindbhai Ganeshbhai Patel	Ranjanben Vallabhbhai Varmora	Transfer	Cash	2.87
August 30, 2022	270,695	10	1,141.44	Ranjanben Vallabhbhai Varmora	Katsura Investments	Transfer	Cash	308.98
September 12, 2023	1,623,321	5	NA	Ranjanben Vallabhbhai Varmora	Bharatbhai Vallabhdas Varmora	Gift	NA	-
September 12, 2023	1,623,321	5	NA	Ranjanben Vallabhbhai Varmora	Manishkumar Vallabhbhai Varmora	Gift	NA	-
Promoter Group: Praful Parsotambhai Varmora								
October 1, 2009	135,000	10	10.00	Sunhill Ceramics Private Limited	Praful Parsotambhai Varmora	Transfer	Cash	1.35
Investor Selling Shareholder: Katsura Investments								
August 30, 2022	113,031	10	1,141.44	Vallabhbhai Jivrajbhai Varmora	Katsura Investments	Transfer	Cash	129.02
August 30, 2022	270,695	10	1,141.44	Ranjanben Vallabhbhai Varmora	Katsura Investments	Transfer	Cash	308.98
August 30, 2022	208,687	10	1,141.44	Ramanbhai Jivrajbhai Varmora	Katsura Investments	Transfer	Cash	238.20
August 30, 2022	449,434	10	1,141.44	Bhaunaben Ramanbhai Patel	Katsura Investments	Transfer	Cash	513.00

Date of transaction	Number of securities transferred	Face value per equity shares (in ₹)	Price per equity share (in ₹)	Details of transferor(s)	Details of transferee(s)	Nature of transaction	Nature of consideration	Total consideration (in ₹ million)
August 30, 2022	244,455	10	1,141.44	Vaishali Bhavesh Varmora	Katsura Investments	Transfer	Cash	279.03
August 30, 2022	113,462	10	1,141.44	Hetalben Bharatbhai Patel	Katsura Investments	Transfer	Cash	129.51
August 30, 2022	233,445	10	1,141.44	Parsotambhai Jivrajbhai Patel	Katsura Investments	Transfer	Cash	266.46
August 30, 2022	160,557	10	1,141.44	Savitaben Parsotambhai Patel	Katsura Investments	Transfer	Cash	183.27
August 30, 2022	104,938	10	1,141.44	Lataben Pramodbhai Patel	Katsura Investments	Transfer	Cash	119.78
August 30, 2022	73,122	10	1,141.44	Vanitaben Prafulbhai Patel	Katsura Investments	Transfer	Cash	83.46
August 30, 2022	185,751	10	1,141.44	Naranbhai Hansrajbhai Patel	Katsura Investments	Transfer	Cash	212.02
August 30, 2022	54,222	10	1,141.44	Ashokbhai Naranbhai Patel	Katsura Investments	Transfer	Cash	61.89
August 30, 2022	75,692	10	1,141.44	Renukaben Ashokbhai Patel	Katsura Investments	Transfer	Cash	86.40
August 30, 2022	14,363	10	1,141.44	Rasilaben Harilal Patel	Katsura Investments	Transfer	Cash	16.39
August 30, 2022	95,376	10	1,141.44	Meera Manishbhai Varmora	Katsura Investments	Transfer	Cash	108.87
August 30, 2022	50,046	10	1,141.44	Nidhi Bharatkumar Zalariya	Katsura Investments	Transfer	Cash	57.12
August 30, 2022	72,384	10	1,141.44	Rutvi Hiren Varmora	Katsura Investments	Transfer	Cash	82.62
Promoter Group Selling Shareholder: Ramanbhai Jivrajbhai Varmora								
October 1, 2009	245,200	10	10.00	Vasantben Govindbhai Patel	Ramanbhai Jivrajbhai Varmora	Transfer	Cash	2.45
October 1, 2009	163,700	10	10.00	Jagjivanbhai Ganeshbhai Varmora	Ramanbhai Jivrajbhai Varmora	Transfer	Cash	1.64
October 1, 2009	133,700	10	10.00	Jagrutiben Manojbhai Patel	Ramanbhai Jivrajbhai Varmora	Transfer	Cash	1.34
October 1, 2009	404,782	10	10.00	Sunhill Ceramics Private Limited	Ramanbhai Jivrajbhai Varmora	Transfer	Cash	4.05
February 10, 2011	72,125	10	NA	Jivrajbhai S. Patel	Ramanbhai Jivrajbhai Varmora	Transmission	NA	-
March 29, 2013	5,40,000	10	NA	Ramanbhai Jivrajbhai Varmora	Hiren R Varmora	Gift	NA	-
February 02, 2017	11,200	10	NA	Shantaben Jivrajbhai Patel	Ramanbhai Jivrajbhai Varmora	Transmission	NA	-

Date of transaction	Number of securities transferred	Face value per equity shares (in ₹)	Price per equity share (in ₹)	Details of transferor(s)	Details of transferee(s)	Nature of transaction	Nature of consideration	Total consideration (in ₹ million)
August 30, 2022	208,687	10	1,141.44	Ramanbhai Jivrajbhai Varmora	Katsura Investments	Transfer	Cash	238.20
May 8, 2023	1,555	10	1,300.00	Ramanbhai Jivrajbhai Varmora	Steer Advisory Services Private Limited	Transfer	Cash	2.02
Promoter Group Selling Shareholder: Vallabhbhai Jivrajbhai Varmora								
February 10, 2011	144,250	10	NA	Jivrajbhai S. Patel	Vallabhbhai Jivrajbhai Varmora	Transmission	NA	-
February 2, 2017	11,200	10	NA	Shantaben Jivrajbhai Patel	Vallabhbhai Jivrajbhai Varmora	Transmission	NA	-
August 30, 2022	113,031	10	1,141.44	Vallabhbhai Jivrajbhai Varmora	Katsura Investments	Transfer	Cash	129.02
May 8, 2023	2,332	10	1,300.00	Vallabhbhai Jivrajbhai Varmora	Steer Advisory Services Private Limited	Transfer	Cash	3.03
Promoter Group Selling Shareholder: Parsotambhai Jivrajbhai Patel								
October 1, 2009	378,500	10	10.00	Sunhill Ceramics Private Limited	Parsotambhai Jivrajbhai Patel	Transfer	Cash	3.79
February 10, 2011	72,125	10	NA	Jivrajbhai S. Patel	Parsotambhai Jivrajbhai Patel	Transmission	NA	-
February 2, 2017	5,600	10	NA	Shantaben Jivrajbhai Patel	Parsotambhai Jivrajbhai Patel	Transmission	NA	-
August 30, 2022	233,445	10	1,141.44	Parsotambhai Jivrajbhai Patel	Katsura Investments	Transfer	Cash	266.46
May 8, 2023	1,511	10	1,300.00	Parsotambhai Jivrajbhai Patel	Steer Advisory Services Private Limited	Transfer	Cash	1.96

3. Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves

Except for the allotment of equity shares pursuant to the bonus issue undertaken by our Company on August 18, 2023, as set forth below, our Company has not issued any equity shares for consideration other than cash or by way of a bonus issue since its incorporation as on the date of this Draft Red Herring Prospectus:

<table>
<tr><th>Date of allotment</th><th>Nature of allotment</th><th colspan="2">Details of allottees/ shareholders and Equity Shares allotted</th><th>Number of Equity Shares allotted</th><th>Face value per Equity Share (₹)</th><th>Offer price per Equity Share (₹)</th><th>Benefits, if any, that have accrued to our Company</th></tr>
<tr><td rowspan="7">August 18, 2023</td><td rowspan="7">Bonus issue</td><td>Name</td><td>No. of equity shares</td><td rowspan="7">53,287,496</td><td rowspan="7">5</td><td rowspan="7">N.A.</td><td rowspan="7">-</td></tr>
<tr><td>Vallabhbhai Jivrajbhai Patel</td><td>2,750,228</td></tr>
<tr><td>Pramod Parshotambhai Patel</td><td>2,046,440</td></tr>
<tr><td>Bharatbhai Vallabhbhai Patel</td><td>2,071,964</td></tr>
<tr><td>Ranjanben Vallabhbhai Patel</td><td>2,164,428</td></tr>
<tr><td>Ramanbhai Jivrajbhai Patel</td><td>3,511,648</td></tr>
<tr><td>Bhavnaben Ramanbhai Patel</td><td>2,112,004</td></tr>
</table>

Date of allotment	Nature of allotment	Details of allottees/ shareholders and Equity Shares allotted		Number of Equity Shares allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Benefits, if any, that have accrued to our Company
		Bhaveshbhai Vallabhbhai Patel	3,986,716				
		Manishbhai Vallabhbhai Patel	1,940,968				
		Parsottambhai Jivrajbhai Patel	1,701,680				
		Lataben Pramodbhai Patel	1,531,280				
		Prafulbhai Parshotambhai Patel	894,884				
		Naranbhai Hansrajbhai Patel	1,449,004				
		Ashokbhai Naranbhai Patel	2,468,704				
		Adarshbhai Harilal Patel	267,488				
		Hiren Ramanbhai Patel	2,985,904				
		Katsura Investments	19,183,432				
		Rajkumar P Varmora	2,196,108				
		Steer Advisory Services Private Limited	24,616				

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

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

Except as disclosed above in "- *Notes to Capital Structure – Share capital history of our Company*" on page 90, our Company has not issued any shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus.

The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid / Offer Closing Date.

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

As on the date of this Draft Red Herring Prospectus, our Company has not issued or allotted any equity shares pursuant to schemes of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

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

7. ***Shareholding pattern of our Company***

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares of face value of ₹2 each held (IV)	Number of partly paid-up Equity Shares of face value of ₹2 each held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX) – Number of Voting Rights – Class e.g.: Equity Shares	Number of voting rights held in each class of securities (IX) – Number of Voting Rights – Class e.g.: Others	Number of voting rights held in each class of securities (IX) – Number of Voting Rights – Total^	Number of voting rights held in each class of securities (IX) – Total as a % of (A+B+C)	Number of shares underlying outstanding convertible securities (including warrants) (X)^	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII) +(X) As a % of (A+B+C2)^	Number of locked in shares (XII) – Number (a)	Number of locked in shares (XII) – As a % of total Shares held (b)	Number of shares pledged or otherwise encumbered (XIII) – Number (a)	Number of shares pledged or otherwise encumbered (XIII) – As a % of total shares held (b)	Number of Equity Shares of face value of ₹2 each held in dematerialized form (XIV)
(A)	Promoters and Promoter Group	9	103,868,040	-	-	103,868,040	51.52	103,868,040	-	103,868,040	51.52	-	51.30	-	-	-	-	103,868,040
(B)	Public	5	97,757,068	-	-	97,757,068	48.48	97,757,068	-	97,757,068	48.48	847,351	48.70	-	-	-	-	97,757,068
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	**14**	**201,625,108**	**-**	**-**	**201,625,108**	**100.00**	**201,625,108**	**-**	**201,625,108**	**100.00**	**847,351**	**100.00**	**-**	**-**	**-**	**-**	**201,625,108**

^ Includes vested options granted under ESOP 2023. For further details, please see, "Capital Structure – Employee Stock Option Plan" on page 108.

8. **Other details of shareholding of our Company**

(a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has 14 holders of Equity Shares. Further, our Company is in compliance with Section 25 of the Companies Act, 2013 and has not made any allotment(s) to an aggregate of more than 200 allottees in a financial year, since its incorporation.

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 2 each held*	Percentage of the pre-Offer Equity Share capital (%)	Number of Equity Shares on a fully diluted basis^	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
1.	Katsura Investments	73,734,868	36.57%	73,734,868	36.42%
2.	Bhavesh Vallabhdas Varmora	19,351,425	9.60%	19,351,425	9.56%
3.	Hiren R Varmora	19,117,155	9.48%	19,117,155	9.44%
4.	Pramodkumar Parsotambhai Patel	13,416,450	6.65%	13,416,450	6.63%
5.	Ramanbhai Jivrajbhai Varmora	13,168,680	6.53%	13,168,680	6.50%
6.	Vallabhbhai Jivrajbhai Varmora	10,313,355	5.12%	10,313,355	5.09%
7.	Bharatbhai Vallabhdas Varmora	9,631,715	4.78%	9,631,715	4.76%
8.	Ashokbhai Naranbhai Patel	9,257,640	4.59%	9,257,640	4.57%
9.	Manishkumar Vallabhbhai Varmora	9,132,145	4.53%	9,132,145	4.51%
10.	Rajkumar P Varmora	8,235,405	4.08%	8,235,405	4.07%
11.	Adarsh Harilal Patel	6,436,845	3.19%	6,436,845	3.18%
12.	Parsotambhai Jivrajbhai Patel	6,381,300	3.16%	6,381,300	3.15%
13.	Praful Parsotambhai Varmora	3,355,815	1.66%	3,355,815	1.66%
	Total	**201,532,798**	**99.95%**	**201,532,798**	**99.54%**

**Based on the beneficiary position statement dated August 6, 2025.*
^ Includes vested options under ESOP 2023. For further details, please see, "Capital Structure – Employee Stock Option Plan" on page 108.

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 2 each held*	Percentage of the pre-Offer Equity Share capital (%)	Number of Equity Shares on a fully diluted basis^	Percentage of the pre-Offer equity share capital on a fully diluted basis(%)^
1.	Katsura Investment	73,734,868	36.57%	73,734,868	36.42%
2.	Bhavesh Vallabhdas Varmora	19,351,425	9.60%	19,351,425	9.56%
3.	Hiren R Varmora	19,117,155	9.48%	19,117,155	9.44%
4.	Pramodkumar Parsotambhai Patel	13,416,450	6.65%	13,416,450	6.63%
5.	Ramanbhai Jivrajbhai Varmora	13,168,680	6.53%	13,168,680	6.50%
6.	Vallabhbhai Jivrajbhai Varmora	10,313,355	5.12%	10,313,355	5.09%
7.	Bharatbhai Vallabhdas Varmora	9,631,715	4.78%	9,631,715	4.76%
8.	Ashokbhai Naranbhai Patel	9,257,640	4.59%	9,257,640	4.57%
9.	Manishkumar Vallabhbhai Varmora	9,132,145	4.53%	9,132,145	4.51%
10.	Rajkumar P. Varmora	8,235,405	4.08%	8,235,405	4.07%
11.	Adarsh Harilal Patel	6,436,845	3.19%	6,436,845	3.18%
12.	Parsotambhai Jivrajbhai Patel	6,381,300	3.16%	6,381,300	3.15%
13.	Praful Parsotambhai Varmora	3,355,815	1.66%	3,355,815	1.66%
	Total	**201,532,798**	**99.95%**	**201,532,798**	**99.54%**

** Based on the beneficiary position statement dated July 28, 2025*
^ Includes vested options under ESOP 2023. For further details, please see, "Capital Structure – Employee Stock Option Plan" on page 108.

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company on a fully diluted basis, as of one year prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of equity shares of face value of ₹ 5 each held*	Percentage of the pre-Offer equity share capital (%)	Number of equity shares of face value of ₹ 5 each held (on a fully diluted basis)^	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)^
1.	Katsura Investments	28,775,148	36.00%	29,493,948	36.57%
2.	Hiren R Varmora	7,646,862	9.57%	7,646,862	9.48%
3.	Bhavesh Vallabhdas Varmora	5,980,074	7.48%	5,980,074	7.41%
4.	Pramodkumar Parsotambhai Patel	5,366,580	6.71%	5,366,580	6.65%
5.	Ramanbhai Jivrajbhai Varmora	5,267,472	6.59%	5,267,472	6.53%
6.	Bharatbhai Vallabhdas Varmora	4,731,267	5.92%	4,731,267	5.87%
7.	Manishkumar Vallabhbhai Varmora	4,534,773	5.67%	4,534,773	5.62%
8.	Vallabhbhai Jivrajbhai Varmora	4,125,342	5.16%	4,125,342	5.12%
9.	Ashokbhai Naranbhai Patel	3,703,056	4.63%	3,703,056	4.59%
10.	Rajkumar P Varmora	3,294,162	4.12%	3,294,162	4.08%
11.	Adarsh Harilal Patel	2,574,738	3.22%	2,574,738	3.19%
12.	Parsotambhai Jivrajbhai Patel	2,552,520	3.19%	2,552,520	3.16%
13.	Praful Parsotambhai Varmora	1,342,326	1.68%	1,342,326	1.66%
	Total	**79,894,320**	**99.94%**	**80,613,120**	**99.94%**

** Based on the beneficiary position statement dated August 7, 2024.*
^17,575,866 CCPS of face value of ₹10 held by Katsura Investments were converted into 1,796,998 equity shares on December 16, 2024.

(e) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company on a fully diluted basis, as of two years prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of equity shares of face value of ₹ 5 each held*	Percentage of the pre-Offer equity share capital (%)^	Number of equity shares of face value of ₹ 5 each held (on a fully diluted basis)^	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)^
1.	Katsura Investments	9,591,716	36.00%	9,831,316	36.57%
2.	Bhavesh Vallabhdas Varmora	1,993,358	7.48%	1,993,358	7.41%
3.	Ramanbhai Jivrajbhai Varmora	1,755,824	6.59%	1,755,824	6.53%
4.	Hiren R Varmora	1,492,952	5.60%	1,492,952	5.55%
5.	Vallabhbhai Jivrajbhai Varmora	1,375,114	5.16%	1,375,114	5.12%
6.	Ashokbhai Naranbhai Patel	1,234,352	4.63%	1,234,352	4.59%
7.	Rajkumar P Varmora	1,098,054	4.12%	1,098,054	4.08%
8.	Ranjanben Vallabhbhai Varmora	1,082,214	4.06%	1,082,214	4.03%

Sr. No.	Name of the Shareholder	Number of equity shares of face value of ₹ 5 each held*	Percentage of the pre-Offer equity share capital (%)^	Number of equity shares of face value of ₹ 5 each held (on a fully diluted basis)^	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)^
9.	Bhaunaben Ramanbhai Patel	1,056,002	3.96%	1,056,002	3.93%
10.	Bharatbhai Vallabhdas Varmora	1,035,982	3.89%	1,035,982	3.85%
11.	Pramodkumar Parsotambhai Patel	1,023,220	3.84%	1,023,220	3.81%
12.	Manishkumar Vallabhbhai Varmora	970,484	3.64%	970,484	3.61%
13.	Parsotambhai Jivrajbhai Patel	850,840	3.19%	850,840	3.16%
14.	Lataben Pramodbhai Patel	765,640	2.87%	765,640	2.85%
15.	Naranbhai Hansrajbhai Patel	724,502	2.72%	724,502	2.69%
16.	Praful Parsotambhai Varmora	447,442	1.68%	447,442	1.66%
	Total	**26,497,696**	**99.45%**	**26,737,296**	**99.46%**

* *Based on the beneficiary position statement dated August 7, 2023.*

^ *17,575,866 CCPS of face value of ₹10 held by Katsura Investments were converted into 1,796,998 equity shares on December 16, 2024 and 333,941,454 CCPS of face value of ₹10 held by Katsura Investments were converted into 2,276,198 equity shares on March 21, 2023.*

(f) Except for the allotment of Equity Shares pursuant to the exercise of vested options granted under the ESOP Plan, the Pre-IPO Placement and the Fresh Issue, our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer 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 Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

(g) Except for the outstanding options granted in terms of the ESOP Plan, there are no outstanding warrants, options, or rights to convert debentures, loans or other convertible instruments would entitle any person any option to receive Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

9. **Employee Stock Option Plan**

Varmora Employee Stock Option Plan – 2023 ("ESOP 2023" or "ESOP Plan")

Pursuant to a resolution of our Board of Directors dated November 30, 2023, and Shareholders' resolution dated December 8, 2023, our Company had instituted an employee stock option plan, the ESOP 2023, which has further been amended and approved in line with the approvals made by the Nomination and Remuneration Committee of our Company pursuant to resolution dated June 26, 2025 passed by our Board of Directors and the Shareholders' resolution dated July 23, 2025.

The ESOP 2023 will be administered by the NRC Committee in accordance with the SEBI SBEB Regulations. The objectives of the ESOP 2023 are: (i) to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company; and (ii) to attract and retain talent in the Company and its Subsidiaries by way of rewarding performance and motivating employees to contribute to overall growth.

Pursuant to the ESOP 2023, options to acquire Equity Shares may be granted to eligible "employees" including (i) permanent employee of the Company, who is working in India or outside India; or (ii) a director of the Company, whether a whole time director or not, excluding an independent director of the Company; or (iii) an employee as defined in (i) or (ii) above, of a subsidiary, in India or outside India, or a holding company but excludes an employee who is a promoter or a person belonging to the promoter group; or a director who either himself or through his relatives or through anybody corporate, directly or indirectly, holds more than ten percent of the issued and subscribed Equity Shares of the Company.

Under the ESOP 2023, the Board and/or the NRC Committee is authorised to issue Equity Shares of the Company pursuant to exercise of options granted under the ESOP 2023 not exceeding 3,827,374 Equity Shares of face value of ₹2 each to the eligible employees in one or more tranches, from time to time. During any one year, no employee shall be granted options exceeding 1,000,000 options at the time of grant of options.

As on the date of this Draft Red Herring Prospectus, 3,271,580 options have been granted by our Company under the ESOP 2023. The details of the ESOP 2023 as certified by M/s Doshi Doshi & Co., Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025 are as follows:

Particulars	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this Draft Red Herring Prospectus
Total options outstanding (including vested and unvested options) as at the beginning of the year/period	NA	NA	3,229,992	2,757,332
Options granted during the year/period	NA	3,229,992	41,588	Nil
No of employees to whom options are granted	NA	45	1	-
Vesting period	NA	1-3 years	1-2 years	1-2 years
Options vested (including options that have been exercised)	NA	Nil	8,47,351	Nil
Exercise price of options in ₹ (as on the date of grant of options)	NA	2 - 114.12	2 - 114.12	2 - 114.12
Options forfeited/ lapsed/ cancelled during the year/period	NA	Nil	514,248	Nil
Options encashed	NA	Nil	Nil	Nil
Variation of terms of options	NA	NA	NA	NA
Money realized by exercise of options (in ₹)	NA	NA	NA	NA
Total number of options outstanding	NA	3,229,992	2,757,332	2,757,332
Options exercised during the period/year	NA	Nil	Nil	Nil
The total number of Equity Shares of face value ₹2 each that would arise as a result of full exercise of options outstanding as at the end of the year/ period (net of forfeited/ lapsed/ cancelled options)	NA	3,229,992	2,757,332	2,757,332
Total no. of options in force as at the end of the year/period	NA	3,229,992	2,757,332	2,757,332
Employee wise details of options granted to:				
(i) Key management personnel				
Bhaveshkumar H Koshti	NA	225,998	225,998	225,998
Nilesh Sharma	NA	30,818	30,818	30,818
(ii) Senior management				
Amit Doshi	NA	547,874	547,874	547,874
Hardik Nalinbhai Doshi		547,873	547,873	547,873
Rajesh Harjivanbhai Detroja		547,873	547,873	547,873
(iii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year/period				
Hemal Arvind Vadera	NA	225,998	225,998	225,998
(iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NA	Nil	Nil	Nil
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 'Earnings Per Share' (in ₹)	NA	2.19	1.74	NA
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	NA	NA		
Description of the pricing formula and the method and significant assumptions used to estimate the fair value of options granted during the year, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	NA	Black Scholes valuation model		
- Expected life of options (years)	NA	3.5 to 4.81 years	3.26 to 4.26 years 2.81 to 3.81 years	3.26 to 4.26 years 2.81 to 3.81 years
- Expected Volatility (%) p.a	NA	39.71%	33.33%	38.38%
- Risk Free Rate of Return (%)	NA	6.90%	6.90%	6.90%
- Dividends expected on - the shares	NA	NA	NA	NA
- Exercise price per share (₹)	NA	2 – 114.12	2 – 114.12	2 – 114.12

Particulars	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this Draft Red Herring Prospectus
Significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	NA	The fair value of the employee share options granted during the year was determined using the Black-Scholes- Merton formula		
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three years	NA	Not applicable because the Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations i.e., as per the Indian Accounting Standard		
Intention of key managerial personnel, senior management personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	NA	NA		
Intention to sell Equity Shares arising out of the ESOP 2023 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NA	NA		

Note: Pursuant to a resolution passed by our Board on May 8, 2023 and a resolution passed by the Shareholders on June 7, 2023, the equity shares of our Company bearing face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Further, pursuant to a resolution passed by our Board on December 6, 2024 and a resolution passed by the Shareholders on December 11, 2024, the equity shares of our Company bearing face value of ₹ 5 each of our Company were sub-divided into equity shares of face value of ₹ 2 each. Accordingly, the number of equity shares of face value ₹2 acquired and the options granted under the ESOP scheme have been adjusted to give effect to such sub-divisions of the equity shares of our Company.

All the allottees under the ESOP Plan are employees and all grants of options under the ESOP Plan, in the past or in the future, are/shall be in compliance with the Companies Act, 2013.

The ESOP Plan is in compliance with the SEBI SBEB Regulations and has been certified by the Independent Chartered Accountant, having the firm registration number 153683W, pursuant to its certificate dated August 7, 2025.

10. ***Details of shareholding of our Promoters and members of our Promoter Group in our Company***

(a) Set forth in the table below is the Equity Shares held by our Promoters and our members of our Promoter Group:

Name of the Shareholder	Pre-Offer equity share capital on a fully diluted basis^		Post-Offer equity share capital on a fully diluted basis*	
	Number of Equity Shares of face value of ₹2 each	% of total shareholding	Number of Equity Shares of face value of ₹2 each	% of total shareholding
Promoters				
Bhavesh Vallabhdas Varmora	19,351,425	9.56	[●]	[●]
Hiren R Varmora	19,117,155	9.44	[●]	[●]
Pramodkumar Parsotambhai Patel	13,416,450	6.63	[●]	[●]
Total	**51,885,030**	**25.63**	**[●]**	**[●]**
Promoter Group (Other than the Promoters)				
Ramanbhai Jivrajbhai Varmora	13,168,680	6.50	[●]	[●]
Vallabhbhai Jivrajbhai Varmora	10,313,355	5.09	[●]	[●]
Bharatbhai Vallabhdas Varmora	9,631,715	4.76	[●]	[●]
Manishkumar Vallabhbhai Varmora	9,132,145	4.51	[●]	[●]
Parsotambhai Jivrajbhai Patel	6,381,300	3.15	[●]	[●]
Prafulbhai Parsotambhai Varmora	3,355,815	1.66	[●]	[●]
Total	**51,983,010**	**25.67**	**[●]**	**[●]**

**Subject to finalisation of Basis of Allotment.*
^ Includes vested options under ESOP 2023. For further details, please see, "Capital Structure – Employee Stock Option Plan" on page 108.

(b) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

(c) As on the date of this Draft Red Herring Prospectus, neither our Promoters nor members of the Promoter Group hold any preference shares.

(d) **Build-up of our Promoters' shareholding in our Company**

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Date of allotment/ transfer/acquisition of Equity Shares	Nature of transaction	Number of equity shares	Face value per equity share (₹)	Offer price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)***
Pramodkumar Parsotambhai Patel							
November 18, 2003	Initial subscription to the Memorandum of Association	10,000	10	10	Cash	0.02	[●]
March 6, 2004	Further issue	64,900	10	10	Cash	0.16	[●]
March 3, 2005	Further issue	7,000	10	10	Cash	0.02	[●]
March 31, 2006	Further issue	103,300	10	10	Cash	0.26	[●]
March 26, 2007	Further issue	113,000	10	10	Cash	0.28	[●]
August 28, 2017	Rights issue	31,556	10	140	Cash	0.08	[●]
August 29, 2017	Rights issue	25,115	10	140	Cash	0.06	[●]
August 30, 2017	Rights issue	48,737	10	140	Cash	0.12	[●]
September 1, 2017	Rights issue	46,227	10	140	Cash	0.11	[●]
May 2, 2022	Transfer of 100 equity shares from Pravinbhai Nagda; 500 equity shares from Bharatbhai P. Patel; 1000 equity shares from Dilipbhai P. Patel	1,600	10	210	Cash	Negligible	[●]
July 15, 2022	Conversion of non-cumulative redeemable preference shares into equity shares	19,848	10	564	Cash*	0.05	[●]
July 26, 2022	Rights issue	40,327	10	564	Cash	0.10	[●]
Pursuant to our Board resolution dated May 8, 2023, and our Shareholder's resolution dated June 7, 2023, the existing equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the 511,610 equity shares of face value of ₹ 10 each held by Pramodkumar Parsotambhai Patel were sub-divided into 1,023,220 Equity Shares of face value of ₹ 5 each.							
August 18, 2023	Bonus issue	2,046,440	5	N.A.	N.A.	2.54	[●]
September 12, 2023	Transfer from Lataben Pramod Patel by way of gift	2,296,920	5	N.A.	N.A.	2.85	[●]
Pursuant to our Board resolution dated December 6, 2024, and our Shareholder's resolution dated December 11, 2024, the existing equity shares of face value of ₹ 5 each of our Company were sub-divided into equity shares of face value of ₹ 2 each. Consequently, the 5,366,580 equity shares of face value of ₹5 each held by Pramodkumar Parsotambhai Patel were sub-divided into 13,416,450 Equity Shares of face value of ₹2 each.							
Total		**13,416,450**				**6.65%**	**[●]**
Bhavesh Vallabhdas Varmora							
March 6, 2004	Further issue	141,000	10	10	Cash	0.35	[●]
March 3, 2005	Further issue	9,600	10	10	Cash	0.02	[●]
March 31, 2006	Further issue	22,200	10	10	Cash	0.06	[●]
March 26, 2007	Further issue	30,000	10	10	Cash	0.07	[●]
October 1, 2009	Transfer of 271,700 equity shares from	633,500	10	10	Cash	1.57	[●]

Date of allotment/ transfer/acquisition of Equity Shares	Nature of transaction	Number of equity shares	Face value per equity share (₹)	Offer price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)***
	Pravinbhai Narshibhai Patel; 134,800 equity shares from Bhavinaben Hareshbhai Patel; 227,000 equity shares from Ganeshbhai Shivabhai Patel						
March 29, 2013	Transfer to Vaishaliben Bhaveshbhai Patel as gift	(37,000)	10	N.A.	N.A.	(0.09)	[●]
August 28, 2017	Rights issue	59,221	10	140	Cash	0.15	[●]
August 29, 2017	Rights issue	25,995	10	140	Cash	0.06	[●]
August 30, 2017	Rights issue	33,837	10	140	Cash	0.08	[●]
September 1, 2017	Rights issue	50,600	10	140	Cash	0.13	[●]
July 15, 2022	Conversion of non-cumulative redeemable preference shares into equity shares	20,545	10	564	Cash*	0.05	[●]
July 26, 2022	Rights issue	7,181	10	564	Cash	0.02	[●]
Pursuant to our Board resolution dated May 8, 2023, and our Shareholder's resolution dated June 7, 2023, the existing equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the 996,679 equity shares of face value of ₹ 10 each held by Bhavesh Vallabhdas Varmora were sub-divided into 1,993,358 Equity Shares of face value of ₹ 5 each.							
August 18, 2023	Bonus issue	3,986,716	5	N.A.	N.A.	4.94	[●]
Pursuant to our Board resolution dated December 6, 2024, and our Shareholder's resolution dated December 11, 2024, the existing equity shares of face value of ₹ 5 each of our Company were sub-divided into equity shares of face value of ₹ 2 each. Consequently, the 5,980,074 equity shares of face value of ₹ 5 each held by Bhavesh Vallabhdas Varmora were sub-divided into 14,950,185 Equity Shares of face value of ₹ 2 each.							
December 6, 2024	Gift from Bharatbhai Vallabhdas Varmora	2,196,452	2	N.A.	N.A.	1.09	[●]
December 6, 2024	Gift from Manishkumar Vallabhbhai Varmora	2,204,788	2	N.A.	N.A.	1.09	[●]
Total		**19,351,425**				**9.60%**	[●]
Hiren R Varmora							
March 29, 2013	Transfer of 540,000 equity shares from Ramanbhai Jivrajbhai Patel and 50,000 equity shares from Bhavnaben Ramanbhai Patel by way of gift	590,000	10	N.A.	N.A.	1.46	[●]

Date of allotment/ transfer/acquisition of Equity Shares	Nature of transaction	Number of equity shares	Face value per equity share (₹)	Offer price/ transfer price per equity share (₹)	Nature of consideration	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)***
August 28, 2017	Rights issue	22,428	10	140	Cash	0.06	[●]
August 29, 2017	Rights issue	13,272	10	140	Cash	0.03	[●]
August 30, 2017	Rights issue	20,539	10	140	Cash	0.05	[●]
September 1, 2017	Rights issue	16,243	10	140	Cash	0.04	[●]
July 15, 2022	Conversion of non-cumulative redeemable preference shares into equity shares	10,489	10	564	Cash*	0.03	[●]
July 26, 2022	Rights issue	73,505	10	564	Cash	0.18	[●]
Pursuant to our Board resolution dated May 8, 2023, and our Shareholder's resolution dated June 7, 2023, the existing equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the 746,476 equity shares of face value of ₹ 10 each held by Hiren R Varmora were sub-divided into 1,492,952 Equity Shares of face value of ₹ 5 each.							
August 18, 2023	Bonus issue	2,985,904	5	N.A.	N.A.	3.70	[●]
September 12, 2023	Transfer from Bhavnaben Ramanbhai Patel by way of gift	3,168,006	5	N.A.	N.A.	3.93	[●]
Pursuant to our Board resolution dated December 6, 2024, and our Shareholder's resolution dated December 11, 2024, the existing equity shares of face value of ₹ 5 each of our Company were sub-divided into equity shares of face value of ₹ 2 each. Consequently, the 7,646,862 equity shares of face value of ₹5 each held by Hiren R Varmora were sub-divided into 19,117,155 Equity Shares of face value of ₹ 2 each.							
Total		**19,117,155**				**9.48%**	[●]
Total shares held by our Promoters		**51,885,030**				**25.73%**	[●]

** The consideration was received at the time of allotment of preference shares.*
*** Subject to finalisation of Basis of Allotment.*
****Not on a fully diluted basis*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares.

(e) None of the members of our Promoter Group, our Promoters and/or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

11. ***Details of Promoters' contribution and lock-in***

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

(b) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of our Promoters	Date of allotment of the Equity Shares	Nature of transaction	Number of Equity Shares of face value of ₹2 each	Face value per Equity Share (₹)	Offer/ acquisition price per Equity Share (₹)	Number of Equity Shares of face value of ₹2 each locked-in*	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	

Note: To be updated at the Prospectus stage.
** Subject to finalisation of Basis of Allotment.*

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

(d) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of Equity Shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

(ii) The Promoters' 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 offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and

(iv) The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other form of encumbrance.

12. ***Details of other Equity Shares locked- in for six months***

In terms of Regulation 17 of the SEBI ICDR Regulations, except for:

The Promoters' Contribution and any Equity Shares held by our Promoters in excess of Promoters' Contribution, which shall be locked in accordance with Regulation 16 of the SEBI ICDR Regulations as detailed above, the entire pre-Offer Equity Share capital of our Company, shall be locked in for a period of six months from the date of Allotment in the Offer. In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders.

13. ***Lock-in of Equity Shares allotted to Anchor Investors***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in in the following manner: There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

14. ***Recording on non-transferability of Equity Shares locked-in***

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

15. ***Other requirements in respect of lock-in***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

(a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to 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 compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months, 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 and compliance with the provisions of the Takeover Regulations.

16. Our Company, the Promoters, the Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

17. Except as disclosed under "*Summary of the Offer Document - Aggregate pre-Offer and post-Offer shareholding of our Promoters, the members of our Promoter Group and additional top 10 Shareholders*" on page 21, none of the Directors, Key Managerial Personnel or Senior Management, hold any Equity Shares in our Company.

18. There are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. Equity Shares to be issued pursuant to the Offer shall be fully paid-up at the time of Allotment.

19. As on the date of this Draft Red Herring Prospectus, none of the BRLMs or their respective associates hold any Equity Shares. The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company and its respective directors and officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and each of its respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation. Further, as on the date of this Draft Red Herring Prospectus, none of the BRLMs are the associates of our Company.

20. None of the Promoters or members of our Promoter Group will participate in the Offer nor receive any proceeds from the Offer.

21. Our Company has not granted any employee stock appreciation rights, as on the date of this Draft Red Herring Prospectus.

22. Except for the issuance of Equity Shares pursuant to (i) the Pre-IPO Placement; (ii) the exercise of vested options granted under the ESOP 2023 and (iii) the Offer, 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 this Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

23. The BRLMs and any associates of the BRLMs (except for Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs which are sponsored by entities that are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds sponsored by entities which are associate of the BRLMs) shall not apply in the Offer under the Anchor Investor Portion. Further, no person related to our Promoter or members of our Promoter Group shall apply in the Offer under the Anchor Investor Portion.

24. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group or Group Company, shall offer or make payment of any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

SECTION IV – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares of face value of ₹ 2 each, aggregating up to ₹ 4,000 million and an Offer for Sale of up to 52,435,268 Equity Shares of face value of ₹ 2 each, aggregating up to ₹ [●] million by the Selling Shareholders. For details, see "*Summary of the Offer Document*" and "*The Offer*" on pages 19 and 72, respectively.

Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting their proportion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. See "- *Offer Expenses*" on page 124.

Fresh Issue

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Repayment/ pre-payment, in full or in part, of all or certain outstanding borrowings and accrued interest thereon availed by:

   a. our Company; and

   b. our wholly-owned subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and of our subsidiary, Simola Tiles LLP, through investment in such Subsidiaries; and

2. General corporate purposes.

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

In addition to the Objects, our Company also expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's visibility and our brand name among our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us: (i) to undertake our existing business activities and other activities set out therein; (ii) to undertake the activities proposed to be funded from the Net Proceeds; and (iii) the activities towards which the loans proposed to be repaid/ prepaid from the Net Proceeds were utilized.

The objects clause and matters in furtherance of the objects set out in their memorandum of association and partnership agreement, as applicable, of our Subsidiaries, enables each of them to undertake: (i) their existing business activities; (ii) the activities proposed to be funded from the Net Proceeds; and (iii) the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised.

Net Proceeds

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

Particulars	Estimated amount (in ₹ million)
Gross proceeds from the Fresh Issue*	**4,000**
(Less) Offer related expenses in relation to the Fresh Issue(3)	([●])
Net Proceeds(1)(2)	**[●]**

**Subject to full subscription of the Fresh Issue component.*
(1)To be finalised upon determination of the Offer Price and updated in Prospectus prior to filing with the RoC.
(2) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.
(3) For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to "-Offer Expenses" on page 124.

Proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be deployed towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as provided in the following table:

Particulars	Amount proposed to be funded from Net Proceeds (in ₹ million)	Estimated schedule of deployment of Net Proceeds in Fiscal 2026 (in ₹ million)
Repayment/ pre-payment, in full or in part, of all or certain outstanding borrowings and accrued interest thereon availed by:	3,200.00	3,200.00
a. our Company; and	2,800.00	2,800.00
b. our wholly-owned subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and of our Subsidiary, Simola Tiles LLP, through investment in such Subsidiaries	400.00	400.00
General corporate purposes(1)	[●]	[●]
Net Proceeds(2)	[●]	[●]

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

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

Pursuant to a resolution passed by our Board dated August 7, 2025, our Company has approved the utilisation of the Net Proceeds for the Objects, in accordance with the schedule of deployment and implementation. See "*Material Contracts and Documents for Inspection – Material Documents*" on page 567.

The above fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, prevailing market conditions and other commercial and technical factors including interest rates and other charges, and the financing and other agreements entered into by our Company and our Subsidiaries, which are subject to change in the future and have not been appraised by any bank, or financial institution or other independent agency. These are based on current conditions and are subject to revisions in light of changes in costs, our financial condition, our business operations or growth strategy or external circumstances which may not be in our control. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our management's estimates of economic trends and business requirements, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilization towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilized towards general corporate purposes, subject to applicable laws to the extent that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under "— *Details of the Objects — General corporate purposes*" below and will be consistent with the requirements of our business. The estimated schedule of deployment of Net Proceeds is indicative and our management may vary the amount to be utilized in a particular Financial Year at its discretion. In the event that the estimated utilisation of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, as may be determined by our Company in accordance with applicable laws.

For further information on factors that may affect our internal management estimates, see "*Risk Factors – 50. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which may be beyond our control. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 62.

Means of Finance

The fund requirements for the Objects of the Offer are proposed to be met from 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 Fresh Issue as required under Regulation 7(1)(e) the SEBI ICDR Regulations. Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for the stated objects will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

Details of the Objects of the Offer to be funded from Fresh Issue proceeds

1. ***Repayment/ pre-payment, in full or in part, of all or certain outstanding borrowings and accrued interest thereon availed by (a) our Company; and (b) our wholly-owned subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (formerly, Varmora Sanitarywares LLP), and of our Subsidiary, Simola Tiles LLP, through investment in such Subsidiaries***

Our Company, along with our wholly-owned Subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and our Subsidiary, Simola Tiles LLP, have entered into various borrowing arrangements, including borrowings in the form of terms loans and various fund based and non-fund based working capital facilities with various banks and financial institutions. As on March 31, 2025, our Company and Subsidiaries had aggregate outstanding borrowings of ₹ 5,051.55 million. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness– Principal terms of the borrowings availed by us*" on page 424.

Our Company intends to utilize an aggregate amount of ₹ 3,200.00 million from the Net Proceeds towards repayment/ prepayment of all or a portion of certain outstanding borrowings availed by our Company and our wholly-owned Subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and our Subsidiary, Simola Tiles LLP, as of March 31, 2025, including payment of accrued interest thereon. We believe that such repayment or prepayment or redemption will help reduce our outstanding indebtedness on a consolidated basis and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion.

In addition, we believe that this would improve our debt-equity ratio which will improve our ability to raise additional capital in the future on competitive terms to fund potential business development opportunities. The selection of borrowings proposed to be prepaid or repaid or redeemed amongst our borrowing arrangements will be based on various factors, including (i) maturity profile and the remaining tenor of the loan; (ii) cost of the borrowing, including applicable interest rates; (iii) any conditions attached to the borrowings, restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, or relating to the terms of repayment; (iv) levy of any prepayment penalties and the quantum thereof; (v) provisions of any laws, rules and regulations governing such borrowings; and (vi) other commercial considerations including, among others, the amount of the loan outstanding.

Given the nature of the borrowings and the terms of repayment/ prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company and Subsidiaries may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment.

In light of the above, if at the time prior to the filing of the Red Herring Prospectus, any of the below mentioned loans are repaid/prepaid in part or full or refinanced or drawn down, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company and our wholly-owned Subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and our Subsidiary, Simola Tiles LLP. The amounts proposed to be prepaid and / or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment.

The investment by our Company in these Subsidiaries is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner, as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus.

The following table sets forth details of certain borrowings and interest accrued thereon availed by our Company which are outstanding as on March 31, 2025, out of which we may repay/ prepay, all or a portion of any or all of the borrowings from the Net Proceeds:

Sr. No.	Name of the Lender	Nature of loan	Date of sanction letter	Purpose of loan availed as per agreement/sanction letter	Sanctioned amount as on March 31, 2025 (in ₹ million)	Principal amount outstanding as on March 31, 2025 (in ₹ million)	Tenor/ repayment schedule	Repayment date	Effective rate of interest as on March 31, 2025 (in %)	Pre-payment penalty (if any)
1.	ICICI Bank Limited	Term loan	September 29, 2023	Future capital expenditure or reimbursement of capital expenditure	847.50	773.34	80 monthly instalments after moratorium of 11 months. Door to door tenor shall not exceed 91 months	April 2031	8.65%	Prepayment premium of 1%
2.	HDFC Bank Limited	Term loan	November 1, 2023	Capital expenditure	1,350.00	1,265.62	Total tenor of 91 months including moratorium of 11 months (Equal monthly instalments)	June 2031	7.75%	4% + Applicable taxes of the amount prepaid or foreclosed
3.	HDFC Bank Limited	Term loan	January 16, 2021	Capital expenditure	135.00	31.04	65 months (repayment by way of 60 monthly instalments after a moratorium of 5 months)	May 2026	7.97%	Nil
4.	HDFC Bank Limited	Term loan	July 9, 2020	Capital expenditure	58.50	11.48	Equal monthly 60 instalments after 6 months of moratorium	January 2026	8.59%	2% of amount prepaid plus applicable taxes
5.	HDFC Bank Limited	Term loan	January 19, 2018	Capital expenditure	615.00	54.33	84 Months (repayment by way of 23 equal quarterly instalments starting from end of 15 months from the first disbursement)	May 2027	8.59%	As applicable at the time of prepayment
6.	State Bank of India	Term loan	March 12, 2021	Capital expenditure	60.60	31.39	Equal monthly 60 instalments after 12 months of moratorium	May 2026	9.15%	2% of the total exposure
7.	State Bank of India	Guaranteed emergency credit line	March 14, 2023	Working capital	17.00	17.00	Equal monthly 36 instalments after 24 months of moratorium	February 2028	9.25%	2% of the total exposure
8.	HDFC Bank Limited	Cash credit	December 23, 2024	Working capital	750.00	95.29	Repayable on demand	NA	8.25%	2% of sanctioned amount for working capital facilities, plus taxes
9.		Working capital demand loan				30.00	Up to 180 days		8.50%	
10.						555.78			8.25%	
11.	HDFC Bank Limited	Cash credit	December 23, 2024	Working capital	180.00	41.44	Repayable on demand	NA	8.25%	2% of sanctioned amount for working capital facilities, plus taxes
12.	ICICI Bank Limited	Cash credit	December 30, 2024	Working capital	500.00	92.77	Repayable on demand	NA	8.65%	Nil
13.		Working capital demand loan				250.00	90 days	NA	8.15%	Nil

Sr. No.	Name of the Lender	Nature of loan	Date of sanction letter	Purpose of loan availed as per agreement/sanction letter	Sanctioned amount as on March 31, 2025 (in ₹ million)	Principal amount outstanding as on March 31, 2025 (in ₹ million)	Tenor/ repayment schedule	Repayment date	Effective rate of interest as on March 31, 2025 (in %)	Pre-payment penalty (if any)
14.		Working capital demand loan				50.00	90 days	NA	7.90%	Nil
15.	State Bank of India	Cash credit	March 28, 2024	Working capital	800.00	39.20	Repayable on demand	NA	9.15%	2% of the total exposure
16.		Working capital demand loan				700.86	90 days	NA	7.51%	
Total					**5,313.60**	**4,039.54**				

Notes:

1. *In accordance with Para 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate to obtained from the statutory auditor or a chartered accountant, holding a valid certificate issued by the Peer Review Board of the ICAI, certifying the utilization of loan for the purposes availed, our Company has obtained the requisite certificate from our Statutory Auditor, Walker Chandiok & Co LLP, Chartered Accountants for the loans utilised during their audit period i.e. last three Fiscals and from M/s Doshi Doshi & Co, Independent Chartered Accountant for loans utilised prior to Fiscal 2023, by way of their respective certificates each dated August 7, 2025.*
2. *Our Company may utilise a portion of the Net Proceeds for repayment or pre-payment of borrowings availed by our Company from State Bank of India. While SBI Capital Markets Limited is an affiliate of State Bank of India, one of the BRLMs, it is not an associate of our Company in terms of the SEBI Merchant Bankers Regulations. Further, such loans sanctioned to our Company by State Bank of India are part of their normal commercial lending activity and we do not believe that there is any conflict of interest under the SEBI Merchant Bankers Regulations, or any other applicable SEBI rules or regulations. For details, please see, "Risk Factors – 51. A portion of the Net Proceeds is proposed to be utilized for repayment or pre-payment, in full or part, all or a portion of certain loans availed by our Company and Subsidiary namely Varmora Sanitarywares Private Limited (Formerly Known as Varmora Sanitarywares LLP), from State Bank of India, an affiliate of one of the BRLMs to the Offer." on page 63.*
3. *We have obtained consents from each of the lenders whose loans are proposed to be repaid/prepaid, pursuant to which such respective lenders have waived their pre-payment charges.*

The following table sets forth details of certain borrowings and interest accrued thereon availed by our aforementioned Subsidiaries which are outstanding as on March 31, 2025, out of which we may repay/ prepay, all or a portion of any or all of the borrowings from the Net Proceeds:

Sr. No.	Name of the Lender	Nature of loan	Date of sanction letter	Purpose of loan availed as per agreement/sanction letter	Sanctioned amount sanctioned as on March 31, 2025 (in ₹ million)	Principal amount outstanding as on March 31, 2025 (in ₹ million)	Tenor/Repayment schedule	Repayment date	Effective rate of interest as on March 31, 2025 (in %)	Pre-payment penalty (if any)
1. Covertek Ceramica Private Limited										
1.	HDFC Bank Limited	Term loan	August 2, 2024	Business use	101.90	101.88	66 Months	March 2030	8.87%	4% on outstanding principal amount under the facility
2.	HDFC Bank Limited	Term loan	March 15, 2021	Capital expenditure	283.10	179.29	84 months including 12 months moratorium	September 2028	8.78%	4% on outstanding principal amount under the facility
3.	HDFC Bank Limited	Cash credit	March 3, 2025	Business use	150.00	131.97	Repayable on demand	NA	8.78%	4% of the sanctioned amount of working capital facility (Plus taxes)
Total (A)					**535.00**	**413.14**				
2. Varmora Sanitarywares Private Limited (Formerly Known as Varmora Sanitarywares LLP)										
1.	State Bank of India	Cash credit	March 10, 2025	Working capital	32.50	23.03	Repayable on demand	NA	9.10%	2% of the pre-paid amount
Total (B)					**32.50**	**23.03**				
3. Simola Tiles LLP										

Sr. No.	Name of the Lender	Nature of loan	Date of sanction letter	Purpose of loan availed as per agreement/sanction letter	Sanctioned amount sanctioned as on March 31, 2025 (in ₹ million)	Principal amount outstanding as on March 31, 2025 (in ₹ million)	Tenor/Repayment schedule	Repayment date	Effective rate of interest as on March 31, 2025 (in %)	Pre-payment penalty (if any)
1.	HDFC Bank Limited	Cash credit	October 5, 2024	Working capital	150.00	142.93	Repayable on demand	NA	8.31%	2% on foreclosed amount
2.	HDFC Bank Limited	Term loan	November 9, 2023	Takeover of loan with original purpose being business purpose	62.95	37.66	Residual tenor of 39 months as per terms of original loan	March 2027	8.58%	4% on foreclosed amount
3.	HDFC Bank Limited	Term loan	November 9, 2023	Takeover of loan with original purpose being capital expenditure	91.20	49.09	Residual tenor of 35 months as per terms of original loan	November 2026	8.58%	4% on foreclosed amount
4.	HDFC Bank Limited	Term loan	November 9, 2023	Takeover of loan with original purpose being capital expenditure	92.80	44.66	Residual tenor of 31 months as per terms of original loan	July 2026	8.58%	4% on foreclosed amount
5.	HDFC Bank Limited	Working capital	October 5, 2024	Working capital	100.00	98.74	Max 180 days or expiry of contracts/export letter of credit or expiry of process cycle whichever is earlier	NA	8.53% to 8.74%	2% on foreclosed amount
Total (C)					**496.95**	**373.07**				
Total (A+B+C)					**1,064.45**	**809.24**				

Notes:

1. *In accordance with Para 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate to obtained from the statutory auditor or a chartered accountant, holding a valid certificate issued by the Peer Review Board of the ICAI, certifying the utilization of loans for the purposes availed, our Subsidiary, Covertek Ceramica Private Limited has obtained the requisite certificate from its statutory auditor, Walker Chandiok & Co LLP, Chartered Accountants for the loans utilised during their audit period i.e. last two Fiscals and from M/s Doshi Doshi & Co, Independent Chartered Accountant for loans utilised prior to or in Fiscal 2023, by way of their respective certificates each dated August 7, 2025.*
2. *In accordance with Para 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate to obtained from their statutory auditor or a chartered accountant, holding a valid certificate issued by the Peer Review Board of the ICAI, certifying the utilisation of loans for the purpose availed, our Subsidiary, Varmora Sanitarywares Private Limited (Formerly Known as Varmora Sanitarywares LLP), has obtained the requisite certificate from its statutory auditor, Walker Chandiok & Co LLP, Chartered Accountants by way of their certificate dated August 7, 2025.*

3. *In accordance with the Para 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate to obtained from the statutory auditor or a chartered accountant, holding a valid certificate issued by the Peer Review Board of the ICAI, certifying the utilisation of loans for the purpose availed, our Subsidiary, Simola Tiles LLP, has obtained the requisite certificate from its statutory auditor, G.P.Kapadia & Co., Chartered Accountants for the loans utilised, by way of their certificates dated August 7, 2025.*
4. *Our Subsidiary, namely Varmora Sanitarywares Private Limited (formerly, Varmora Sanitarywares LLP) may utilise a portion of the Net Proceeds for repayment or pre-payment of borrowings availed by it from State Bank of India. While SBI Capital Markets Limited is an affiliate of State Bank of India, one of the BRLMs, it is not an associate of our Company in terms of the SEBI Merchant Bankers Regulations. Further, such loans sanctioned to our Company by State Bank of India are part of their normal commercial lending activity and we do not believe that there is any conflict of interest under the SEBI Merchant Bankers Regulations, or any other applicable SEBI rules or regulations. For details, please see, "Risk Factors – 51. A portion of the Net Proceeds is proposed to be utilized for repayment or pre-payment, in full or part, all or a portion of certain loans availed by our Company and Subsidiary namely Varmora Sanitarywares Private Limited (Formerly Known as Varmora Sanitarywares LLP), from State Bank of India, an affiliate of one of the BRLMs to the Offer." on page 63.*
5. *We have obtained consents from each of the lenders whose loans are proposed to be repaid/prepaid, pursuant to which such respective lenders have waived their pre-payment charges.*

Additionally, for the purposes of the Offer, we have obtained the necessary consents from the lenders as is required under the relevant loan documentation for undertaking activities in relation to the Offer.

2. ***General corporate purposes***

Our Company intends to deploy any balance left out of the Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, as approved by our management from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include (i) funding growth opportunities, including strategic initiatives; (ii) meeting any expenses incurred in the ordinary course of business by our Company; (iii) brand building and other marketing expenses; (iv) meeting expenses incurred towards any partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, Associates or Joint Ventures (for the purposes other than repayment of loans by such entities); (v) meeting of exigencies which our Company may face in the course of any business; and (vi) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

The Net Proceeds will first be utilized towards the Objects as first set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes at its discretion, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Bank(s) and Sponsor Bank(s) to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the (i) listing fees, audit fees of the Statutory Auditor (to the extent not attributable to the Offer), stamp duty payable on issue of Equity Shares pursuant to Fresh Issue, and expenses for any corporate advertisements consistent with past practice of the Company, which shall be borne solely by the Company; (ii) fees and expenses for the legal counsel to each of the Selling Shareholders which shall be borne solely by such Selling Shareholders, severally and not jointly, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer will be shared among the Company and the Selling Shareholders on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by the respective Selling Shareholders through the Offer for Sale. All such payments shall be made by the Company on behalf of the Selling Shareholders and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder, severally and not jointly, shall, reimburse the Company, for any expenses incurred by the Company on behalf of such Selling Shareholder in accordance with applicable law. It is further clarified that all payments shall be made first by the Company and that the Selling Shareholders shall, severally and not jointly, reimburse the Company for its respective proportion of the expenses upon the commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer. Further, the Selling Shareholders will not bear any costs and expenses associated with any further issue of Equity Shares by the Company including by way of private placement of Equity Shares, post filing of the Draft Red Herring Prospectus with SEBI and prior to registering of the Red Herring Prospectus with the Registrar of Companies, and such costs shall be borne solely by the Company. Further, in the event that the Offer is postponed, withdrawn or abandoned for any reason or in the event that the Offer is not successful or consummated, all costs and expenses with respect to the Offer, other than such expenses required to be solely borne by the Company or the Selling Shareholders as disclosed above, but including the fees of the Book Running Lead Managers and legal counsels and their respective reimbursement for expenses which may have accrued up to the date of such postponement, withdrawal, abandonment or failure as set out in their respective engagement letters/ this Agreement, shall be borne, in accordance with, and subject to, applicable laws between the Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares proposed to be issued and allotted by the Company pursuant to the Fresh Issue and proposed to be sold by the respective Selling Shareholders through the Offer for Sale.

The break-down of the estimated Offer expenses are set forth in the table below:

Activity	Estimated expenses	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing/uploading fee for SCSBs, Sponsor Bank(s) and Banker(s) to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs(1)(2)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to other advisors to the Offer (including statutory auditors$, industry expert^ and independent chartered accountant)	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses;	[●]	[●]	[●]
(ii) Printing and distribution of stationery;	[●]	[●]	[●]
(iii) Fees payable to the legal counsels to the Offer;	[●]	[●]	[●]
(iv) Advertising and marketing expenses;	[●]	[●]	[●]
(v) Miscellaneous.	[●]	[●]	[●]
(vi) **Total estimated Offer expenses**	**[●]**	**[●]**	**[●]**

**Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change*

$ For preparation of the restated financial statements and issue of certifications in connection with and for the purpose of the Offer

^ For preparation of the industry report commissioned and paid for by our Company, exclusively for the purpose of the Offer

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

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

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

(2) No uploading/processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

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

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

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

** For each valid application*

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

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

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

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

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.

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

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

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

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

** Based on valid applications*

Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes). The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular bearing reference SEBI/HO/CFD/PoD- 1/P/CIR/2024/0154 dated November 11, 2024 (to the extent applicable).

The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

In the event the amount spent towards Offer Expenses is less than the estimated Offer expenses set out above (the "**Unutilised Expense Amount**"), the Unutilised Expense Amount shall be distributed among our Company and the Investor Selling Shareholder proportionately in the ratio of the Equity Shares issued by our Company and sold by the Investor Selling Shareholder in the Offer. Our Company shall utilise its portion of the Unutilised Expense Amount towards repayment/ pre-payment, in full or in part, of all or certain outstanding borrowings and accrued interest thereon availed by our Company and our Subsidiaries. For further details, see "*Repayment/ pre-payment, in full or in part, of all or certain outstanding borrowings and accrued interest thereon availed by (a) our Company; and (b) our wholly-owned subsidiaries namely Covertek Ceramica Private Limited and Varmora Sanitarywares Private Limited (formerly, Varmora Sanitarywares LLP), and of our Subsidiary, Simola Tiles LLP, through investment in such Subsidiaries*" on page 117.

Interim use of funds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization for the purposes described above, we will temporarily invest the funds from the Net Proceeds in deposits only with one or more scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge loan

Our Company has not raised any bridge loans from any banks or financial institutions, which are proposed to be repaid from the Net Proceeds, as on the date of this Draft Red Herring Prospectus.

Monitoring of utilisation of funds

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

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Additionally, the Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. The statement shall be certified by the statutory auditor of our

Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above; and (ii) details of category wise variations in the actual utilization of the Net Proceeds from the objects of the Offer as stated above. This information will also be uploaded onto our website.

Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Fresh Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**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, one in Hindi and one in Gujarati, Gujarati being the regional language of Gujarat, where our Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with Section 13(8) and other applicable provisions of the Companies Act, and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 our Articles of Association, and the Regulation 59 of SEBI ICDR Regulations.

Appraising entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution. For details on risks involved, see "*Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which may be beyond our control. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 62.

Other confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale by our Promoter Group Selling Shareholders, none of our Promoters or members of the Promoter Group, Directors or Key Managerial Personnel or Senior Management or Group Companies will receive any portion of the proceeds from the Offer. There is no existing or anticipated interest of such individuals and entities in the objects of the Offer as set out above.

Further, pursuant to the Fresh Issue, the Net Proceeds received by our Company shall only be utilised for the Objects of the Offer and none of our Promoters, Promoter Group, Group Companies, or associate, as applicable, shall receive a part of or whole Net Proceeds directly or indirectly. Our Company has not entered into and is not planning to enter into any arrangement/ agreements with any of our Promoters, members of Promoter Group, Directors, Key Managerial Personnel, Senior Management or Group Companies in relation to the utilisation of the Net Proceeds.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares of face value of ₹2 each offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the face value of the Equity. Bidders should also refer to the sections *"Risk Factors"*, *"Our Business"*, *"Financial Information"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 38, 203, 289 and 391, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are set forth below:

1. One of the leading and the fastest growing player in a large attractive market.

2. One of the largest and most premium product portfolio.

3. Customer centric innovation led approach resulting in multiple new product launches, including several industry firsts.

4. Well diversified pan-India distribution network focused on EBOs that strengthen our brand recall.

5. Strategically located and technologically advanced in-house manufacturing to maintain control over quality and supply chain.

6. Entrepreneurial founder led management team, independent Board with strong focus on sustainability.

For further details, see "*Our Business –Competitive Strengths*" on page 208.

Quantitative factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Information. For further details, see the section "*Financial Information*" on page 289.

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

1. **Basic and diluted earnings per share ("EPS"), as adjusted for changes in capital:**

Particulars	Basic EPS (in ₹)*	Diluted EPS (in ₹)*	Weight
Fiscal 2025	1.75	1.74	3
Fiscal 2024	2.19	2.19	2
Fiscal 2023	2.80	2.80	1
Weighted Average	**2.07**	**2.07**	

** As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025. As derived from the Restated Consolidated Financial Information.*

Notes:

1. *Restated basic and diluted earnings/ (loss) per Equity Share (in ₹) are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). The face value of Equity Shares of our Company is ₹2.*
2. *Weighted average = Aggregate of year-wise weighted basic/diluted EPS divided by the aggregate of weights i.e. (basic / diluted EPS x Weight) for each year /Total of weights.*
3. *Earnings per Equity Share (Basic) = Profit attributable to the equity holders / Weighted average number of Equity Shares.*
4. *Earnings per Equity Share (Diluted) = Profit attributable to the equity holders / Weighted average number of Equity Shares adjusted for the effects of dilution.*
5. *Pursuant to a resolution passed by our Board on May 8, 2023 and a resolution passed by the Shareholders on June 7, 2023, our Company sub-divided the face value of its equity shares from ₹10 each to ₹5 each. Pursuant to a resolution passed by our Board on December 6, 2024 and a resolution passed by the Shareholders on December 11, 2024, our Company sub-divided the face value of its equity shares from ₹5 each to ₹2 each. Accordingly, the Basic EPS and the Diluted EPS includes the effect of such sub-divisions.*

2. **Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share of face value of ₹2 each:**

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS as per the Restated Consolidated Financial Information for Fiscal 2025	The details shall be provided post the fixing of the price band by our Company in the Prospectus.	
Based on Diluted EPS as per the Restated Consolidated Financial Information for Fiscal 2025		

3. **Industry peer group P/E ratio**

Particulars	P/E Ratio*
Highest	159.59
Lowest	28.96
Average	72.25

**As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

Notes:

(1) The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed.

(2) P/E Ratio has been computed based on the closing market price of equity shares as on July 31, 2025 divided by the diluted earnings per share for the year ended March 31, 2025.

(3) All the financial information for listed industry peers mentioned above is taken as is sourced from the audited consolidated financial statements of the relevant companies for Fiscal 2025, as available on the websites of the stock exchanges.

4. **Return on Net Worth ("RoNW")**

As derived from the Restated Consolidated Financial Information of our Company:

Particulars	RoNW (%)*	Weight
Fiscal 2025	4.88%	3
Fiscal 2024	6.51%	2
Fiscal 2023	7.93%	1
Weighted Average	**5.93%**	

** As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

Notes:

1. *RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of our Company divided by net worth at the end of that year.*
2. *Net worth, as per Regulation 2(1)(hh) of the SEBI ICDR Regulations, is the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2025, March 31, 2024 and March 31, 2023.*
3. *Weighted average return on net worth = Product of return on net worth and the respective assigned weight, dividing the resultant by the total aggregate weight.*

5. **Net Asset Value per Equity Share of face value ₹2 each ("NAV")**

NAV per Equity Share	Amount (₹)
As at March 31, 2025	35.85[@]
After completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
- At the Offer Price	[●][#]

[@] As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.

** To be computed after finalisation of the Price Band*

[#] To be determined on conclusion of the Book Building Process.

Notes:

1. *Net Asset Value per equity share represents Net Asset Value/ Net Worth divided by Weighted average number of equity shares outstanding during the year.*
2. *Net worth, as per Regulation 2(1)(hh) of the SEBI ICDR Regulations, is the aggregate value of the paid-up share capital and all reserves created out of the profits, and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2025.*

6. **Comparison of key accounting ratios with listed industry peers**

The peer group of our Company has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses in terms of our size, scale and our business model*:

Name of the Company	Revenue from operations (in ₹ million)	Face value per equity share (₹)	P/E Ratio (x)	EPS (Basic) (₹ per share)	EPS (Diluted) (₹ per share)	RoNW (%) for Fiscal 2025	Net Asset Value per Equity Share (₹ per share)
Varmora Granito Limited*[@]	14,460.29	2	[●]^^	1.75	1.74	4.88%	35.85

Name of the Company	Revenue from operations (in ₹ million)	Face value per equity share (₹)	P/E Ratio (x)	EPS (Basic) (₹ per share)	EPS (Diluted) (₹ per share)	RoNW (%) for Fiscal 2025	Net Asset Value per Equity Share (₹ per share)
Listed Peers**[**]**							
Kajaria Ceramics Limited	46,350.70	1	63.57	18.48	18.47	10.98%	172.30
Somany Ceramics Limited	26,587.60	2	36.88	14.65	14.65	7.78%	118.16
Asian Granito India Limited	15,585.20	1	28.96	2.03	2.03	2.01%	93.02
Orient Bell Limited	6,697.66	10	159.59	1.94	1.93	0.90%	216.65

* *As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

** *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 financial statements of the respective companies for the year ended March 31, 2025 submitted to stock exchanges.*

@ *Financial information of our Company has been derived from the Restated Consolidated Financial Information.*

^^ *To be updated upon finalization of the Price Band.*

Notes:

1. *PE ratio has been calculated based on the closing market price as on July 31, 2025, divided by diluted EPS for the year ended March 31, 2025.*
2. *Return on Net Worth (%) = Ratio of Profit /(loss) for the year attributable to owners of the company for the Fiscal to Net Worth as of the last day of the relevant Fiscal.*
3. *Net Asset Value per Equity Share = Net Asset Value/ Net Worth divided by Weighted average number of equity shares outstanding during the year.*
4. *Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.s*

For further details of non-GAAP measures, see the section "*Other Financial Information*" on page 389, to have a more informed view.

7. **Key Performance Indicators ("KPIs")**

The table below sets forth the details of the key performance indicators ("**KPIs**") that our Company considers have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse our business performance, which as a result, help us in analysing the growth of business in comparison to our peers.

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 7, 2025 and certified by the Chief Financial Officer on behalf of the management of our Company by way of certificate dated August 7, 2025. The management and the members of our Audit Committee have confirmed that the KPIs disclosed below have been identified and disclosed in accordance with the SEBI ICDR Regulations and the Industry Standards on Key Performance Indicators Disclosures in the Draft Offer Document and Offer Document ("**KPI Standards**"). The Bidders can refer to the below-mentioned KPIs, being a combination of key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision. Further, the management and the Audit Committee has confirmed that the verified and audited details of all the KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the filing of this Draft Red Herring Prospectus have been disclosed in this section. Further, the Audit Committee have also confirmed that there are no KPIs pertaining to our Company that have been disclosed to our Promoters, members of Promoter Group, Employees or Directors of our Company and Subsidiaries in their capacity as a shareholder of the Company at any point of time during the three years prior to the filing of the DRHP, and these KPIs have been subject to verification and certification by M/s Doshi Doshi & Co., Independent Chartered Accountants, pursuant to their certificate dated August 7, 2025 which has been included as part of the "*Material Contracts and Documents for Inspection*" on page 567.

Our Company confirms that it shall continue to disclose all the KPIs included below in this section and in "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 203 and 391, respectively, on a periodic basis, at least once in a year (or any lesser period as determined by our Board), for a duration that is the later of one year after the date of listing of the Equity Shares on the Stock Exchanges or such period as may be specified by SEBI, or till the utilisation of the proceeds from the Offer, or for such other duration as may be required under the SEBI ICDR Regulations.

The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS and may have limitations as analytical tools. A list of our KPIs as of and for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023 are set out below:

(*in ₹ million, unless otherwise indicated*)

Particulars	Unit	As at and for Fiscal		
		2025	2024	2023
	Operational KPIs			
Tiles sales volume	Million square meters	38.10	36.12	33.42
Total Dealer network (i.e., EBOs and MBOs)	Count	3,005	3,315	2,829
Number of cities with EBOs	Count	232	209	186
	Financial KPIs			
Revenue from operations(1)	In ₹ million	14,460.29	14,354.81	13,349.46
Growth in Revenue from operations (2)	%	0.73%	7.53%	NA (3)
Revenue from tiles (4)	In ₹ million	12,779.34	12,483.99	11,600.10
Revenue from GVT as a percentage of revenue from tiles (5)	%	78.71%	75.37%	69.35%
Revenue from in-house manufacturing (6)	In ₹ million	11,358.53	9,593.49	9,679.03
Revenue from in-house manufacturing as a percentage of revenue from operation (7)	%	78.55%	66.83%	72.51%
Gross Profit (8)	In ₹ million	5,814.40	5,192.33	5,246.85
Gross Margin(9)	%	38.95%	35.26%	37.48%
EBITDA(10)	In ₹ million	1,982.91	1,503.30	1,806.81
EBITDA margin(11)	%	13.28%	10.21%	12.91%
Adjusted EBITDA(12)	In ₹ million	2,071.41	1,534.88	1,806.81
Adjusted EBITDA Margin(13)	%	13.88%	10.42%	12.91%
Profit for the year (1)	In ₹ million	307.73	449.35	550.64
Profit for the year margin(14)	%	2.06%	3.05%	3.93%
Advertisement and promotion expense(15)	In ₹ million	332.36	375.59	357.60
Basic Earnings per Equity Share (1)	In ₹	1.75	2.19	2.80
Return on Capital Employed (“**ROCE**”)(16)	%	6.32%	7.95%	13.29%
Return on Equity (“**ROE**”)(17)	%	4.14%	6.39%	8.23%
Net working capital days(18)	Days	112	82	81
Net debt(19)	In ₹ million	3,900.10	3,145.67	304.80

Notes:

1. Revenue from operations, Profit for the year and Basic Earnings Per Equity Share is as per the Restated Consolidated Financial Information

2. Growth in revenue from operations growth is calculated as percentage growth in revenue from operations for the relevant Fiscal over Revenue from Operations for the immediately preceding Fiscal

3. Since the comparative financials for FY 2022 have not been restated the revenue from operations growth cannot be provided

4. Revenue from tiles is calculated as the sum of revenue from sale of tiles

5. Revenue from GVT as a percentage of revenue from tiles is calculated as Revenue from GVT Tiles divided by Revenue from Operations generated from tiles

6. Revenue from in-house manufacturing is calculated as the sum of revenue from sale of products manufactured in-house by our Company including Subsidiaries

7. Revenue from in-house manufacturing (%) is calculated as the Revenue from in-house manufacturing divided by revenue from operation

8. Gross profit is defined as total income less the sum of cost of materials consumed, purchases of stock-in-trade, changes in inventory, and power and fuel expenses. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

9. Gross margin represents the ratio of gross profit to total income for a given year. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

10. Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost and depreciation. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

11. EBITDA margin is the ratio of EBITDA to total income for a given year. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

12. Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization (Adjusted EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost, depreciation and share based payment expense. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

13. Adjusted EBITDA margin is the ratio of Adjusted EBITDA to total income for a given year. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

14. Profit for the year margin is calculated as profit for the year divided by total income for a given year. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

15. Advertisement and Promotion expense is as per the Restated Consolidated Financial Information.

16. Return on capital employed (ROCE) is calculated as earnings before interest and tax (EBIT) divided by the sum of Total Equity, Non-Current Borrowing and Current Borrowing. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

17. Return on equity (ROE) is calculated as profit for the year divided by total equity. For a reconciliation of non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures” at page 417.

18. Net working capital days is calculated as the sum of trade receivable days and inventory days, less payable days. Trade receivable days is calculated as trade receivables divided by total income, multiplied by 365. Inventory days is calculated as inventory divided by total income, multiplied by 365. Payable days is calculated as trade payables divided by total income, multiplied by 365.
19. Net debt is calculated as the sum of Non-current borrowings and Current Borrowing less cash and cash equivalents and bank balances other than cash and cash equivalents. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.

The method of computation of above KPIs is set out below:

Key Operational and Financial Metrics	Formula
Tiles Sales Volume	Tiles Sales Volume is calculated as the sum of the total volume of tiles sold in the relevant period / year
Total Dealer Network	Total dealer network is calculated as the total count of the Exclusive Brand Outlets (EBOs) and Multi-Brand Outlets (MBOs) through which the products of the company are sold in the relevant year / period
Number of Cities with EBO Presence	Number of Cities with EBO Presence is calculated as the total count of the number of cities in which the company's EBOs are present in
Revenue from operations	Revenue from operations refers to the revenue from operations as appearing in the Restated Consolidated Financial Information
Growth in Revenue from operations	Growth in revenue from operations is calculated as percentage growth in Revenue from operations for the relevant Fiscal over Revenue from Operations for the immediately preceding Fiscal
Revenue from Tiles	Revenue from tiles is calculated as the sum of revenue from sale of tiles
Revenue from GVT as a percentage of revenue from tiles	Revenue from GVT as a percentage of revenue from tiles is calculated as Revenue from GVT Tiles divided by Revenue from Operations generated from Tiles
Revenue from in-house manufacturing	Revenue from in-house manufacturing is calculated as the sum of revenue from sale of products manufactured in-house by our Company including Subsidiaries
Revenue from in-house manufacturing as a percentage of revenue from operations (%)	Revenue from in-house manufacturing (%) is calculated as the Revenue from in-house manufacturing divided by revenue from operations
Gross Profit	Gross profit is defined as total income less the sum of cost of materials consumed, purchases of stock-in-trade, changes in inventory, and power and fuel expenses
Gross Margin	Gross margin represents the ratio of gross profit to total income for a given year
EBITDA	Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost and depreciation
EBITDA Margin	EBITDA margin is the ratio of EBITDA to total income for a given year
Adjusted EBITDA	Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization (Adjusted EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost, depreciation and share based payment expense
Adjusted EBITDA Margin	Adjusted EBITDA margin is the ratio of Adjusted EBITDA to total income for a given year
Profit for the year	Profit for the year represents profit for the year as appearing in the Restated Consolidated Financial Information
Profit for the year margin	Profit for the year margin is calculated as profit for the year divided by total income for a given year
Basic Earnings Per Equity Share	Basic Earnings Per Equity Share represents Basic Earnings Per Equity Share as appearing in the Restated Consolidated Financial Information
Advertisement and Promotion Expense	Advertisement and Promotion Expense as per the Restated Consolidated Financial Information
Return on Capital Employed ("ROCE")	Return on capital employed (ROCE) is calculated as earnings before interest and tax (EBIT) divided by the sum of Total Equity, Non-current Borrowing and Current Borrowing
Return on Equity ("ROE")	Return on equity (ROE) is calculated as profit for the year divided by total equity
Net Working Capital Days	Net working capital days is calculated as the sum of trade receivable days and inventory days, less payable days. Trade receivable days is calculated as trade receivables divided by total revenue, multiplied by 365. Inventory days is calculated as inventory divided by total revenue, multiplied by 365. Payable days is calculated as trade payables divided by total revenue, multiplied by 365
Net Debt	Net debt is calculated as the sum of Non-current borrowings and Current Borrowing less cash and cash equivalents and bank balances other than cash and cash equivalents

Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see sections titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" starting on pages 203 and 391, respectively. We have described and defined the KPIs, as applicable, in "*Definitions and Abbreviations – Key Performance Indicators*" on page 11. Bidders are encouraged to review the Ind AS financial measures and not to rely on any single financial or operational metric to evaluate our business. For further details, see "*Risk Factors — 49. We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate.*" on page 62.

Brief explanation of the relevance of the KPIs for our business operations is set forth below.

KPI	Explanation for the KPIs
Key Operational Metrics	
Tiles Sales Volume	Since tiles is the major segment and most of the manufacturing facilities are dedicated towards manufacturing tiles so the production of tiles (MSM) is an important metric
Total Dealer Network	Dealer Network is important for any consumer company and hence it is disclosed as a KPI
Number of Cities with EBO Presence	EBOs are exclusive brand outlets that sell only Company products and hence are important for the business to grow
Key Financial Metrics	
Revenue from operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business
Growth in revenue from operations	Growth in revenue from operations provides information regarding the growth of the business for the respective period
Revenue from Tiles	Tiles is the major contributor to revenue and would enable to assess the financial performance and scale of the business
Revenue from GVT as a percentage of revenue from tiles	Used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business
Revenue from in-house manufacturing	Revenue from in-house manufacturing provides information on the degree of control the management has in the manufacturing of the products sold which helps assess the overall financial performance of the business
Revenue from in-house manufacturing as a percentage of revenue from operations (%)	Revenue from in-house manufacturing as a percentage of revenue from operation (%) provides information on the degree of control the management has in the manufacturing of the products sold which helps assess the overall financial performance of the business
Gross Profit	Gross Profit provides information regarding the profits from manufacturing products by the Company
Gross Margin	Gross Margin expressed as a percentage of total income, indicates the efficiency of managing material costs relative to sales
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of the business
Adjusted EBITDA	Adjusted EBITDA provides information regarding the operational efficiency of the business and excludes ESOP expenses
Adjusted EBITDA Margin	Adjusted EBITDA Margin is an indicator of the operational profitability and financial performance of the business and excludes share based payment expense
Profit for the year	Profit for the year / period provides information regarding the overall profitability of the business
Profit for the year margin	Profit for the year Margin is an indicator of the overall profitability and financial performance of the business
Basic Earnings Per Equity Share	Basic Earnings Per Equity Share provides information regarding the overall profitability of the business on a per share basis
Advertisement and Promotion Expense	Used by our management to assess the spends on advertising and publicity and brand which in turn enables to assess the size and growth of the business
Return on Capital Employed ("ROCE")	Return on capital employed provides how efficiently the Company generates earnings from the capital employed in the business
Return on Equity ("ROE")	Return on equity provides how efficiently the Company generates profits from shareholders' funds
Net Working Capital Days	Given the nature of business there are huge working capital requirements. Therefore, it is important metric driving operational excellence and financial health of the business

KPI	Explanation for the KPIs
Net Debt	Net Debt provides information regarding the leverage and liquidity profile of the Company

Comparison of KPIs with our peers listed in India*

Set forth below is a comparison of our KPIs with our peer group companies listed in India and operating in the same industry as our Company, whose business profile is comparable to our business in terms of our size, scale and our business model:

S. No.	Particulars	Unit	Varmora Granito Limited			Kajaria Ceramics Limited		
			For FY 2025	For FY 2024	For FY 2023	For FY 2025	For FY 2024	For FY 2023
Key Operational Metrics								
1.	Tiles sales volume	Million square meters	38.10	36.12	33.42	114.69	108.14	101.71
2.	Total Dealer network (i.e., EBOs and MBOs)	Count	3,005	3,315	2,829	1,850	1,840	1,840
3.	Number of cities with EBOs	Count	232	209	186	NA	NA	NA
Key Financial Metrics								
4.	Revenue from operations(1)	In ₹ million	14,460.29	14,354.81	13,349.46	46,350.70	44,740.30	43,819.30
5.	Growth in revenue from operations(2)	%	0.73%	7.53%	NA (3)	3.60%	2.10%	NA(3)
6.	Revenue from tiles(4)	In ₹ million	12,779.34	12,483.99	11,600.10	42,488.70	41,105.60	39,889.00
7.	Revenue from GVT as a percentage of revenue from tiles(5)	%	78.71%	75.37%	69.35%	NA	35.96%	32.97%
8.	Revenue from in-house manufacturing(6)	In ₹ million	11,358.53	9,593.49	9,679.03	31,286.00	30,806.70	30,443.20
9.	Revenue from in-house manufacturing as a percentage of revenue from operations(7)	%	78.55%	66.83%	72.51%	67.50%	68.86%	69.47%
10.	Gross Profit(8)	In ₹ million	5,814.40	5,192.33	5,246.85	17,999.30	17,596.00	15,531.40
11.	Gross Margin(9)	%	38.95%	35.26%	37.48%	38.48%	38.93%	35.17%
12.	EBITDA(10)	In ₹ million	1,982.91	1,503.30	1,806.81	5,975.00	6,996.90	5,919.30
13.	EBITDA margin(11)	%	13.28%	10.21%	12.91%	12.76%	15.28%	13.51%
14.	Adjusted EBITDA(12)	In ₹ million	2,071.41	1,534.88	1,806.81	NA	NA	NA
15.	Adjusted EBITDA Margin(13)	%	13.88%	10.42%	12.91%	NA	NA	NA
16.	Profit for the year(1)	In ₹ million	307.73	449.35	550.64	3,000.10	4,321.60	3,462.00
17.	Profit for the year margin(14)	%	2.06%	3.05%	3.93%	6.41%	9.56%	7.84%
18.	Advertisement and promotion expense(15)	In ₹ million	332.36	375.59	357.60	NA	1,309.70	1,083.00
19.	Basic Earnings per Equity Share	In ₹	1.75	2.19	2.80	18.48	26.51	21.64
20.	Return on Capital Employed (“**ROCE**”)(16)	%	6.32%	7.95%	13.29%	16.28%	21.90%	19.67%
21.	Return on Equity (“**ROE**”)(17)	%	4.14%	6.39%	8.23%	10.98%	17.08%	15.49%
22.	Net working capital days(18)	Days	112	82	81	66	69	71
23.	Net debt(19)	In ₹ million	3,900.10	3,145.67	304.80	-4,240.00	-3,490.00	-2,360.00

S. No.	Particulars	Unit	Varmora Granito Limited			Somany Ceramics Limited		
			For FY 2025	For FY 2024	For FY 2023	For FY 2025	For FY 2024	For FY 2023
Key Operational Metrics								
1.	Tiles sales volume	Million square meters	38.10	36.12	33.42	70.85	69.31	63.89
2.	Total Dealer network (i.e., EBOs and MBOs)	Count	3,005	3,315	2,829	NA	2,675	3000+
3.	Number of cities with EBOs	Count	232	209	186	NA	NA	NA
Key Financial Metrics								

S. No.	Particulars	Unit	Varmora Granito Limited			Somany Ceramics Limited		
			For FY 2025	For FY 2024	For FY 2023	For FY 2025	For FY 2024	For FY 2023
4.	Revenue from operations[(1)]	In ₹ million	14,460.29	14,354.81	13,349.46	26,587.60	25,913.50	24,785.07
5.	Growth in revenue from operations[(2)]	%	0.73%	7.53%	NA [(3)]	2.60%	4.55%	NA
6.	Revenue from tiles[(4)]	In ₹ million	12,779.34	12,483.99	11,600.10	22,551.00	23,323.12	22,670.00
7.	Revenue from GVT as a percentage of revenue from tiles[(5)]	%	78.71%	75.37%	69.35%	38.00%	34.00%	32.00%
8.	Revenue from in-house manufacturing[(6)]	In ₹ million	11,358.53	9,593.49	9,679.03	15,661.40	16,309.00	16,374.60
9.	Revenue from in-house manufacturing as a percentage of revenue from operations[(7)]	%	78.55%	66.83%	72.51%	58.90%	62.94%	66.07%
10.	Gross Profit[(8)]	In ₹ million	5,814.40	5,192.33	5,246.85	8,851.40	8,821.60	7,766.00
11.	Gross Margin[(9)]	%	38.95%	35.26%	37.48%	33.18%	33.90%	31.15%
12.	EBITDA[(10)]	In ₹ million	1,982.91	1,503.30	1,806.81	2,210.00	2,532.20	1,887.10
13.	EBITDA margin[(11)]	%	13.28%	10.21%	12.91%	8.40%	9.80%	7.70%
14.	Adjusted EBITDA[(12)]	In ₹ million	2,071.41	1,534.88	1,806.81	NA	NA	NA
15.	Adjusted EBITDA Margin[(13)]	%	13.88%	10.42%	12.91%	NA	NA	NA
16.	Profit for the year[(1)]	In ₹ million	307.73	449.35	550.64	579.80	993.84	669.17
17.	Profit for the year margin[(14)]	%	2.06%	3.05%	3.93%	2.17%	3.82%	2.68%
18.	Advertisement and promotion expense[(15)]	In ₹ million	332.36	375.59	357.60	NA	592.96	542.65
19.	Basic Earnings per Equity Share	In ₹	1.75	2.19	2.80	14.65	23.01	16.83
20.	Return on Capital Employed ("**ROCE**")[(16)]	%	6.32%	7.95%	13.29%	NA	14.69%	9.85%
21.	Return on Equity ("**ROE**")[(17)]	%	4.14%	6.39%	8.23%	NA	12.86%	9.45%
22.	Net working capital days[(18)]	Days	112	82	81	51	56	41
23.	Net debt[(19)]	In ₹ million	3,900.10	3,145.67	304.80	2,250.00	2,570.00	3,080.00

S. No.	Particulars	Unit	Varmora Granito Limited			Asian Granito India Limited		
			For FY 2025	For FY 2024	For FY 2023	For FY 2025	For FY 2024	For FY 2023
Key Operational Metrics								
1.	Tiles sales volume	Million square meters	38.10	36.12	33.42	NA	NA	NA
2.	Total Dealer network (i.e., EBOs and MBOs)	Count	3,005	3,315	2,829	2700+	2700+	2700+
3.	Number of cities with EBOs	Count	232	209	186	NA	NA	NA
Key Financial Metrics								
4.	Revenue from operations[(1)]	In ₹ million	14,460.29	14,354.81	13,349.46	15,585.20	15,305.90	15,627.20
5.	Growth in revenue from operations[(2)]	%	0.73%	7.53%	NA [(3)]	1.82%	-2.06%	NA
6.	Revenue from tiles[(4)]	In ₹ million	12,779.34	12,483.99	11,600.10	13,599.60	11,450.00	12,820.00
7.	Revenue from GVT as a percentage of revenue from tiles[(5)]	%	78.71%	75.37%	69.35%	NA	51.00%	42.00%
8.	Revenue from in-house manufacturing[(6)]	In ₹ million	11,358.53	9,593.49	9,679.03	13,075.80	13,541.30	14,994.50
9.	Revenue from in-house manufacturing as a percentage of revenue from operations[(7)]	%	78.55%	66.83%	72.51%	83.90%	88.47%	95.95%
10.	Gross Profit[(8)]	In ₹ million	5,814.40	5,192.33	5,246.85	4,130.97	3,765.13	2,925.72
11.	Gross Margin[(9)]	%	38.95%	35.26%	37.48%	26.35%	24.40%	18.52%

S. No.	Particulars	Unit	Varmora Granito Limited			Asian Granito India Limited		
			For FY 2025	For FY 2024	For FY 2023	For FY 2025	For FY 2024	For FY 2023
12.	EBITDA(10)	In ₹ million	1,982.91	1,503.30	1,806.81	757.20	509.80	-681.10
13.	EBITDA margin(11)	%	13.28%	10.21%	12.91%	4.86%	3.33%	-4.36%
14.	Adjusted EBITDA(12)	In ₹ million	2,071.41	1,534.88	1,806.81	NA	NA	NA
15.	Adjusted EBITDA Margin(13)	%	13.88%	10.42%	12.91%	NA	NA	NA
16.	Profit for the year(1)	In ₹ million	307.73	449.35	550.64	206.09	-198.51	-869.00
17.	Profit for the year margin(14)	%	2.06%	3.05%	3.93%	1.31%	-1.29%	-5.50%
18.	Advertisement and promotion expense(15)	In ₹ million	332.36	375.59	357.60	NA	253.47	229.22
19.	Basic Earnings per Equity Share	In ₹	1.75	2.19	2.80	2.03	-0.97	-6.14
20.	Return on Capital Employed (“**ROCE**”)(16)	%	6.32%	7.95%	13.29%	NA	5.38%	-2.29%
21.	Return on Equity (“**ROE**”)(17)	%	4.14%	6.39%	8.23%	NA	2.37%	-2.56%
22.	Net working capital days(18)	Days	112	82	81	102	94	85
23.	Net debt(19)	In ₹ million	3,900.10	3,145.67	304.80	NA	1,761.45	25.52

S. No.	Particulars	Unit	Varmora Granito Limited			Orient Bell Limited		
			For FY 2025	For FY 2024	For FY 2023	For FY 2025	For FY 2024	For FY 2023
	Key Operational Metrics							
1.	Tiles sales volume	Million square meters	38.10	36.12	33.42	NA	240	245
2.	Total Dealer network (i.e., EBOs and MBOs)	Count	3,005	3,315	2,829	2,000+	2,000+	2,000+
3.	Number of cities with EBOs	Count	232	209	186	NA	NA	NA
	Key Financial Metrics							
4.	Revenue from operations(1)	In ₹ million	14,460.29	14,354.81	13,349.46	6,697.66	6,744.55	7,050.74
5.	Growth in revenue from operations(2)	%	0.73%	7.53%	NA (3)	-0.70%	-4.34%	NA
6.	Revenue from tiles(4)	In ₹ million	12,779.34	12,483.99	11,600.10	6,697.66	6,744.55	7,050.74
7.	Revenue from GVT as a percentage of revenue from tiles(5)	%	78.71%	75.37%	69.35%	41.00%	29.90%	22.90%
8.	Revenue from in-house manufacturing(6)	In ₹ million	11,358.53	9,593.49	9,679.03	4,365.00	4,450.00	4,926.00
9.	Revenue from in-house manufacturing as a percentage of revenue from operations(7)	%	78.55%	66.83%	72.51%	65.17%	65.98%	69.87%
10.	Gross Profit(8)	In ₹ million	5,814.40	5,192.33	5,246.85	2,392.14	2,329.40	2,571.50
11.	Gross Margin(9)	%	38.95%	35.26%	37.48%	35.57%	34.40%	36.20%
12.	EBITDA(10)	In ₹ million	1,982.91	1,503.30	1,806.81	308.00	236.00	526.00
13.	EBITDA margin(11)	%	13.28%	10.21%	12.91%	4.60%	3.50%	7.50%
14.	Adjusted EBITDA(12)	In ₹ million	2,071.41	1,534.88	1,806.81	NA	NA	NA
15.	Adjusted EBITDA Margin(13)	%	13.88%	10.42%	12.91%	NA	NA	NA
16.	Profit for the year(1)	In ₹ million	307.73	449.35	550.64	28.42	9.12	224.89
17.	Profit for the year margin(14)	%	2.06%	3.05%	3.93%	0.42%	0.13%	3.17%
18.	Advertisement and promotion expense(15)	In ₹ million	332.36	375.59	357.60	NA	341.63	221.31
19.	Basic Earnings per Equity Share	In ₹	1.75	2.19	2.80	1.94	0.63	15.56
20.	Return on Capital Employed (“**ROCE**”)(16)	%	6.32%	7.95%	13.29%	NA	0.90%	10.30%
21.	Return on Equity (“**ROE**”)(17)	%	4.14%	6.39%	8.23%	NA	0.30%	7.60%
22.	Net working capital days(18)	Days	112	82	81	44	39	42

S. No.	Particulars	Unit	Varmora Granito Limited			Orient Bell Limited		
			For FY 2025	For FY 2024	For FY 2023	For FY 2025	For FY 2024	For FY 2023
23.	Net debt[19]	In ₹ million	3,900.10	3,145.67	304.80	96.00	276.00	-14.00

**As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

***Notes**: Owing to the difference in the units across filings of companies and the KPI table units, there has been some rounding off in the aforementioned value for some metrics that might vary from the actuals.*

NA refers to Not Applicable where the information is unavailable i.e. not reported by the industry peers in either their annual reports, audited financial results and investor presentations as available on their website or through regulatory filings

All the financial information for listed industry peers is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial information of such listed industry peer available on the website of the peer and regulatory filings or investor presentations,

To the extent that the listed industry peers have published the above ratios or financial information in their regulatory filings/ website, the same have been disclosed on an as is basis and may not be comparable to the method of computation used by us

1. *Revenue from operations, Profit for the year and Basic Earnings Per Equity Share is as per the Restated Consolidated Financial Information*
2. *Growth in revenue from operations growth is calculated as percentage growth in revenue from operations for the relevant Fiscal over Revenue from Operations for the immediately preceding Fiscal*
3. *Since the comparative financials for FY 2022 have not been restated the revenue from operations growth cannot be provided*
4. *Revenue from tiles is calculated as the sum of revenue from sale of tiles*
5. *Revenue from GVT as a percentage of revenue from tiles is calculated as Revenue from GVT Tiles divided by Revenue from Operations generated from Tiles*
6. *Revenue from in-house manufacturing is calculated as the sum of revenue from sale of products manufactured in-house by the company including subsidiaries*
7. *Revenue from in-house manufacturing (%) is calculated as the Revenue from in-house manufacturing divided by revenue from operations*
8. *Gross profit is defined as total income less the sum of cost of materials consumed, purchases of stock-in-trade, changes in inventory, and power and fuel expenses. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
9. *Gross margin represents the ratio of gross profit to total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
10. *Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost and depreciation. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
11. *EBITDA margin is the ratio of EBITDA to total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
12. *Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization (Adjusted EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost, depreciation and share based payment expense . For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
13. *Adjusted EBITDA margin is the ratio of Adjusted EBITDA to total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
14. *Profit for the year margin is calculated as profit for the year divided by total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
15. *Advertisement and Promotion expense as per restated consolidated financial information*
16. *Return on capital employed (ROCE) is calculated as earnings before interest and tax (EBIT) divided by the sum of Total Equity, Non-current Borrowing and Current Borrowing. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
17. *Return on equity (ROE) is calculated as profit for the year divided by total equity. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
18. *Net working capital days is calculated as the sum of trade receivable days and inventory days, less payable days. Trade receivable days is calculated as trade receivables divided by total income, multiplied by 365. Inventory days is calculated as inventory divided by total income, multiplied by 365. Payable days is calculated as trade payables divided by total income, multiplied by 365*
19. *Net debt is calculated as the sum of Non-current borrowings and Current Borrowing less cash and cash equivalents and bank balances other than cash and cash equivalents. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*

Comparison of KPIs based on material additions or dispositions to our business

The impact of all material acquisitions or dispositions of assets or business undertaken by our Company during the periods covered by the KPIs, i.e., Fiscals 2025, 2024 and 2023, is reflected in the KPIs disclosed in this Draft Red Herring Prospectus. For further details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 203 and 391, respectively.

8. **Weighted average cost of acquisition, Floor Price and Cap Price**

(a) **Price per share of our Company based on primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated**

based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days. ("Primary Issuances")

Our Company has not issued any Equity Shares, excluding shares issued pursuant to a bonus issuance, during the 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-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(b) **Price per share of our Company based on secondary sale / acquisition of Equity Shares or convertible securities, where our Promoters, Selling Shareholders, members of our Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of the our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")**

There have been no secondary sales/ transfers or acquisitions of any Equity Shares (excluding gifts) where the Promoters, members of the Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction, during the 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-offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) **Since there are no such transactions to report to under (a) and (b) above, the following are the details basis the last five primary or secondary transactions (secondary transactions where the Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions***:

Date of allotment	No. of Equity Shares	Face value per Equity Share (₹)	Adjusted number of equity shares#	Issue/transaction price per Equity Share (₹)	Adjusted Price per Equity Share (₹)#	Nature of allotment/ transaction	Nature of consideration	Total consideration (₹ million)
August 30, 2022	1,04,938	10.00	15,74,070	1,141.44	76.10	Transfer of shares from Lataben Pramodbhai Patel to Katsura Investments	Cash	119.78
August 30, 2022	2,33,445	10.00	35,01,675	1,141.44	76.10	Transfer of shares from Parsotambhai Jivrajbhai Patel to Katsura Investments	Cash	266.46
August 30, 2022	1,60,557	10.00	24,08,355	1,141.44	76.10	Transfer of shares from Savitaben Parsotambhai Patel to Katsura Investments	Cash	183.27
August 30, 2022	14,363	10.00	2,15,445	1,141.44	76.10	Transfer of shares from Rasilaben Harilal Patel to Katsura Investments	Cash	16.39
August 30, 2022	2,44,455	10.00	36,66,825	1,141.44	76.10	Transfer of shares from Vaishali Bhavesh Varmora to Katsura Investments	Cash	279.03

Date of allotment	No. of Equity Shares	Face value per Equity Share (₹)	Adjusted number of equity shares#	Issue/transaction price per Equity Share (₹)	Adjusted Price per Equity Share (₹)#	Nature of allotment/ transaction	Nature of consideration	Total consideration (₹ million)
August 30, 2022	1,13,031	10.00	16,95,465	1,141.44	76.10	Transfer of shares from Vallabhbhai Jivrajbhai Varmora to Katsura Investments	Cash	129.02
August 30, 2022	2,70,695	10.00	40,60,425	1,141.44	76.10	Transfer of shares from Ranjanben Vallabhbhai Varmora to Katsura Investments	Cash	308.98
August 30, 2022	54,222	10.00	8,13,330	1,141.44	76.10	Transfer of shares from Ashokbhai Naranbhai Patel to Katsura Investments	Cash	61.89
August 30, 2022	72,384	10.00	10,85,760	1,141.44	76.10	Transfer of shares from Rutvi Hiren Varmora to Katsura Investments	Cash	82.62
August 30, 2022	4,49,434	10.00	67,41,510	1,141.44	76.10	Transfer of shares from Bhaunaben Ramanbhai Patel to Katsura Investments	Cash	513.00
August 30, 2022	50,046	10.00	7,50,690	1,141.44	76.10	Transfer of shares from Nidhi Bharatkumar Zalariya to Katsura Investments	Cash	57.12
August 30, 2022	2,08,687	10.00	31,30,305	1,141.44	76.10	Transfer of shares from Ramanbhai Jivrajbhai Varmora to Katsura Investments	Cash	238.20
August 30, 2022	1,13,462	10.00	17,01,930	1,141.44	76.10	Transfer of shares from Hetalben Bharatbhai Patel to Katsura Investments	Cash	129.51
August 30, 2022	73,122	10.00	10,96,830	1,141.44	76.10	Transfer of shares from Vanitaben Prafulbhai Patel to Katsura Investments	Cash	83.46
August 30, 2022	1,85,751	10.00	27,86,265	1,141.44	76.10	Transfer of shares from Naranbhai Hansrajbhai Patel to Katsura Investments	Cash	212.02

Date of allotment	No. of Equity Shares	Face value per Equity Share (₹)	Adjusted number of equity shares#	Issue/transaction price per Equity Share (₹)	Adjusted Price per Equity Share (₹)#	Nature of allotment/ transaction	Nature of consideration	Total consideration (₹ million)
August 30, 2022	75,692	10.00	11,35,380	1,141.44	76.10	Transfer of shares from Renukaben Ashokbhai Patel to Katsura Investments	Cash	86.40
August 30, 2022	95,376	10.00	14,30,640	1,141.44	76.10	Transfer of shares from Meera Manishbhai Varmora to Katsura Investments	Cash	108.87
May 8, 2023	1,511	10.00	7,555.00	1,300.00	86.67	Transfer of shares from Parsotambhai Jivrajbhai Patel to Steer Advisory Services Private Limited	Cash	1.96
May 8, 2023	2,332	10.00	11,660.00	1,300.00	86.67	Transfer of shares from Vallabhbhai Jivrajbhai Varmora to Steer Advisory Services Private Limited	Cash	3.03
May 8, 2023	756	10.00	3,780.00	1,300.00	86.67	Transfer of shares from Ashokbhai Naranbhai Patel to Steer Advisory Services Private Limited	Cash	0.98
May 8, 2023	1,555	10.00	7,775.00	1,300.00	86.67	Transfer of shares from Ramanbhai Jivrajbhai Varmora to Steer Advisory Services Private Limited	Cash	2.02
Weighted average cost of acquisition pursuant to the secondary transactions of shares (Equity Shares/convertible securities) of the Company during the three years preceding the date of this certificate								76.12

**As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

#Pursuant to a resolution passed by our Board on May 8, 2023 and a resolution passed by the Shareholders on June 7, 2023, the existing equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Pursuant to a resolution passed by our Board on December 6, 2024 and a resolution passed by the Shareholders on December 11, 2024, the existing equity shares of face value of ₹ 5 each of our Company were sub-divided into equity shares of face value of ₹ 2 each. Pursuant to shareholders approval dated June 7, 2023, and Board Resolution dated August 18, 2023, 5,32,87,496 Equity Shares were allotted to the existing shareholders pursuant to a bonus issue. Accordingly, the number of equity shares acquired and average cost of acquisition per equity share has been adjusted to give effect to such sub-divisions and bonus issuance.

(d) **The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on the primary issuances and secondary transactions as disclosed below:**

Types of Transactions	WACA (₹ per Equity Share)*	Floor Price (i.e., ₹ [●])^	Cap Price (i.e., ₹ [●])^
Weighted average cost of acquisition pursuant to primary/ new issuance(s) of shares (Equity Shares/ convertible securities) of our Company during the 18 months preceding the date of this DRHP, excluding shares issued under an employee stock option plan/ employee stock option scheme and issuance of bonus shares, where such	Nil	NA	NA

Types of Transactions	WACA (₹ per Equity Share)*	Floor Price (i.e., ₹ [●])^	Cap Price (i.e., ₹ [●])^
issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days			
Weighted average cost of acquisition pursuant to secondary sale/ acquisition of shares (Equity Shares/ convertible securities) of our Company during the 18 months preceding the date of this DRHP, where the Promoters, Promoter Group entities, Selling Shareholders and/ or shareholders of our Company having the right to nominate director(s) on the board of directors of our Company are a party to the transaction (excluding gifts), where either acquisition or sale is equal to or more than 5 per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	Nil	NA	NA
Since there were no primary transactions or secondary transactions as described in 8 (a) and (b) above, the information has been disclosed below for price per share of our Company based on the last five primary or secondary transactions (secondary transactions where Promoters / the members of the Promoter Group, or other Shareholders of our Company with rights to nominate directors on our Board are a party to the transaction), not older than three years prior to the date of this DRHP irrespective of the size of the transaction			
A. WACA for Primary Issuances	Nil	[●] times	[●] times
B. WACA for Secondary Transactions	76.12	[●] times	[●] times

* *As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025*

^ *To be updated at Prospectus stage.*

(e) **Explanation for Offer Price/ Cap Price being [●] times of WACA of primary issuances/ secondary transactions of Equity Shares of face value of ₹2 each (as disclosed above) along with our Company's KPIs and financial ratios for the Fiscals 2025, 2024 and 2023:**

[●]*

* *To be included upon finalisation of the Price Band.*

(f) **Explanation for the Offer Price/Cap Price, being [●] times of weighted average cost of acquisition of primary issuances/secondary transactions of Equity Shares (as disclosed in point 3 above) in view of the external factors which may have influenced the pricing of the Issue:**

[●]*

* *To be included upon finalisation of the Price Band.*

(g) **The Offer Price is [●] times of the face value of the Equity Shares.**

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from Bidders for Equity Shares of face value of ₹2 each, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with the sections titled "*Risk Factors*", "*Our Business*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 38, 203, 289 and 391, respectively, to have a more informed view. The trading price of the Equity Shares of face value of ₹2 each could decline due to the factors mentioned in the section "*Risk Factors*" on page 38 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

Varmora Granito Limited
(formerly known as Varmora Granito Private Limited),
8-A, National Highway at Dhuva,
Tal. Wankaner, Dist. Rajkot,
Gujarat - 363641

Date: August 7, 2025

Subject: Statement of special tax benefits ("the Statement") available to Varmora Granito Limited (formerly known as Varmora Granito Private Limited) ("the Company") and its shareholders prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the SEBI ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated May 21, 2025.

We hereby report that the enclosed **Annexure II and III** prepared by the Company, initialled by us for identification purpose, states the special tax benefits available to the Company and its shareholders under direct and indirect taxes (together "the Tax Laws"), presently in force in India as on the **August 7, 2025** which are defined in **Annexure I**. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexures II and III** cover the special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. Further, the preparation of the enclosed **Annexures II and III** and its contents is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company at its meeting held on August 7, 2025. 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. Further, the benefits discussed in the **Annexures II and III** are not exhaustive. 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 (the "Proposed Offer") 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 special tax benefits, which an investor can avail. Neither are we suggesting nor advising the investors to invest money based on the 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 Charted Accountants of India.

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

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

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

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

The contents of the 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.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange

Board of India and the concerned stock exchanges, where the equity shares of the Company are proposed to be listed. It is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Hunder Contractor
Partner
Membership Number: 041456
UDIN: 25041456BMRKKH9300

Place: Mumbai
Date: August 7, 2025

ANNEXURE I

List of Direct and Indirect Tax Laws ("TAX LAWS")

Sr. no.	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962 (read with applicable circulars and notifications) as amended by the Finance Act 2025.
2.	Central Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued there under, The Integrated Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued there under, Applicable State/ Union Territory Goods and Services Tax Act, 2017 including the relevant rules, notifications and circulars issued there under
3.	The Customs Act, 1962 including the relevant rules, notifications and circulars issued there under
4.	The Customs Tariff Act, 1975 including the relevant rules, notifications and circulars issued there under
5.	The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)

ANNEXURE II

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VARMORA GRANITO LIMITED (FORMERLY KNOWN AS VARMORA GRANITO PRIVATE LIMITED) ("the Company") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

Outlined below are certain special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (hereinafter referred to as the "IT Act"), read with the Income-tax Rules, 1962 (hereinafter referred to as the "IT Rules"), circulars, notifications, as amended by the Finance Act, 2025, presently in force in India, (hereinafter collectively referred to as the "Direct Tax Laws"). These special direct tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the IT Act and the relevant Direct Tax Laws of India.

A. Special direct tax benefits available to the Company under the Direct Tax Laws in India

1. Beneficial corporate tax rate - Section 115BAA of the IT Act

Section 115BAA of the IT Act, introduced vide The Taxation Laws (Amendment) Act, 2019, lays down certain conditions on fulfilment of which domestic companies are entitled to avail a beneficial tax rate of 22% (plus applicable surcharge and cess). The option to apply this tax rate is made available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The beneficial tax regime is subject to a company not availing any of the following deductions/ exemptions under the provisions of the IT Act:

- Section 10AA: Tax holiday available to units in a Special Economic Zone
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance
- Section 33AB/ 33ABA: Tea coffee rubber development expenses/ site restoration expenses
- Section 35(1)(ii)/ 35(1)(iia)/ 35(1)(iii)/ 35(2AA)/ 35(2AB): Expenditure on scientific research
- Section 35AD: Capital expenditure incurred on specified businesses
- Section 35CCC/ 35CCD: Expenditure on agricultural extension/ skill development.
- Section 80LA of the IT Act other than deduction applicable to a unit in the International Financial Services Centre, as referred to in sub-section (1A) of Section 80LA of the IT Act
- Chapter VI-A other than the provisions of section 80JJAA and section 80M of the IT Act

The total income of a company availing the beneficial tax rate of 25.168% (i.e., 22% tax plus 10% surcharge and 4% health & education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/ incentives. A company can exercise the option to apply for the beneficial tax regime in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act is not applicable to companies availing this beneficial tax regime, thus, any brought forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/ condition on account of turnover, nature of business or date of incorporation for opting for the beneficial tax regime. Accordingly, all existing as well as new domestic companies are eligible to avail this beneficial tax regime by filing Form 10-IC which is a pre-requisite for availing the concessional tax rates under section 115BAA of the IT Act.

Note: The Company has opted for the beneficial tax regime under section 115BAA of the IT Act with effect from FY 2019-20 (i.e., AY 2020-21), and therefore, is eligible for a concessional effective tax rate of 25.168% (including applicable surcharge and health and education cess) subject to fulfilment of above conditions.

2. Deduction in respect of inter-corporate dividends – Section 80M of the IT Act

As per the provisions of section 80M of the IT Act, inserted with effect from AY 2021-22, a domestic company, shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. However, such deduction shall be restricted to the amount of dividend distributed by it to its shareholders on or before the due date i.e., one month prior to the date of furnishing the return of income under sub-section (1) of section 139 of the IT Act.

At the time of filing Income tax return for AY 2024-25, the Company has not claimed the said deduction. The Company should be eligible to claim the deduction subject to fulfilment of prescribed conditions.

3. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the AY relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act. Further, to claim the aforesaid deduction, it is required to furnish the report of an accountant electronically in Form 10DA containing the particulars of deduction prior to the due date of filing tax audit report as per section 44AB of the IT Act.

At the time of filing Income tax return for AY 2024-25, the Company has not claimed the said deduction. The Company should be eligible to claim the deduction subject to fulfilment of prescribed conditions.

4. Deduction of expenditure in connection with extension of an undertaking - Section 35D of the IT Act

As per section 35D of the IT Act, an assessee is eligible to claim deduction of expenditure, being underwriting commission, brokerage, and charges for drafting, typing, printing and advertisement of the prospectus incurred in connection with expansion of its undertaking upon fulfilment of conditions as laid down under the IT Act. The deduction under section 35D of the IT Act is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the extension of the undertaking is completed.

The Company should be eligible to claim the deduction subject to fulfilment of prescribed conditions.

5. Amortisation of expenditure in case of amalgamation or demerger – Section 35DD of the IT Act

As per section 35DD of the IT Act, an assessee, being an Indian company, is eligible to claim deduction of any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger of an undertaking. The deduction under section 35DD of the IT Act is allowable for an amount equal to one-fifth of such expenditure for each of the five successive previous years beginning with the previous year in which the amalgamation or demerger takes place.

On perusal of the Audited Financial Statements of the Company for the period ending 31 March 2024, it is observed that few subsidiaries of the Company got amalgamated with the Company w.e.f., 1 April 2023. At the time of filing Income tax return for AY 2024-25, the Company has not claimed any deduction under section 35DD of the Act.

The Company should be eligible to claim the deduction subject to fulfilment of prescribed conditions.

6. Set-off & Carry forward of Losses under the head capital gains

As per the provisions of section 70 of the IT Act, if the Company has incurred loss under the head capital gains in relation to a short-term capital asset, it can be set-off either against Short-Term Capital Gain ('STCG') or Long-Term Capital Gain ('LTCG') for that assessment year. If the loss has been incurred in relation to a long-term capital asset, it can be set-off only against LTCG for that assessment year.

However, if the losses are not wholly set-off, the same shall be carried forward to set-off against the income in the following eight assessment years as per section 74 of the ITA. If the loss carried forward relates to short-term capital asset, it shall be set-off either against LTCG or STCG. However, if the loss carried forward relates to long-term capital asset, it shall be set-off only against LTCG.

At the time of filing Income tax return for AY 2024-25, the Company has carried forward losses under the head capital gains to subsequent assessment years.

7. Tax on Capital Gains

Post the amendment made by Finance (No. 2) Act, 2024, capital gains arising from transfer of long-term capital assets on or after 23 July 2024 is to be taxed at 12.5% plus applicable surcharge and cess (without the benefit of Indexation) under section 112/112A of the IT Act. It is worthwhile to note that in case of gains arising from transfer of listed equity shares, unit of an equity-oriented fund or unit of a business trust, tax shall be levied where such aggregate capital gains exceed INR 1,25,000 in a FY.

Please note that gains arising from sale of units of Specified Mutual Funds acquired on or after the 1 April 2023 are always considered as short-term irrespective of the period of holding in accordance with section 50AA of the IT Act.

Short-term capital gains ("STCG") arising from the transfer of listed equity shares, unit of an equity-oriented fund or unit of a business trust covered under section 111A of the IT Act is to be taxed @ 20% (plus applicable surcharge and cess). However, STCG arising from short-term capital assets (other than listed equity shares, unit of an equity-oriented fund or unit of a business trust covered under section 111A of the IT Act), is to be taxed at the normal tax rate of the Company.

B. Special direct tax benefits available to the shareholders under the Direct Tax Laws in India

Below are certain special direct tax benefits available to the shareholders of the Company for investing in the shares of the Company.

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of a domestic corporate shareholder, benefit of deduction under section 80M of the IT Act would be available on fulfilling the conditions (as discussed in A.2. above).

2. As per section 115A of the IT Act, dividend income earned by a non-resident (not being a company) or by a foreign company, shall be taxed at the rate of 20% (plus applicable surcharge and cess) subject to fulfilment of prescribed conditions under the IT Act.

3. As per section 111A of the IT Act, STCG arising from transfer of equity shares on which securities transaction tax ("STT") is paid at the time of acquisition and sale, shall be taxed at the rate of 20% (plus applicable surcharge and cess). This is subject to fulfilment of prescribed conditions under the IT Act.

4. As per section 112A of the IT Act, long-term capital gains arising from transfer of equity shares on which STT is paid at the time of acquisition and sale, shall be taxed at the rate of 12.5% (plus applicable surcharge and cess). It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,25,000 in a FY.

5. Where the shareholders are Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every Artificial Juridical Person, surcharge would be restricted to 15% in respect of dividend income, long-term capital gain and STCG under section 111A of the IT Act.

6. As per section 90(2) of the IT Act, non-resident shareholders will be eligible to take advantage of the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

Further, any income by way of capital gains, dividends accruing to non-residents may be subject to withholding tax as per the provisions of the IT Act or under the relevant DTAA, whichever is more beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

Notes:

1. These special direct tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company and its shareholders may or may not choose to fulfil.

2. The special direct tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, 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 issue.

3. The Statement has been prepared on the basis that the shares of the Company are proposed to be listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared based on information available with the management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;

   ii. the conditions prescribed for availing the benefits have been/ would be met with; and

   iii. the revenue authorities/ courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The Statement sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

For and on behalf of Board of Directors of

Varmora Granito Limited (formerly known as Varmora Granito Private Limited)

Bhavesh Varmora
Chairman & Managing Director

Place: Ahmedabad
Date: August 7, 2025

ANNEXURE III

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA

Outlined below are the special indirect tax benefits available to the Company and its shareholders under Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Applicable State Goods and Services Tax Act, 2017 ("GST law"), Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law"), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023 (collectively referred as "Indirect Tax Regulations") read with Rules, Circulars and Notifications.

1. Special indirect tax benefits available to the Company

a. Advance authorization

Advance Authorisation is a scheme under FTP that allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also allowed to be imported duty free.

The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector - wise list of Standard Input - Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad - hoc norms in cases where the SION does not suit the exporter.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product - Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.

Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s)

b. Export Promotion Capital Goods (EPCG) Scheme

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty.

The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

c. Remission of duties and taxes on Export Products (RoDTEP) Scheme

Remission of Duties and Taxes on Exported Products (RoDTEP) is a new scheme launched by the government to replace the existing MEIS scheme for exports of goods from India. The RoDTEP scheme would refund to exporters the embedded duties / taxes that were so far not being rebated/refunded.

The refund would be credited in an exporter's ledger account with Customs and used to pay Basic Customs duty on imported goods. The credits can also be transferred to other importers just like MEIS / SEIS scrips. All exporters of goods are eligible to take benefit under this scheme. Such exporter may either be merchant or manufacturer exporter. However, such goods should have been directly exported by such person.

2. Special indirect tax benefits available to the Shareholders

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

There are no special tax benefits available to shareholders for investing in the shares of the Company.

Notes:

1. The special indirect tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special indirect tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a 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.

3. The Statement has been prepared on the basis that the shares of the Company are to be listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. The Company or its shareholders will continue to obtain these benefits in future

    ii. The conditions prescribed for availing the benefits have been/ would be met with; and

    iii. The revenue authorities / courts will concur with the view expressed herein.

5. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For and on behalf of Board of Directors of
Varmora Granito Limited (formerly known as Varmora Granito Private Limited)

Bhavesh Varmora
Chairman & Managing Director

Place: Ahmedabad
Date: August 7, 2025

SECTION V – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

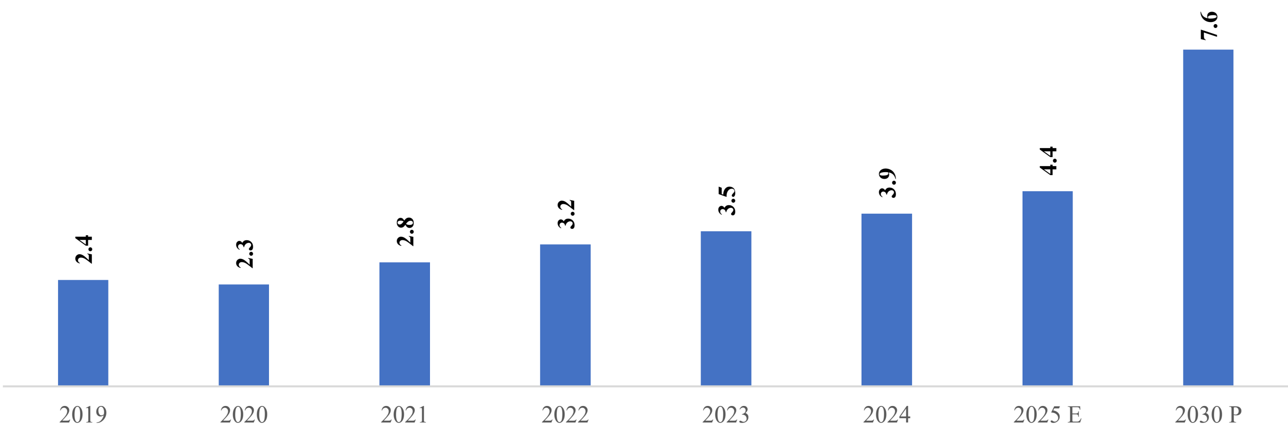
*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Industry Report on Tiles, Bathware & Sanitaryware Market in India" dated August 7, 2025 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited and exclusively commissioned and paid for by us in connection with the Offer, pursuant to a letter of authorisation dated October 4, 2024. A copy of the Technopak Report is available on the website of our Company at https://varmora.com/investor-relations/industry-report/. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. For the disclaimers associated with the Technopak Report, see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and market data" on page 16. Also, see "Risk Factors — Internal Risks — 48. Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which has been prepared exclusively for the Offer and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 61. The industry data included herein may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview of Indian Economy

One of the fastest growing economies and expected to become the third-largest economy by Fiscal 2029

India is ranked fourth globally in terms of nominal gross domestic product (GDP) as of Fiscal 2025 and is the third-largest economy in the world in terms of purchasing power parity (PPP) adjusted GDP as of Fiscal 2025. With its nominal GDP expected to grow at 12.2% CAGR from Fiscal 2025 to Fiscal 2029, India is projected to become a ~USD 6.5 trillion economy by Fiscal 2029, surpassing Germany to be the third-largest economy globally.

Exhibit. 1.1: India's GDP at Current Prices (Nominal GDP) (In USD trillion) (Fiscal)



Source: RBI, Technopak Analysis
Note: 1USD = ₹85

Real GDP of key economies in the world

India leads major economies with a real GDP growth of 6.5% over 2023-2024, higher than China at 5.0%, the USA at 2.8%, the UK at 1.1% and France at 1.1%, highlighting India's leading role in global economic growth. India is expected to maintain this lead by sustaining the same real GDP growth of 6.5% in 2025.

Sustained growth momentum has driven higher consumption of branded goods and services, as increasing incomes, rising aspirations and affordability expand India's middle and upper-middle-class segments.

Exhibit. 1.2: Real GDP Growth Rate of Key Economies in the World (%)

Country	2018	2019	2020	2021	2022	2023	2024	2025P
India	6.5%	3.9%	(5.8%)	9.7%	7.0%	8.2%	6.5%	6.5%
China	6.7%	6.0%	2.2%	8.4%	3.0%	5.2%	5.0%	4.0%
Brazil	1.8%	1.2%	(3.3%)	4.8%	3.0%	2.9%	3.4%	2.0%
USA	3.0%	2.6%	(2.2%)	6.1%	2.5%	2.9%	2.8%	1.8%

Country	2018	2019	2020	2021	2022	2023	2024	2025P
Australia	2.8%	1.8%	(2.1%)	5.5%	3.9%	2.0%	1.0%	1.6%
UK	1.4%	1.6%	(10.3%)	8.6%	4.8%	0.3%	1.1%	1.1%
Germany	1.1%	1.0%	(4.1%)	3.7%	1.4%	(0.3%)	(0.2%)	1.0%
Japan	0.6%	(0.4%)	(4.2%)	2.7%	1.2%	1.7%	0.1%	0.6%
France	1.6%	2.1%	(7.6%)	6.8%	2.6%	1.1%	1.1%	0.6%
World	**3.6%**	**2.9%**	**(2.7%)**	**6.6%**	**3.6%**	**3.3%**	**3.3%**	**2.8%**

Source: IMF, Technopak Analysis
For India, RBI Data is considered. 2018 in India refers to Fiscal 2019 and so on
Note: Data arranged in descending order of growth- 2025P

Key growth drivers for India's economy

India's GDP growth is supported by domestic consumption, a young workforce, and structural reforms. The implementation of GST has replaced multiple indirect taxes with a unified system, simplifying compliance and improving tax collection. RERA has introduced regulatory oversight in the real estate sector, ensuring better accountability and transparency, increasing consumer trust in the segment.

Other reforms such as income tax changes in the Union Budget Fiscal 26 have increased disposable income encouraging formal economic activity. Additionally, the reserve bank has planned to lower cash reserve ratio by 100 basis point in Fiscal 2026 which is expected to drive demand by boosting liquidity. The Aadhaar system has enabled reliable identification, making it easier to open bank accounts and allowing direct transfer of government benefits.

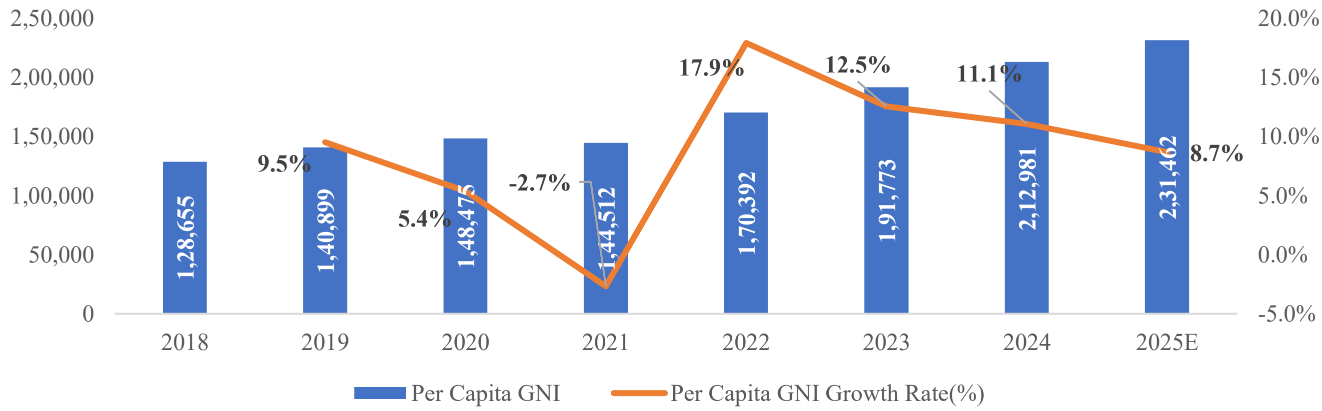
Digitalization has also contributed to growth by expanding access to financial services, streamlining public service delivery, and promoting digital payments. It has strengthened the formal economy and supported data-driven governance. Together, these structural reforms have improved transparency, reduced inefficiencies, increased investor confidence, and is expected to support long-term economic growth.

India's diverse economic base, supported by agriculture, manufacturing, and IT, enhances resilience and enables rapid growth. Growth was also boosted by public infrastructure investment and an upswing in household investments in real estate.

Growing middle class and consumption growth

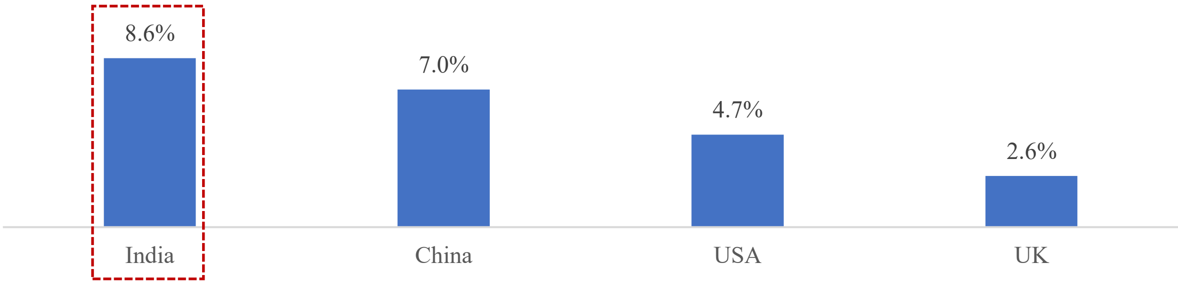
The growth rate of per capita GNI has accelerated in recent years, signalling faster economic expansion in India. The per capita GNI for India stood at ₹2,12,981 in Fiscal 2024, marking a ~51.2% increase from ₹1,40,899 in Fiscal 2019, exhibiting a CAGR of 8.6% during the period. Other major economies such as UK, USA and China grew at a CAGR of 2.6%, 4.7% and 7.0% respectively during 2018-2023.

Exhibit 1.3: India's GNI Per Capi ta (₹) (Current Prices) And Y-O-Y Growth Trend (%) (Fiscal)



Source: Ministry of Statistics and Program Implementation, Technopak Analysis

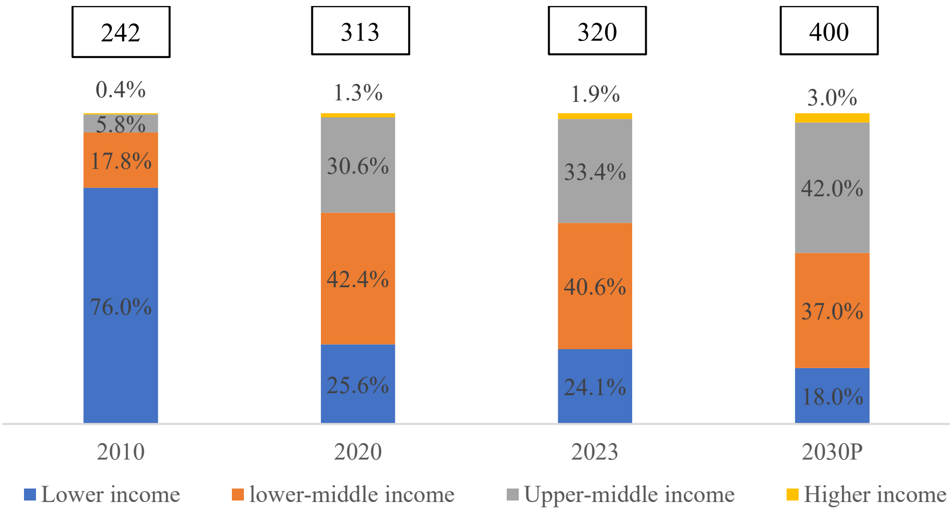
Exhibit 1.4: Comparison of Per Capita GNI Growth Rate of Key Economies from 2018-2023



Source: Secondary Research
India Data is for Fiscal 2019-2024. Fiscal 2019 corresponds to 2018 and so on

Increasing GNI per capita is driven by India's expanding middle class, and their consumption growth. India's share of middle-class households is expected to rise from 74.0% in 2023 to 79.0% by 2030 (defined as households with annual earnings between USD 5,000 and USD 50,000). This growth in household income will fuel consumption, laying the foundation for sustained economic growth and development.

Exhibit 1.5: Income Class-wise Household (HH in Millions) in India (Fiscal)

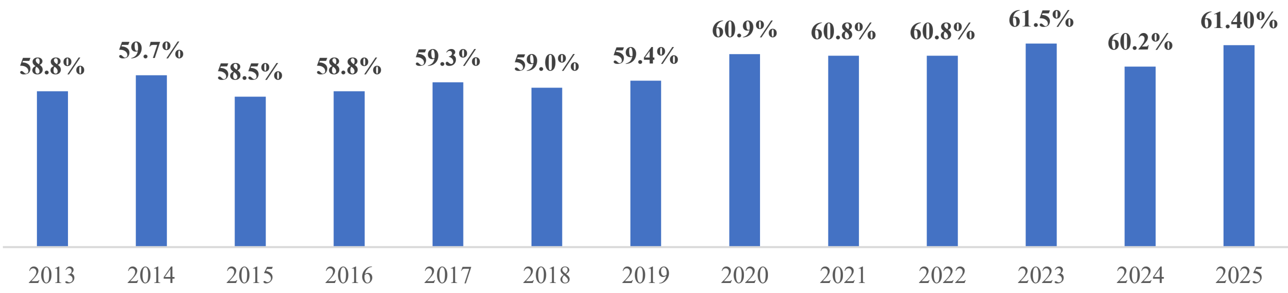


CAGR	Lower Income	Lower-Middle Income	Upper-Middle Income	Higher Income
2010-2020	(8.5%)	11.3%	20.6%	14.9%
2020-2023	0.4%	(1.6%)	5.5%	14.5%
2023-2030	(1.0%)	3.0%	6.7%	10.4%

Source: EIU, Technopak Estimates
Income bracket- Lower income<5,000USD, Lower-middle income >5,000 and <10,000 USD, Upper-middle income >10,000 and <50,000 USD, Higher income >50,000 USD

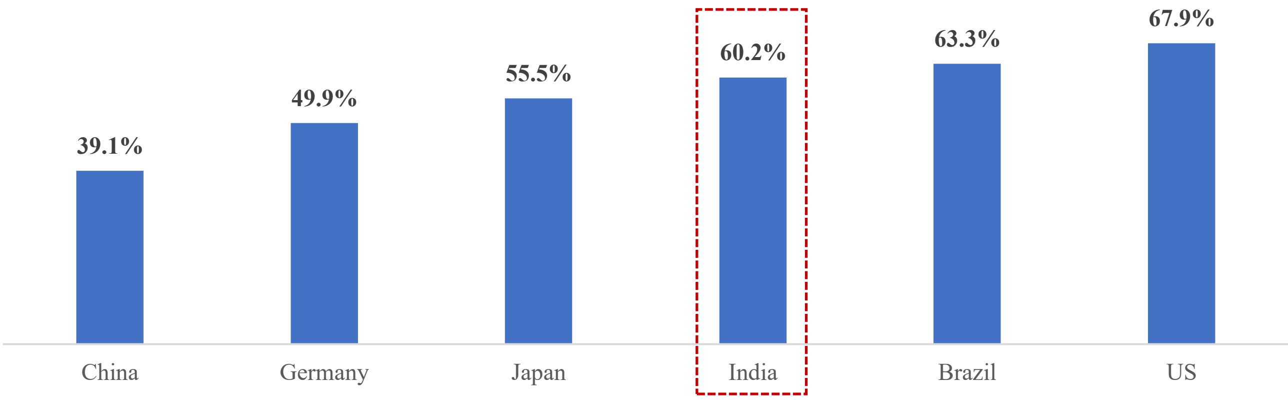
India's GDP growth is driven by a healthy Private Final Consumption Expenditure (PFCE), reflecting the country's consumption-driven economy. Private consumption expenditure comprises both goods (such as food, lifestyle, home and pharmacy) and services (such as food services, education and healthcare), indicating strong consumer spending, which is a positive sign for economic growth. The share of PFCE in India's GDP has historically remained consistent, generally accounting for around 55-60% of the GDP. This stability is attributed to India's consumption-driven economy, where household spending on goods and services plays a pivotal role.

Exhibit 1.6 Share of Private Final Consumption Expenditure to India's GDP (%) (Fiscal)



Source: MOSPI

Exhibit 1.7 Household and NPISH final consumption as a % of GDP (2024)



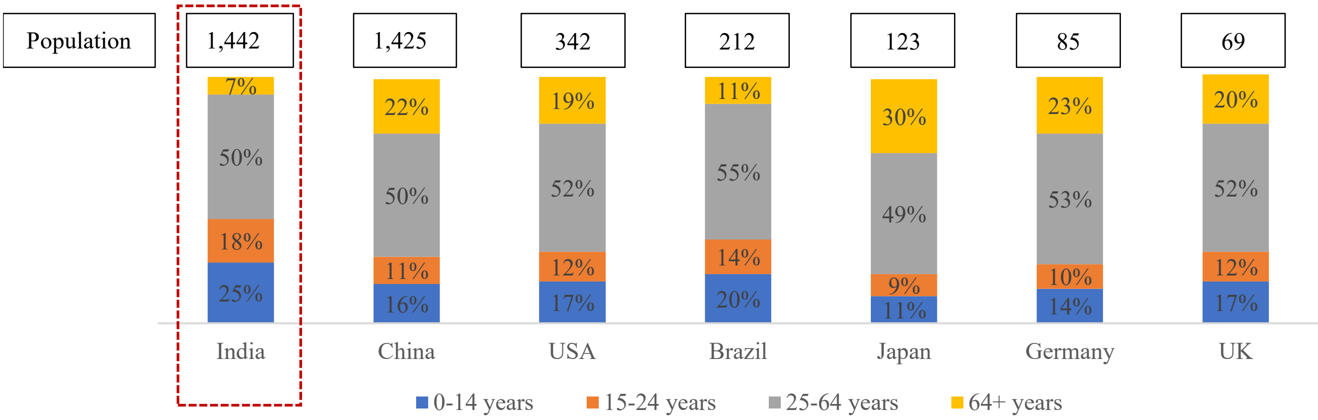
Source: Secondary Research
NPISH: Non-Profit Institutions Serving Households refers to organizations providing goods or services to households for free or at non-commercial prices, funded by donations, grants, or membership fees. Examples include charities, religious groups, and non-profit educational or cultural institutions. They are a distinct sector in national accounts, contributing to measures such as GDP.
India Data is for Fiscal 2024. Fiscal 2024 corresponds to 2023 and so on

India's large domestic demand acts as a buffer against adverse global macroeconomic conditions. With a growing middle class, rising disposable incomes, and consumption-driven growth, Indian economy relies on its internal market for economic stability, and is relatively shielded from global disruptions such as trade wars or slowdowns in other countries, ensuring resilient and sustained growth.

Demographic dividend - young and aspirational population driving consumption

India has one of the youngest populations globally compared to other leading economies. About 50% of the total population falls within the 25 to 64 years age group in 2024. The median age in India was ~28.4 years in 2024 as compared to 38.3 years and 39.6 years in the US and China respectively and is expected to remain under 30 years until 2030. India's youthful population is driving an expanding labor force and accelerating economic growth. This demographic advantage, with a rising proportion of working-age individuals, is fueling higher incomes and increased consumption and premiumization across a broad range of sectors.

Exhibit 1.8: Comparison of Population Age for Key Economies (%) (2024) Population in Million



Country	India	China	Japan	USA	UK	Germany	Brazil
Median Age in Yrs (CY2024)	28.4	39.6	49.4	38.3	40.0	45.3	34.4

Source: World Population Review, United Nation

Structural Reforms

Over the past decade, structural and policy reforms have strengthened the foundations of India's economy. These measures have improved efficiency, increased formalization, and supported investment and consumption, contributing to sustained economic growth.

RERA (Real Estate Regulation Act) introduced by the government brought in regulations for the real estate sector and provided a grievance redressal mechanism. This improved transparency in real estate transactions and supported the growth of the housing market by building consumer trust.

The Insolvency and Bankruptcy Code (IBC) introduced a legal framework to manage insolvencies. This helped reduce stressed assets, improve credit discipline and established a platform for stakeholders in the event of financial distress. IBC has helped resolve 808 cases of stuck debt since its inception in 2016. It has increased lender confidence in extending loans.

GST implementation (2017) combined multiple indirect taxes into a single Goods and Services Tax. This simplified the tax system and improved the movement of goods and services across states. For example, the removal of VAT on construction cost and service tax on labour costs following the introduction of GST has brought greater transparency to overall project costs and applicable taxes.

Income tax reductions in budget of Fiscal 2025-2026 introduced tax exemption up to 12 Lakhs and revised the tax slabs which is expected to result in increased disposable income supporting spending and investment.

The introduction of Aadhaar has provided a unified identity verification system, enhancing the efficiency of welfare schemes through Direct Benefit Transfers (DBT). Introduced in 2013, Aadhaar-linked DBT enables subsidies and cash benefits to be transferred directly into beneficiaries' bank accounts, reducing leakages and improving targeting. The Pradhan Mantri Jan Dhan Yojana (PMJDY) further advanced financial inclusion by facilitating the opening of over 523 million bank accounts by 2025, integrating underserved populations into the formal financial system. Linking these accounts with Aadhaar has enabled access to savings, credit, and insurance products, expanding the reach of formal financial services. This integration has strengthened the financial system, supported household consumption, and increased participation in the formal economy.

Government focus on infrastructure

The Indian government's significant investment in infrastructure is driving economic growth and enhancing connectivity across the country. Initiatives such as the Housing for All, Bharatmala and Sagarmala projects, Smart Cities Mission, and Gati Shakti National Master Plan focus on developing real estate, highways, ports, urban infrastructure, and logistics networks. Increased budget allocations for railways, airports, and digital infrastructure aim to boost efficiency, attract investments, and create jobs, positioning India as a global economic hub.

This growing emphasis on infrastructure is reflected in the rising contribution of construction to India's Gross Value Added (GVA), as shown in Exhibit 1.9. Between Fiscal 2019 and Fiscal 2025, construction contribution to GVA rose from 7.9% to 8.8%, highlighting the expanding role these sectors play in driving the country's economic growth.

Exhibit 1.9: Construction Contribution to GVA at Current Prices (%) (Fiscal)

Source: MOSPI

Increasing digital adoption and technological advancements

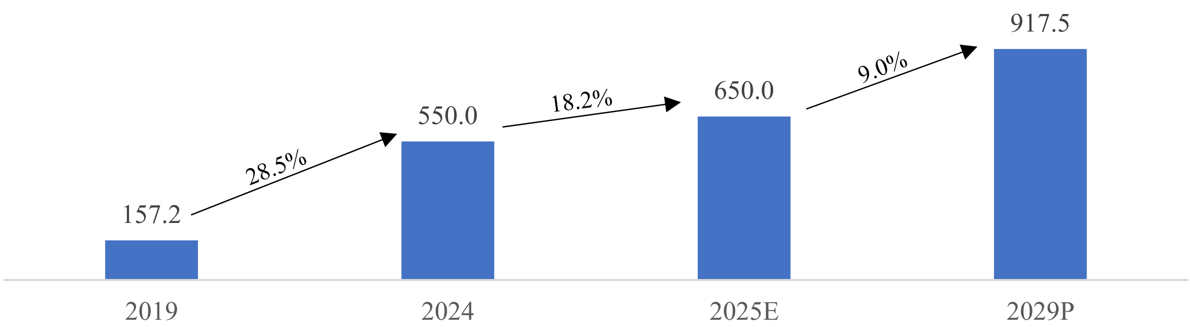
The Digital India initiative has supported the development of digital infrastructure, enabling wider connectivity and the adoption of digital platforms. Systems such as Aadhaar-enabled identity verification, Unified Payments Interface (UPI), and Direct Benefit Transfers (DBT) have improved service delivery by reducing leakages and enabling direct access to government schemes. Increased digital adoption has also supported the growth of e-commerce across metros and smaller cities, expanding access to goods and services, including among rural consumers. Advances in technology, including AI, automation, and data analytics, are improving operational efficiency across sectors. These changes are reshaping business models, supporting private consumption, and enhancing the delivery of public services, contributing to broad-based economic growth and positioning India within the global digital economy.

Overview of the Real Estate Market in India

Real estate infrastructure in India

The real estate industry in India plays a significant role in driving the country's economy and development, making substantial contributions to both GDP and employment generation. The real estate sector contribution to the GVA rose from 15.1% in Fiscal 2019 to 16.9% in Fiscal 2024.

Exhibit 2.1: Indian Real Estate Market Size (USD billion)



Source: Secondary Research, Technopak Analysis

The Indian real estate market was valued at USD 550.0 billion in 2024 and is expected to reach USD 650.0 billion in 2025.This industry has demonstrated strong growth over the years, driven by encouraging economic conditions, increasing urbanization, nuclearization, government initiatives, and emergence of India as a global hub for IT and other business services. The industry is expected to further grow to USD 917.5 billion by 2029 at an expected CAGR of 9.0%.

The growth in India's real estate is driven by rising confidence due to RERA-enforced transparency, significant increase in commercial leasing activity fuelled by the IT and retail sectors, government focus on investments in infrastructure and tax benefits for affordable housing.

These growth drivers are also translating to healthy performance for major Indian real estate players. For instance, DLF reported year-on-year growth of 43.6% in new sales bookings in Fiscal 2025. Godrej Properties' booking value during the same period grew 30.7%, whereas Brigade Enterprises saw a 30.5% increase in net sale value.

Strong economic growth, coupled with favourable demographics, has further made India a highly attractive destination for real estate investors globally.

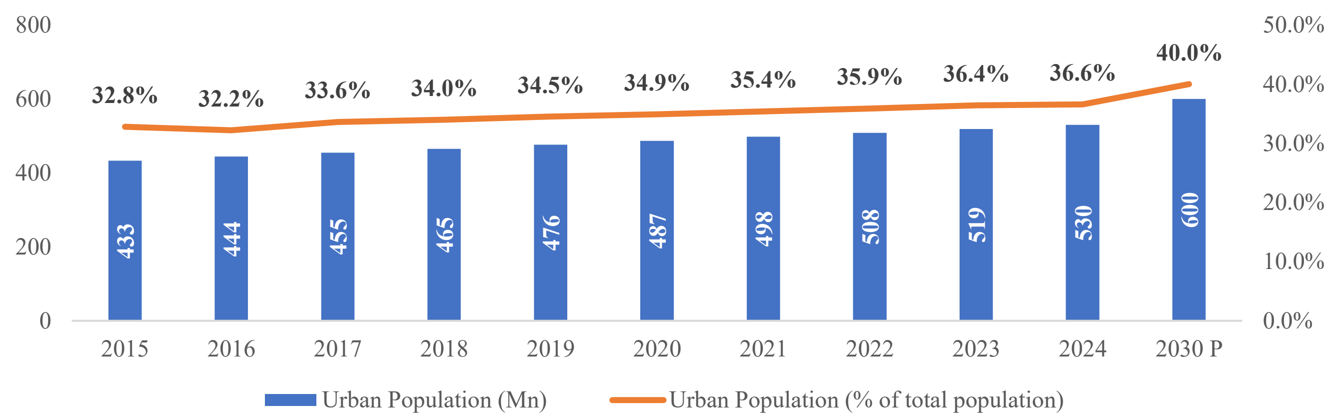
Key growth drivers

The Indian real estate sector has seen substantial growth in recent years, driven by a mix of economic, social, and technological factors, including urbanization, increasing disposable incomes, and demographic changes. This growth highlights strong demand across residential, commercial, retail, and public utilities segments, attracting both domestic and international investments in the sector.

Demographic Changes Underway: Urbanisation and Nuclearization:

Urbanization is one of the most important pillars of India's growth story, as urban areas serve as the nodes for economic growth. Driven by the pursuit of enhanced opportunities, people are shifting to urban areas. In 2024, approximately 530 million people, or 36.6% of India's total population, resided in urban areas. By 2030, it is anticipated that 40.0% of India's population will reside in urban centres. India's younger, working-age population is driving urbanization as they transition from joint family systems in rural areas to nuclear family setups in urban areas, creating higher demand for residential real estate.

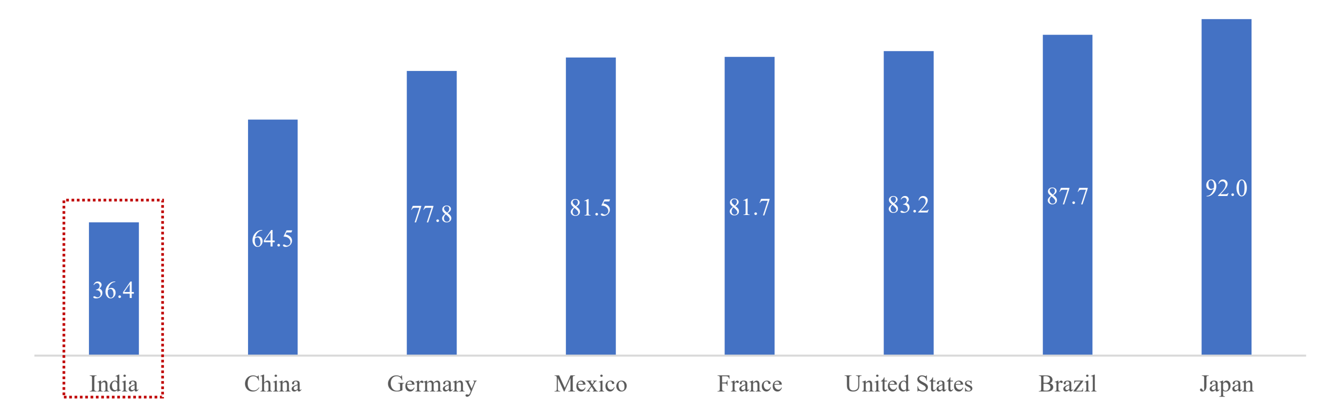
Exhibit 2.2 India's Urban Population (In million) and Urban Population as a Percentage of Total Population



Source: World Bank, Technopak Analysis

However, there is significant headroom for India's urbanization to further increase, given other countries such as the United States (83.2%), China (64.5%), and France (81.7%) have significantly higher urban populations in 2023.

Exhibit 2.3 Urban Population as a % of Total Population for Key Economies (2023) (%)



Source: World Bank

Between 2019 and 2024, the growth rate of households in India was double the rate of population growth. The growth in the number of households exceeds population growth, indicating an increase in nuclearization in India.

Exhibit 2.4 Comparison of household and population growth in India over 5 years Period (CY)

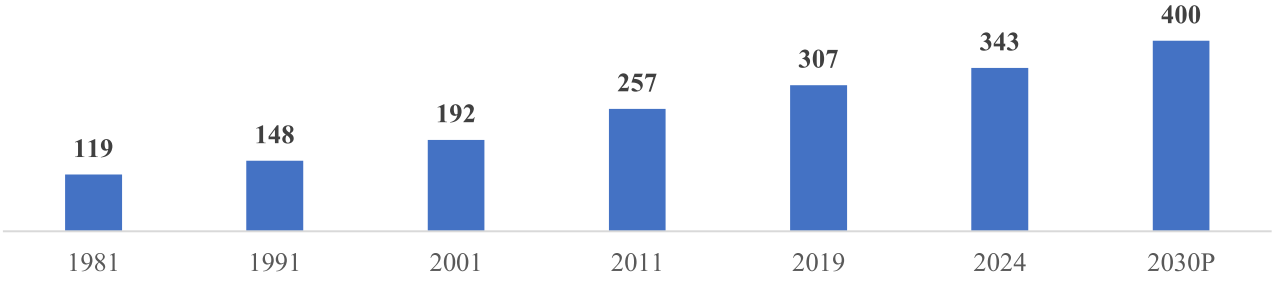
Year	Number of households (in million)	Population of India (in billion)
2019	307	1.37
2024	343	1.44
Growth Rate	2.2%	1.0%

Source: World Bank, Technopak Analysis

Growth rate comparison is for 5 years period

The number of households in India increased by over 30 million from Fiscal 2020 to Fiscal 2024 and is further expected to add 57 million household reaching 400 million by Fiscal 2030, from 343 million in Fiscal 2024.

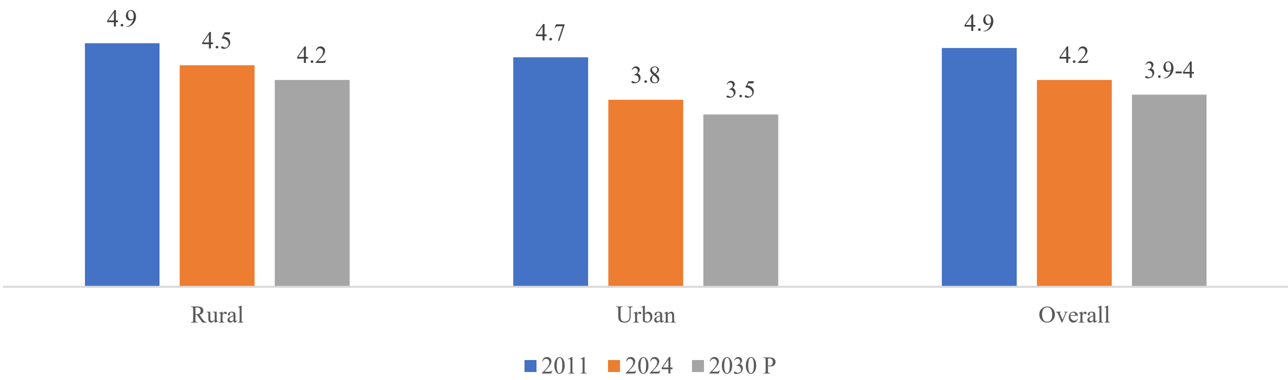
Exhibit 2.5 Total number of households in India (In million) (Fiscal)



Source: Census, Technopak Analysis

The average household size in India as of 2024 is 4.2 persons per household, with rural areas at an average of 4.5 persons per household and urban areas at an average of 3.8 persons per household. The overall household size is further expected to reduce to 3.9-4 persons per household by Fiscal 2030.

Exhibit 2.6 Household size in India



Source: Census, PLFS survey
2024 data correspond to July 2023-June 2024 respectively

This trend of increasing nuclearization is resulting in growing demand for real estate and allied building materials, as well as higher consumption across consumer goods and retail categories as the young, aspirational population exercises freedom in decision-making, resulting in growing individualistic requirements and choices.

Structural Reforms by the Indian Government to Grow Real Estate

The Indian government has introduced a range of policies designed to enhance the real estate sector:

The establishment of the RERA aims to safeguard homebuyers' interests and foster transparency, accountability, and efficiency in real estate transactions.

The implementation of GST in 2017 has also contributed to this progress by streamlining the tax structure, replacing a complex array of indirect taxes with a unified tax regime. REITs (Real Estate Investment Trusts) were created to enable secure investments in the country's real estate sector.

The affordability of real estate in India has been improving due to supportive government policies. PMAY provides interest rate subsidies, making home loans more affordable, and the Affordable Housing in Partnership scheme under PMAY is aimed to encourages private sector to participate in affordable housing creation. These housing schemes will be initiated by state/UTs through partnership with private sector or public sector. Whereas other initiatives like the Smart Cities Mission are focused on improving urban infrastructure and attracting investment, thereby further stimulating sector growth.

Post implementation of RERA and increase in transparency and returns, there has been a surge in private and foreign investment in the real estate sector. Further, the liberalization of FDI norms has opened up the opportunity for international investments in Indian real estate. In 2024, Indian real state saw a surge in institutional investment as compared to previous year with Foreign institutional investors dominating and accounting for 63% of the total investment of USD 8.9 billion in 2024.

Rising Disposable Income and Affluence are Driving the Demand for Housing (Particularly Premium and Luxury)

The premium and luxury housing segments (₹150 million and above) are amongst the fastest growing in real estate, accounting for 30% of all residential real estate launches in 2024, up from 11% in 2021 by number of units sold. Rising income levels, particularly among the affluent and upper-middle class, have increased the demand for these properties, as these segments prioritise exclusivity, comfort, and advanced amenities. Additionally, people view premium and luxury real estate as a safe and profitable investment, contributing to its growing popularity. Government policies and infrastructure improvements in metros have supported the premium housing market, while the pandemic increased demand for larger homes with private spaces and home offices.

Rising Demand for Commercial Spaces and Global Capability Centres

Growth in IT and e-commerce sectors, as well as startups are fuelling demand for commercial real estate. Leading global companies are setting up GCCs (Global Capability Centres) in India to leverage expertise in IT, analytics, R&D, and customer support. This surge is driving the growth of office spaces, coworking hubs, and retail outlets, creating a vibrant and evolving commercial landscape. The number of GCCs in India is projected to grow from 1,800 in 2024 (occupying 240 million sq. ft of grade A office space) to over 2,500 by 2028.

India has one of the highest numbers of employees outside the headquarters of MNCs like Accenture, Cognizant, IBM, Amazon, and Microsoft, and this trend is expected to extend to other international companies, driving increased demand for commercial real estate in India.

Infrastructure Development

The growing demand for large scale projects like expressways, metro rail expansions, airports, freight corridors and retail spaces in India is driving the expansion of the real estate sector. As air travel continues to rise, investment in airport infrastructure is surging, enhancing connectivity and creating opportunities for commercial real estate development.

Growth in India's Retail and Hospitality Industry

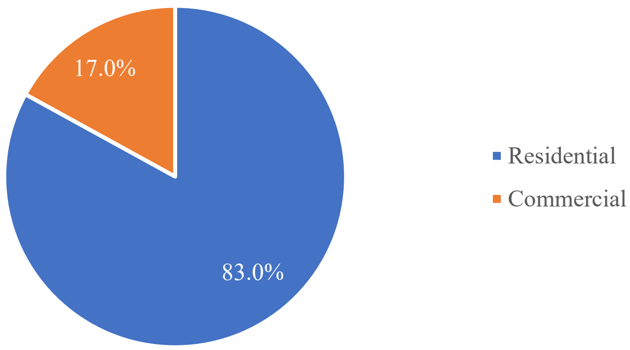
India's retail sector is growing, fuelled by a rising middle class, urbanisation, and increased consumer spending, boosting demand for retail spaces. There is a growing preference for aesthetically designed retail spaces across metros and Tier I cities which is being met by organized players with large retail infrastructure. As of 2024, India has over 750 operational shopping malls occupying an area of 200 million sq. ft, with more than 200 additional malls expected to be added over the next five years. The hospitality sector also attracts both domestic and foreign investments, creating opportunities for developers and investors in the real estate market. Major hotel chains and international brands are increasingly entering the Indian market, leading to the development of new properties and the refurbishment of existing ones. Further, as more people have the means to travel and dine out, the demand for hotels, restaurants, and leisure facilities increases, resulting in more real estate development in the hospitality sector. As of June 2024, India has over 2.5 million operational lodging rooms, with the count expected to increase to 3.1 million by 2029.

Supported by government policies, growing employment opportunities, demographic shifts, urbanization and increased private investment, the sector is poised for a sustainable and resilient growth.

Sub Segments of Real-Estate Infrastructure in India

The Indian real estate sector is divided into residential and commercial segments. The residential segment accounts for 83.0% of the market share by value in 2024 and the commercial segment holds the remaining 17.0% of the market including office spaces, retail spaces, hospitality spaces and public utilities.

Exhibit 2.7: Residential vs Commercial Split of Real Estate Market (Fiscal 2024) (Total Market size- USD 550 Billion)

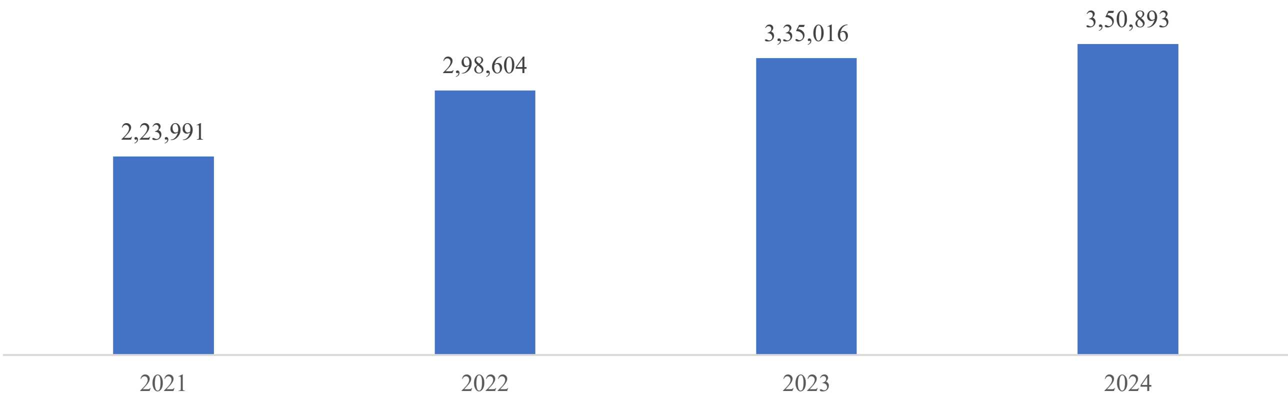


Source: Secondary Research, CREDAI

Residential Segment

The residential or housing market is expected to witness rapid growth due to increasing demand of the residential space in both affordable and premium segments, propelled by rapid urbanization and increasing household income. Residential sales volume across the major 7 cities in India increased from 2,23,991 in 2021 to 3,50,893 in 2024, growing at a CAGR of 16.1%.

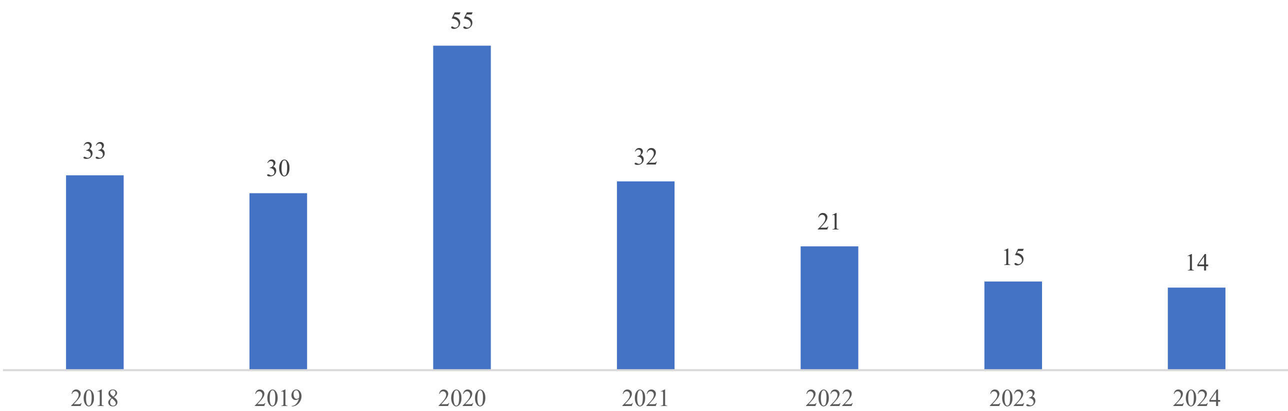
Exhibit 2.8: Housing sales in top 7 cities in India (number of units)



Source: Secondary Research
Top 7 cities include MMR (Mumbai Metropolitan Region), Delhi NCR, Bengaluru, Pune, Hyderabad, Chennai and Kolkata

In 2024, the Indian residential real estate market's inventory overhang for top seven cities—the estimated time required to clear unsold stock based on current sales velocity—declined to 14 months, a significant improvement from 55 months in 2020. This reduction underscores strong and sustained demand across the sector, reflecting improved market conditions and a healthy developer shape.

Exhibit 2.9: Inventory Overhang in India over the years (number of months)



Source: Secondary Research

Includes data for Mumbai Metropolitan Region, Pune, Hyderabad, Bengaluru, NCR, Chennai and Kolkata
Inventory overhang is the estimated time required to clear unsold stock based on current sales velocity

Segments in Residential Real Estate

India's residential real estate market is classified into five pricing categories: affordable, mid-segment, high-end, premium and luxury housing.

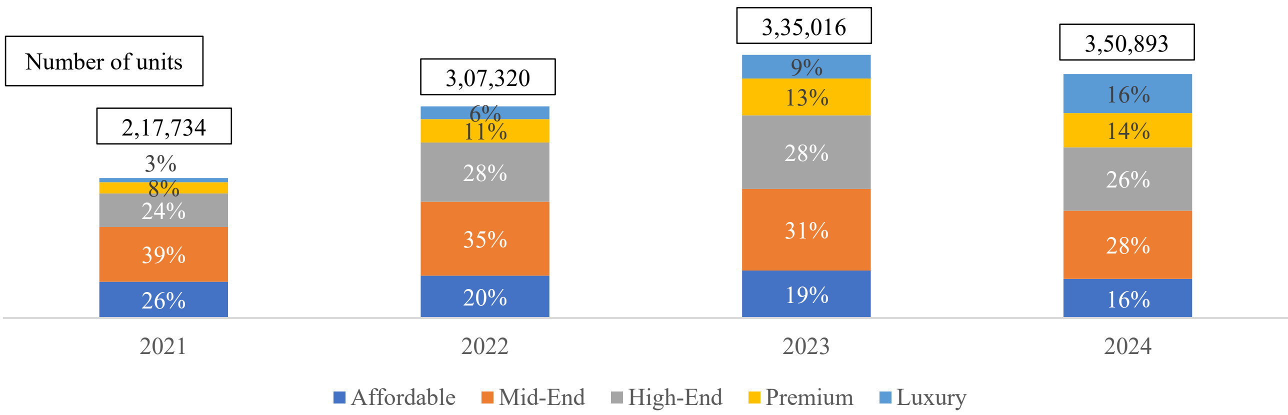
Premium and luxury housing defined as properties priced above ₹1.5 crore made up of 30% of total residential sales in 2024, compared to 11% in 2021, an increase of 19 percentage points, shows the rapid growth of this segment in India's real estate market. This growth is driven by the rising number of high-net-worth and ultra-high-net-worth individuals, particularly in metropolitan hubs. The post-pandemic shift in lifestyle preferences has further boosted demand for spacious, amenity-rich homes in premium locations. The emergence of branded residences also appeals to both affluent domestic and NRI buyers.

The mid-segment and high-end housing category, which includes homes priced between ₹40 lakhs and ₹1.5 crore, contributed 54% to overall sales in 2024 with a decrease of 9% in share from 2021 to 2024. These homes are especially popular among working professionals in metro cities.

Affordable housing, with properties priced under ₹40 lakhs, accounted for approximately 16% of total units sold during 2024. Demand in this segment has been supported by government initiatives such as the Pradhan Mantri Awas Yojana (PMAY) and various tax benefits.

The builder landscape in India has become more consolidated, and the implementation of RERA has enhanced transparency in the sector, thereby boosting consumer confidence. With rising demand, developers' debt levels have declined. Listed players such as Sobha Limited and Kolte Patil reported negative net debt levels in Fiscal 2025, while others like Puravankara and Prestige Estates have seen a significant reduction in net debt over the past five years.

Exhibit 2.10: Split of Residential Real Estate Unit Launches by Pricing Segment



Source: Secondary Research, Technopak Analysis
Includes data for Mumbai, NCR, Bengaluru, Pune, Chennai, Hyderabad, Kolkata
Price Ranges:
Luxury - >2.5 Cr ₹, Premium – 1.5-25 Cr ₹, High End – 80-1.5 Cr ₹, Mid End – 40 – 80 lakh ₹, Affordable - <40 lakh ₹

Commercial Segment

The commercial real estate segment includes office spaces, retail spaces, hospitality spaces and public utilities. Its growth in India has been driven by multiple factors across these sectors. The rapid expansion of the IT and ITES sectors, along with the rise of start-ups and multinational corporations, has fuelled the demand for modern and well-equipped office spaces. The retail sector has witnessed robust growth due to rising consumer spending, urbanization, and the advent of organized retail formats, leading to an increased demand for malls and shopping complexes. Hospitality spaces have expanded significantly, driven by growth in domestic and international tourism, business travel, and a booming events industry. Meanwhile, the development of airports has surged, supported by government initiatives and public-private partnerships to improve connectivity and infrastructure, resulting in the need for integrated commercial spaces such as retail outlets and hotels within airport premises. Together, these factors underline the dynamic growth of India's commercial real estate landscape.

Office Space

The rise of startups and multinational corporations setting up offices in India has bolstered demand for premium commercial spaces.

India is also rapidly emerging as a hub for global capability centres (GCCs), driven by its vast talent pool, cost efficiency, and robust digital infrastructure. The country's focus on innovation, supported by a thriving start-up ecosystem and favourable government policies, further strengthens its position.

India's office market has seen significant growth from 2021 to 2023. New supply increased from 45.6 million sq. ft. in 2021 to 48.1 million sq. ft in 2024 whereas net absorption reached 50.0 million sq. ft in 2024 with a 29% YOY increase from 2023.

Exhibit 2.11: India Market for Office Space (in million sq. ft)

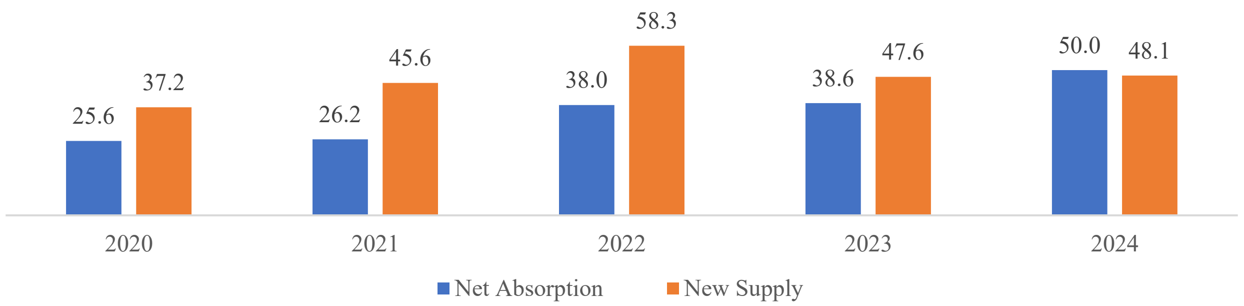
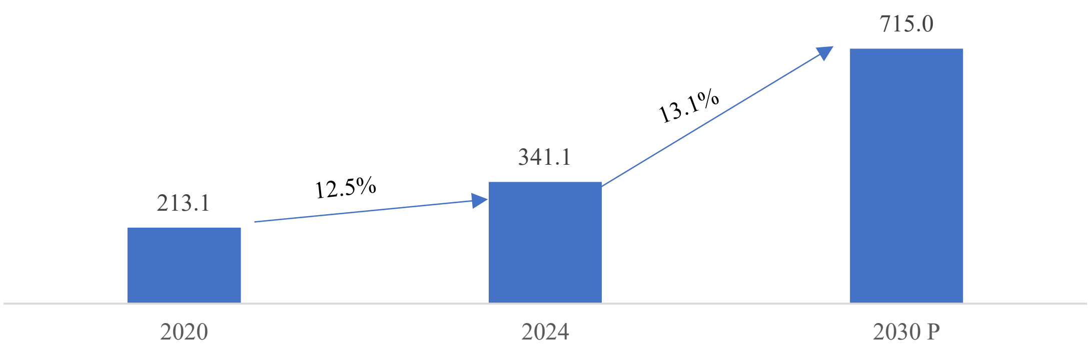


Chart represents aggregate numbers for the seven cities of Delhi NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Pune and Kolkata
Note: Net absorption refers to the total volume of space that has been leased or occupied within a particular market during a defined period.
Source: Secondary Research

India's service economy and the rise of co-working spaces are key drivers of office space demand. Service exports, such as IT and ITES, grew from USD 213.1 billion in Fiscal 2020 to ~USD 341.1 billion in Fiscal 2024 and are projected to reach USD 715.0 billion by Fiscal 2030, with a CAGR of ~13.1%. India's service exports are poised for growth due to its expanding capabilities in high-value sectors such as IT, fintech, and consulting, coupled with a robust talent pool and technological advancements. This robust growth underpins the continued expansion of office spaces in the coming decade.

Exhibit 2.12: Export of Services from India (USD billion) (Fiscal)



Source: Secondary Research

Managed office spaces/Co-working sector has also gained popularity and is predicted to grow by 10.0% to 13.0% over the next three years. The Co-working space segment's share in total absorption is expected to increase from 10.0% in 2018 to more than 25.0% by 2025.

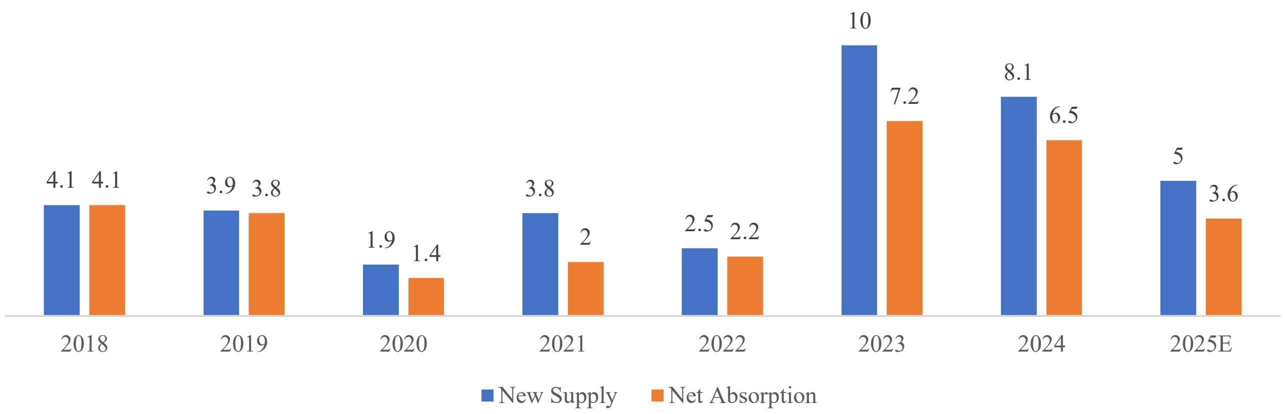
Retail Space

India's retail consumption basket includes need-based retail and discretionary retail. The total retail consumption basket is expected to witness a CAGR of 10.5 % from its current value of USD 1,061 billion in Fiscal 2024 to USD 1,581 billion in Fiscal 2028. The spending by customers on discretionary categories has seen a rise owing to higher income levels and enhanced standards of living.

Demand from organized retail in India is outpacing that from unorganized retail, driven by the growing preference for structured, high-quality shopping experiences. Organized retail stores, including branded outlets and large chains, offer a superior shopping environment, with well-designed spaces, better product assortments, and enhanced customer service.

India's new mall supply has increased by 4.3 million sq. ft. from 2021(3.8 MSF) to 2024(8.1 MSF). This is further expected to increase with 20 premium malls already set to open across the 8 major cities of India by 2026.

Exhibit 2.13: Mall Demand in India (million sq. ft.)



Source: Secondary Research

Hospitality Space

The hospitality industry in India is experiencing a rapid growth, driven by several key factors.

India has emerged as a key destination for various forms of tourism, including cultural, medical, spiritual, and adventure travel, which has facilitated the growth for domestic and international tourism. As per Ministry of Tourism India the total tourist arrival in India including International and Domestic tourists is estimated to increase to 3.0 billion by 2025 from 2.3 billion in 2019.

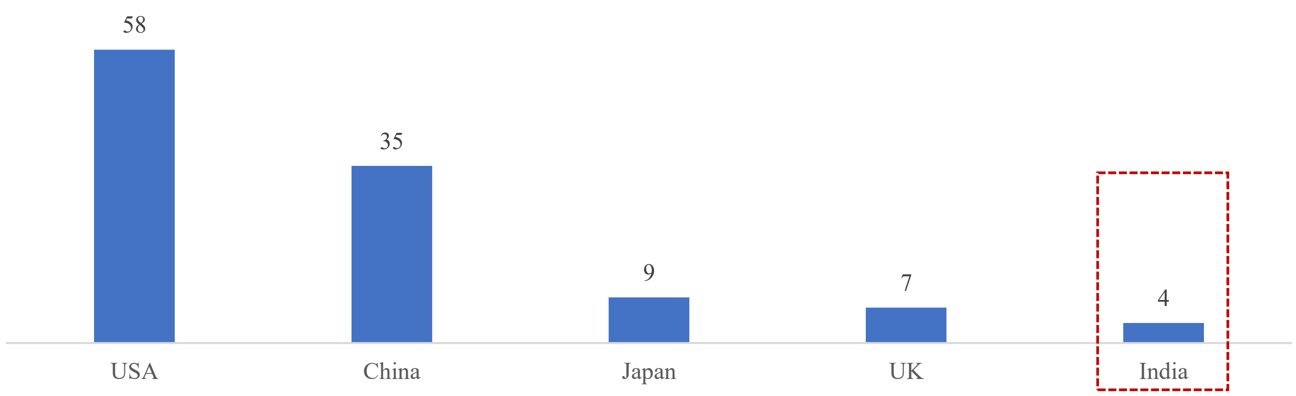
The growth of the corporate sector and the increasing globalization of business operations have led to higher demand for business hotels and conference facilities in major cities like Delhi and Mumbai.

India has also emerged as a preferred destination for medical tourism, attracting individuals seeking affordable, high-quality healthcare services. This trend is further complemented by the growing interest in wellness tourism, which includes Ayurvedic retreats and wellness resorts that focus on holistic health and rejuvenation.

Major global hotel brands such as Marriott, Hilton, and Accor, alongside prominent domestic names like Taj and Oberoi, have expanded their presence considerably, especially in Tier II and Tier III cities. Additionally, these brands leverage technology to provide seamless booking experiences and loyalty programs, enhancing customer satisfaction and retention.

In 2024, India had 4 lakh hotel rooms. In comparison, the US reported 58 lakh rooms in 2024, China had 35 lakh rooms, Japan had 9 lakh room and UK had 7 lakh room. This shows that India's hotel market is underpenetrated and has headroom to expand its room supply in line with global benchmarks.

Exhibit 2.14: Organized Number of Hotel Rooms Across Countries (2024) (in Lakh)



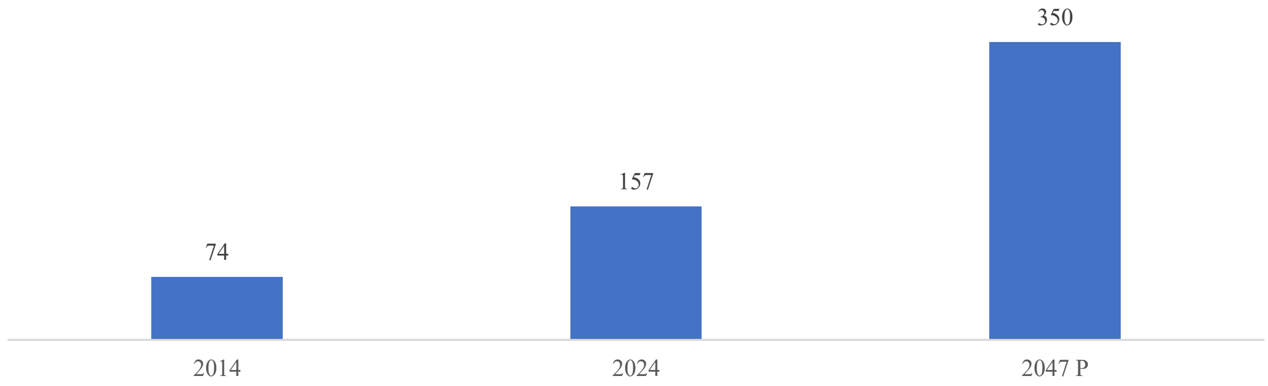
Source: Secondary Research

Infrastructure

The rising number of public utilities like modernized bus terminuses, airports and upgraded railway stations in India reflects the government's commitment to enhance urban infrastructure. Initiatives under schemes like AMRUT (Atal Mission for Rejuvenation and Urban Transformation) and Smart Cities Mission aim to improve connectivity, passenger convenience, and urban mobility. These developments not only facilitate smoother transportation but also boost real estate growth around these hubs.

- Airports: The number of operational airports in the country has grown from 74 in 2014 to 157 in 2024, reflecting a significant expansion in airport infrastructure. Major airports have undergone extensive renovations to better accommodate rising passenger volumes and augment the overall travel experience. The Airport Authority of India plans to increase the number of airports to over 350 by 2047.

Exhibit 2.15: Number of Airports in India



Source: Secondary Research

- Railways: In February 2024, the Indian government launched a series of railway infrastructure projects valued at over ₹41,000 crores focusing on the ambitious Amrit Bharat Station Scheme. This initiative includes redevelopment of 553 railway stations, which will enhance passenger amenities and modernize facilities.

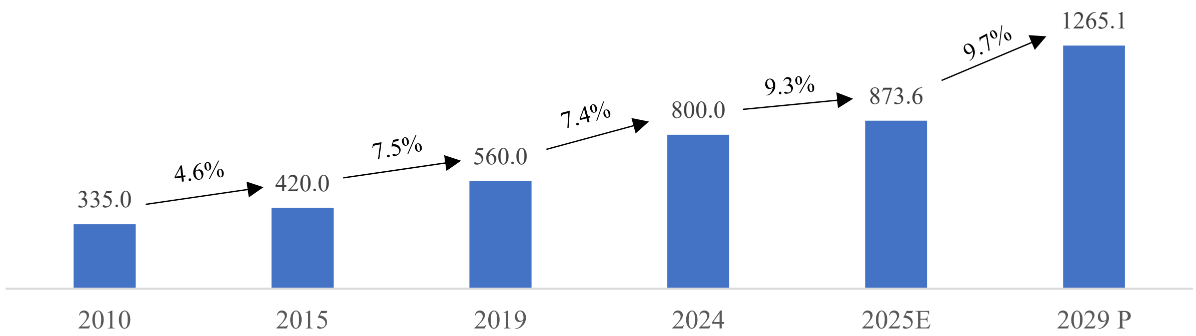
- Metro Connectivity: Significant investments are being made into India's metro network also, which currently spans 1000 kilometres in 23 cities. Additional 985 kilometres are currently under construction, making India the third-largest metro rail network globally, after China and the US. Indian metros currently transport over 10 million passengers daily.

- Warehouses: The growth of the retail industry in India, particularly e-commerce, is driving a surge in demand for warehouses. As consumer preferences shift towards online shopping, retailers require robust logistics networks to ensure timely deliveries and efficient inventory management. This has led to a significant increase in the demand for modern, well-located warehouses, especially near major urban centers and transport hubs. The Indian warehouse industry was valued at USD 14.3 billion in 2024 and projected to grow at a CAGR of 15.6% till 2029, reaching 34.6 billion by 2029.

Impact of Real Estate Growth on Ancillary Industries

The Indian construction industry, which is closely intertwined with the real estate sector, ranks third among 14 major sectors in terms of its economic impact. The Indian construction industry was valued at USD 873.6 billion in Fiscal 2025 and is projected to grow at a CAGR of 9.7%, reaching USD 1,265.1 billion by Fiscal 2029.

Exhibit 2.16: Indian Construction Industry Market Size (USD billion) (Fiscal)



Source: Secondary Research, Technopak Analysis
Market size refers to the total worth of construction activities within a specific period, encompassing expenses for materials, equipment, and services utilized.

The growth in the Indian real estate sector also has a significant impact on the building material industry, which is witnessing high growth across all categories. As residential and commercial developments accelerate, the demand for essential construction materials like cement, steel, bricks and aggregates like tiles, etc. will rise.

Exhibit 2.17: Projected Market Size and Growth Rates of Key Ancillary Industries in Real Estate

Segment	Market Size by Value (in ₹ billion)				CAGR		
	Fiscal 2019	Fiscal 2024	Fiscal 2025E	Fiscal 2029P	Fiscal 2019-2024	Fiscal 2024-2025	Fiscal 2025-2029
Paints	265.2	400.7	428.3	676.4	8.6%	6.9%	12.1%
Tiles (wall & floor) *	360.0	517.0	531.0	769.0	7.5%	2.8%	9.7%
Sanitary & Bathware	213.0	300.0	331.0	483.0	7.1%	10.3%	9.9%
TMT	2837.1	3923.8	4206.3	5937.5	6.7%	7.2%	9.0%
Cement	1754.8	2314.2	2457.7	3343.7	5.7%	6.2%	8.0%
Hardware	15.3	21.4	22.9	31.2	7.0%	6.8%	8.0%
Stone Market*	288.1	403.8	413.0	531.4	7.0%	2.3%	6.5%
Vinyl Flooring	57.6	72.9	74.5	92.4	4.8%	2.3%	5.5%
Wooden and Laminate Flooring	5.5	6.3	6.5	8.1	2.8%	2.7%	5.6%
Concrete Flooring	475.5	585.3	605.8	705.9	4.2%	3.5%	3.9%
Total	**6272.1**	**8545.4**	**9077.0**	**12578.6**	**6.4%**	**6.2%**	**8.5%**

Source: Technopak Analysis, Secondary Research
TMT - Thermo-Mechanically Treated Steel
Fiscal 2029 Market size and Fiscal 24-29 CAGR are projected values
Does not include cement and TMT procured by government for public infrastructure projects
The values are rounded off hence the CAGR might vary after decimal for some values
**Tiles and stone market represent the overall market in which wall and floor tiles for tiles market and floor and other stones for stone market is included hence the numbers will vary as given in the next chapter for flooring market*

Industries such as flooring, paints, sanitary and bathware, are beneficiaries of the real estate growth. These categories have witnessed significant increase in consumer engagement and have moved from being a functional category to a more aesthetic and design-driven one.

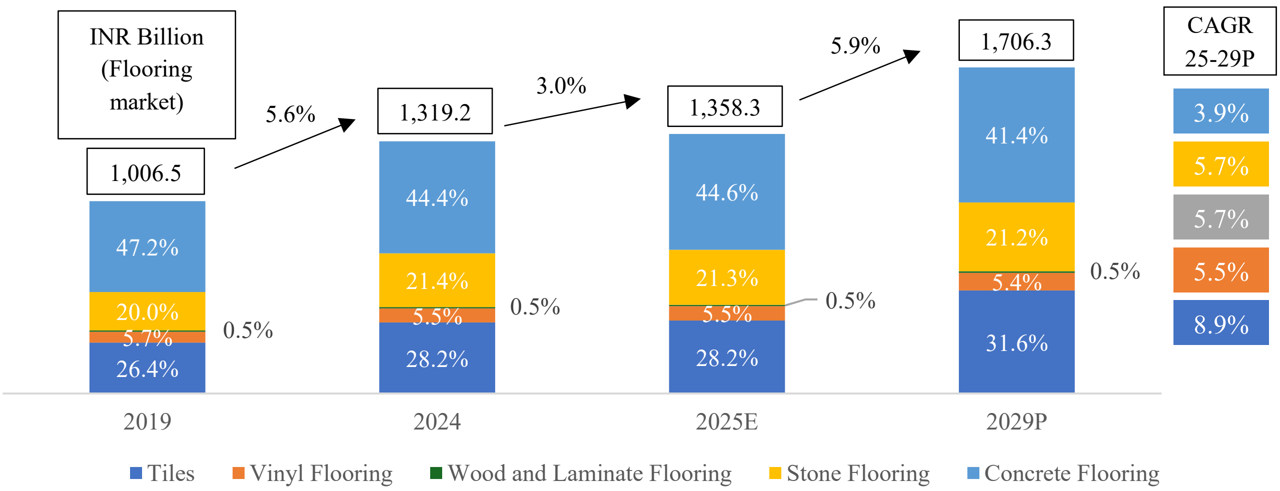
Flooring Market in India

Opportunity Available in the Indian Flooring Market

The flooring market in India is intricately linked to the growth of the real estate sector, reflecting the overall expansion and modernization of residential and commercial spaces. As urbanization accelerates and disposable incomes rise, there is a growing demand for various flooring materials that enhance the aesthetic and functional aspects of the real estate property.

The flooring market in India, currently valued at ₹1,358.3 billion, is on a growth trajectory and is projected to grow at a CAGR of 5.9% from Fiscal 2025 to Fiscal 2029, reaching ₹1,706.3 billion by Fiscal 2029. It comprises five segments—tiles, vinyl, wooden/laminate, concrete and stone (including marble, granite, limestone, and others).

Exhibit 3.1: Share of Tiles, Natural Stone, Vinyl, Concrete and Wood/Laminate in the Flooring Market (Fiscal)



Source: Technopak Analysis, Secondary Research
Only floor tiles and floor natural stone has been considered for tiles and stone category

Tiles are the fastest growing segment in the flooring market due to their affordability, durability, versatility, and low maintenance, and their share in the flooring market is expected to reach 31.6% by Fiscal 2029, from 28.2% in Fiscal 2025.

Unlike wood or laminate flooring, which can be vulnerable to moisture and scratching, tiles are resistant to water, stains, and wear, making them ideal for high-traffic areas as well as residential and commercial spaces. Their wide variety of designs, ranging from classic to contemporary styles, allows for customization in any space, making them suitable for both aesthetic and practical needs.

Unlike natural stone, which may need sealing, tiles require minimal maintenance and are generally easy to clean and maintain, requiring only occasional sweeping and mopping. They are more affordable than natural stone or wood flooring, with a broad range of pricing options to suit different budgets. Additionally, tiles can be used in virtually any room of the house, offering great flexibility for interior design and are more sustainable (they can be recycled), non-toxic and safer to manufacture.

Innovations in tile manufacturing, such as germ-resistant and anti-skid tiles, are enhancing their appeal to consumers, and making them the preferred choice over other flooring options. This is complemented by the growing trend of home renovations, where consumers increasingly seek modern, stylish interiors. Together, these factors are driving higher demand for tiles in India, particularly in the residential sector. As a result, tile consumption is poised for continued growth, fuelled by both innovation and evolving consumer preferences.

Exhibit 3.2: Comparison of Different Alternatives in The Indian Flooring Industry

Parameter	Tiles	Natural Stone	Vinyl Flooring	Wood and Laminate Flooring	Concrete Flooring
Cost	INR 35 – 350/Sq. Feet	Marble - INR 60 – 1500/Sq. Feet Granite – INR 60-900/Sq. Feet Quartz – INR 250-700/Sq. Feet	INR 60 – 200/Sq. Feet	Laminate: INR 80-400/Sq. Feet Wooden Flooring: INR 650/Sq. Feet and above	INR 40 – 100 /Sq. Feet
Durability and Maintenance	Highly durable, resistant to scratches and moisture, not prone to chipping or cracking Can typically last for 20-30 years No specific maintenance required	Highly durable; prone to chipping or cracking if subjected to heavy impact Can typically last for 30-50 years but under certain maintenance and precautions Requires regular scrubbing and polishing	Moderate durability; prone to scratching and fading under UV light and resistant to moisture Can typically last for 10-15 years	Wood: Durable but prone to scratches, dents, and damage by moisture, typically lasts for 40-50 years Laminate: less durable, typically lasts for 10-20 years	Can crack if poorly installed or subjected to extreme temperature changes Typically lasts for 30-50 years Resistant to wear, heavy loads, and water
Aesthetics	Wide variety of designs, colors, and finishes, offering both modern and classic styles	Natural, luxurious appearance with unique but inconsistent patterns	Available in various colors and patterns, including realistic wood and stone look	Wood: offers a premium, natural aesthetic with varying grains and finishes Laminate: mimics wood or stone but is less authentic	Offers a raw, industrial, and minimalistic look
Use Cases	Versatile, suitable for all areas of the home- floor, wall, tabletop and commercial spaces, including high-traffic zones	Best for high-end projects, flooring for living areas, and outdoor use (if treated)	Suitable for floors for kitchens, bathrooms, and basements due to moisture resistance; and in bedrooms	Wood: used for flooring in living areas, bedrooms, and offices, suited for costlier projects Laminate: suitable for lower-traffic areas	Used for floor in industrial spaces, warehouses, garages and basements
Consistent Designs	Tiles offer highly consistent designs, which can be replicated uniformly across large areas	Natural stones have natural variations, making it difficult to achieve uniformity across large spaces	Vinyl flooring offers consistent designs and patterns, often printed or embossed for uniformity	Wood: natural grain patterns Laminate: consistent, engineered designs with uniform appearance	Consistent when properly installed; custom finishes allow uniform textures and colours, but cracks may affect visual appeal over time

Parameter	Tiles	Natural Stone	Vinyl Flooring	Wood and Laminate Flooring	Concrete Flooring
Logistics/ Handling	Tiles are lighter than stone and their high durability makes it easier to transport them without damage	Natural stone is heavy and fragile, making logistics more challenging due to the risk of damage during transportation	Vinyl flooring is lightweight and easy to handle, reducing transportation and installation costs	Wood: lighter and easier to handle compared to stone, but may be prone to damage like scratches or dents Laminate: lighter and generally durable and easy to transport	Heavy; requires skilled labor for mixing, pouring, and finishing. The curing process takes time, and improper handling can lead to cracks or inconsistencies
Stain Resistance	Vitrified surface resists most stains effectively	Porous; susceptible to stains without proper treatment; requires sealing to resist stains	Non-porous and resists most stains, including spills and chemicals	Wood: Porous; can stain easily if not sealed. Spills must be cleaned immediately. Laminate: Protective surface layer resists most stains effectively	Stain resistant when sealed properly; unsealed surfaces are porous and can absorb stains easily

Note: Marble includes all types of marble like Indian Marble, imported marble for which the range starts from ₹65/- onwards.

Key Trends in the Indian Flooring Industry

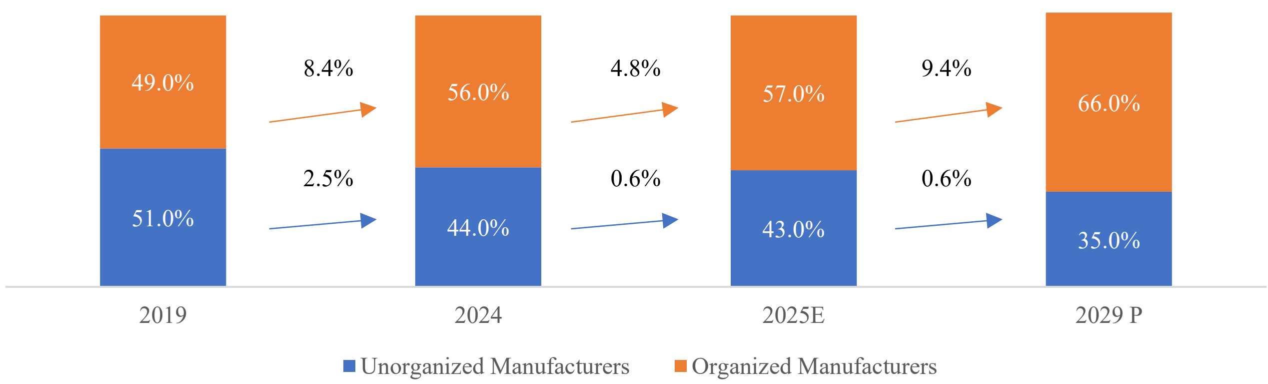
Shift towards organised manufacturing segment with branded products

The Indian flooring market is divided between the organised and unorganised segment.

- **Organised Manufacturers:** The organised segment accounted for around 57.0% of the market in Fiscal 2025. It primarily consists of large, well-established companies that leverage economies of scale, have higher quality control, and better access to distribution channels.

- **Unorganised Manufacturers:** The unorganised segment accounted for around 43.0% of the flooring market as of Fiscal 2025, predominantly constituting local players, small-scale manufacturers, and regional suppliers. These businesses primarily offer lower-cost, non-branded products.

Exhibit 3.3: Share of Organised/Unorganised Manufacturers in the Indian Flooring Market (Fiscal)



Source: Technopak Analysis, Secondary Research

Moving forward, the organised segment is projected to increase from 57.0% in Fiscal 2025 to 66.0% of the flooring market by Fiscal 2029, growing at a CAGR of 9.4% as compared to the 0.6% growth of unorganized segment. This growth is driven by various factors that encourage consolidation and formalization such as premiumisation, flooring transitioning to an aesthetic essential from a functional product and consumer demand for enhanced in-store experience.

- **Flooring Transitioning from being a Functional Product to an Aesthetic Essential:** Consumer preferences in flooring are shifting from purely functional choices to those focused on aesthetic, style, and brand. Flooring is seen as a key element of home décor, with consumers seeking unique designs, colors, and finishes. Brand has become more important, with buyers gravitating toward organized players who offer better quality products and a larger range of design choice.

- **Premiumisation:** Rising income levels, especially in urban and semi-urban areas, are fuelling demand for premium flooring solutions. Branded products are emerging as the preferred choice, offering superior quality, innovative designs, and a more seamless customer purchase experience, catering to the aspirations of a more discerning consumer base. Only branded players have the resources and expertise to invest significantly in product development, innovative designs, and advanced technologies required for premium flooring solutions. Their focus on quality, aesthetics, and functionality sets them apart, meeting evolving consumer preferences and industry trends.

- **Increasing Consumer Demand for Enhanced In-Store Experience:** Consumers are increasingly seeking enhanced in-store experiences that go beyond traditional shopping, emphasizing personalization, convenience, and innovation. In the flooring segment, branded players can address this demand by creating immersive showrooms with realistic product visualizations, offering tailored design consultations, and integrating digital tools like virtual room planners.

Within the competitive landscape of India's consumer market, delivering a superior customer experience along with offering quality products or services is driving the organized sector's share of the Indian flooring market at a faster pace than the unorganized market.

Evolving Role of Intermediaries in Flooring Decisions

The decision-making process for flooring materials is increasingly influenced by architects, influencers, and exclusive distribution strategies. Architects provide technical expertise and design insights, ensuring that flooring choices align with both functional needs and aesthetic goals. Influencers further shape consumer preferences by showcasing trends and innovative products, bridging the gap between practicality and style.

Emergence of Exclusive Brand Outlets (EBOs) and Experience Centres

The Indian flooring market has undergone a significant transformation with the emergence of EBOs and Experience Centres. These specialized retail formats offer a more immersive and personalized shopping experience. EBOs are dedicated spaces that showcase a single brand's complete product range, allowing companies to highlight their unique designs, materials, and innovations. This format enhances brand visibility and helps create a direct connection with customers, giving them confidence in the quality and reliability of the products.

Experience Centres create an interactive environment where customers can explore flooring solutions in simulated real-life settings. Leveraging technology such as augmented and virtual reality, these centres enable customers to visualize how different flooring options would look in their spaces.

Tiles Market in India

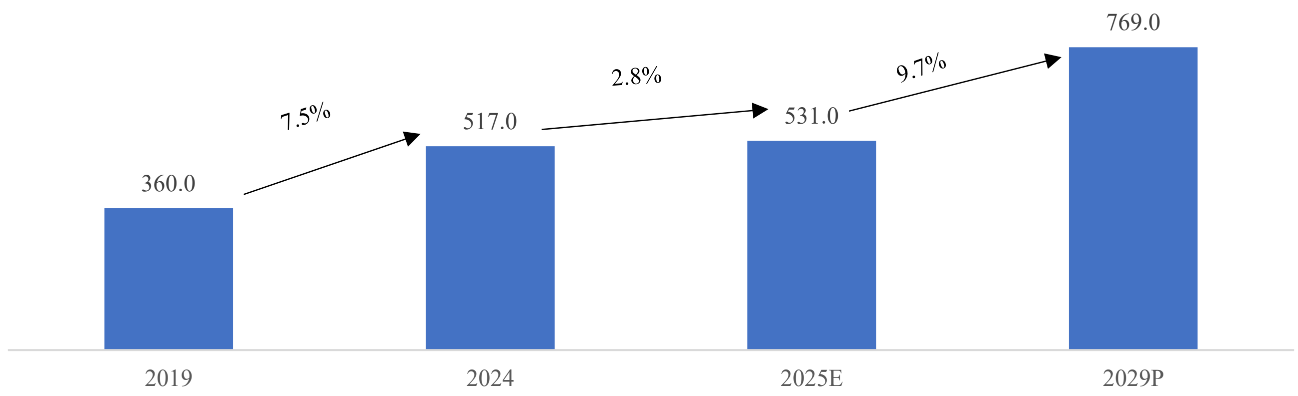
Tiles Market in India

The Indian domestic tiles market has witnessed significant growth over the past years. Valued at approximately ₹360.0 billion in Fiscal 2019, the Indian domestic tiles market expanded to ₹531.0 billion by Fiscal 2025, growing at a CAGR of 6.7%. Projections suggest that the Indian domestic tiles market is further growth to ₹769.0 billion by Fiscal 2029, representing a CAGR of 9.7% from Fiscal 2025 to 2029. This expansion is driven by rapid growth of the real estate sector, enabled by structural factors such as regulatory streamlining, govt. spends on infrastructure and public utilities, increasing urbanisation, and rising disposable incomes. Further, technological advancement in tile production has resulted in various types of surfaces, characteristics, and designs, thus increasing the use cases.

The growth in Fiscal 2024 and Fiscal 2025 was sluggish across sectors including tiles, paints, flooring, etc. Along with the unorganised sector and smaller players, leading players in the organised sector also grew slowly during the period, and this resulted in a muted tile sale volume growth of 2.8% during Fiscal 2024-25. Other factor like Cyclone Biparjoy which occurred at that time disrupted operations at the tile manufacturing hub in Morbi, Gujarat, by damaging infrastructure and supply chains.

Despite headwinds in Fiscal 2025, the tile industry's long term structural demand drivers remain strong, with the tiles market expected to reach 15,319 MSF by volume by Fiscal 2029. The demand for tiles is also growing in Tier-II and Tier-III cities, as well as in rural areas, which remain largely untapped markets.

Exhibit 4.1: Indian Tiles Market Size by Value (in ₹Billion) (Fiscal)



Source: Technopak Analysis, Secondary Research

Exhibit 4.2: Indian Tiles Market Size – A Snapshot (FY)

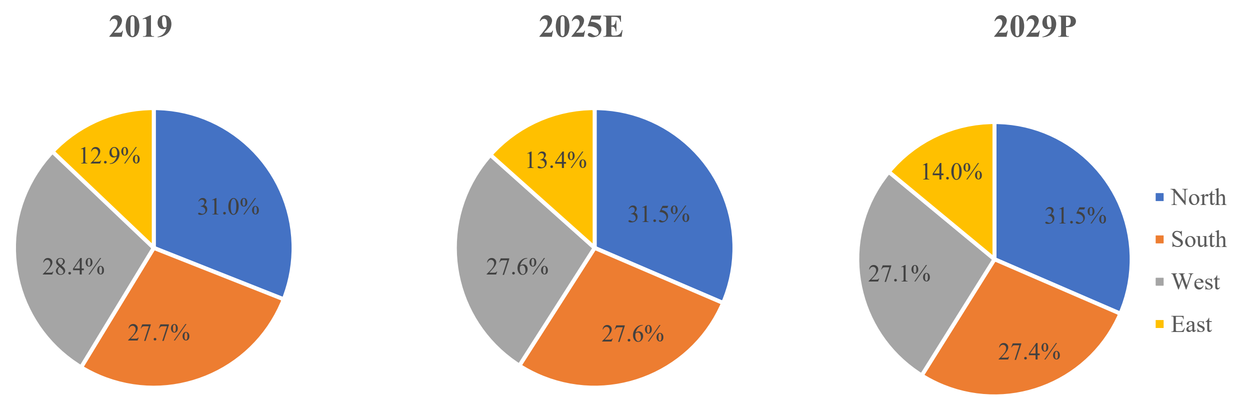
Year (Fiscal)	2019	2024	2025E	2029P	CAGR (Fiscal 2019-24)	CAGR (Fiscal 2025-2029)
Tile Market by Volume (in Million Sq. Feet)	9,254	11,804	12,123	15,319	5.0%	6.0%
Tile Market by Value (₹billion)	360.0	517.0	531.0	769.0	7.5%	9.7%
Tile Market Pricing Growth (Cost/Sq. Feet)	38.9	43.8	43.8	50.2	2.4%	3.5%

Source: Technopak Analysis, Secondary Research

Tiles Market in India: Geographical Segmentation

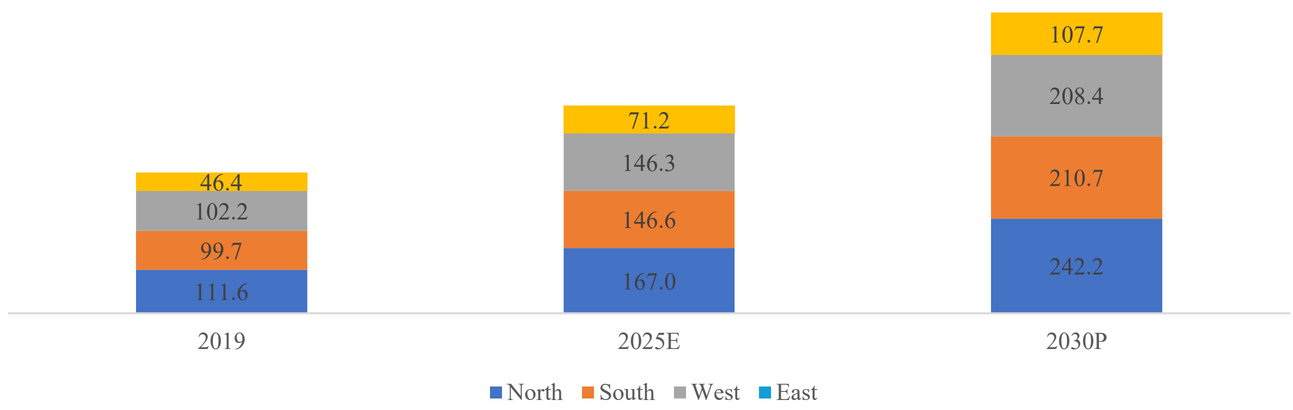
As of Fiscal 2025, the Northern region accounts for the largest share of the Indian tiles market at 31.5%, followed by the Southern and Western regions, each holding a share of 27.6%, and the Eastern region at 13.4%. While North India is expected to maintain its leading position over the next five years, East India is emerging as the fastest-growing market, driven by rising urbanization and a strong infrastructure development. The East India tiles market grew from ₹46.4 billion in Fiscal 2019 to ₹71.2 billion in Fiscal 2024, at a CAGR of 7.4%, and is expected to reach ₹107.7 billion by Fiscal 2029, growing at a CAGR of 10.9%. In comparison, the Northern region grew from ₹111.6 billion in Fiscal 2019 to ₹167.0 billion in Fiscal 2025 and is expected to reach ₹242.2 billion by Fiscal 2029, making it the second-fastest-growing region, with a CAGR of 6.9% during Fiscal 2019–2025 and 9.7% during Fiscal 2025–2029.

Exhibit 4.3: Indian Tiles Market Regional Split by Value (Fiscal)



Source: Technopak Analysis, Secondary Research

Exhibit 4.4: Indian Tiles Market Regional Split by Value (Fiscal) (in ₹Billion)



CAGR	North	South	West	East
2019-2025	6.9%	6.6%	6.2%	7.4%
2025-2029	9.7%	9.5%	9.2%	10.9%

Source: Technopak Analysis, Secondary Research

The growth of the tiles market across different regions in India is influenced by factors such as real estate development, infrastructure projects, and overall state-level economic performance. In the Northern region, demand is supported by ongoing construction projects in the National Capital Region (NCR) and the expansion of Tier 2 cities. The Southern and Western regions continue to witness stable demand due to their established industrial presence and sustained urban housing needs. The Eastern region, including primarily the states of Bihar, West Bengal, Odisha, and the North-eastern states, remains an underpenetrated market but is witnessing steady growth. This is largely due to increased government spending on infrastructure and improving economic indicators such as 10% CAGR in Gross State Domestic Product (GSDP) between Fiscal 2019 and Fiscal 2024. Government initiatives such as Northeast Special Infrastructure Development Scheme (NESIDS), under which the Ministry of Development of Northeastern Region has sanctioned 90 projects worth ₹3,417.7 crore during Fiscal 2021–22 to Fiscal 2024–25. Additionally, state-level programs in Bihar, Odisha, and West Bengal are improving connectivity and logistics. Government has introduced several schemes aimed at promoting industrial growth and investment in the northeastern region by providing incentives to units under state policies such as UNNATI 2024 and IIPPA (Industrial and investment promotion policy of Assam) 2019. These schemes help manufacturing units reduce costs, improve profitability and drive sustainable growth within the sector. These initiatives, along with rising urbanisation and increased construction activity, are expected to significantly boost tile demand in the Eastern region over the next few years.

Region wise product preferences and key players in Tiles Market in India

Consumer preferences for tiles vary largely across regions basic requirements. The common trend across all regions has been the growing demand for vitrified tiles, particularly GVT for their water-resistant characteristics, variety in surfaces and design options, and low maintenance requirements.

Each region has a mix of regional and national players with key players like Kajaria and Varmora having strong presence across all regions.

	North	South	West	East
Consumer Preference	Higher preference for PGVT, GVT due to their characteristics like variety in design, surfaces and waterproofing quality	Higher preference for GVT due to their characteristics like variety in design, surfaces and easy maintenance	Vitrified tiles are preferred with glossy finish for floor tiles and matt finish for wall tiles	GVT is preferred due to their characteristics like variety in design, and surfaces
Key Players	Somany, Kajaria, Simpolo, Orient bell, Varmora	Kajaria, Varmora, AGL, Somany	Varmora, Simpolo, AGL	Kajaria, HRJ

Source: Primary research

Tile Manufacturing Clusters in India

Tile manufacturing industry in India is primarily concentrated in Morbi, Gujarat, which serves as India's largest production cluster with over 900 manufacturing units and accounts for a significant share of the country's tile production.

In recent years, new manufacturing centres have begun to emerge in other regions, like Rajasthan in North and Andhra Pradesh and Telangana in the South. Kajaria Ceramics has expanded its footprint in the South with a wholly owned facility in Andhra Pradesh and a subsidiary in Telangana in which it holds a 59% stake. Similarly, Somany Ceramics has set up a manufacturing unit in Tirupati, Andhra Pradesh.

While the tile manufacturing industry in the Eastern region remains relatively nascent, it shows potential of becoming a tile manufacturing hub due to the adequate availability of key raw materials such as clay and feldspar with a well-established supply chain for distribution and retail. Varmora, a leading tile manufacturer is setting up a subsidiary in the eastern region. Players with manufacturing presence in the Eastern region will be strategically positioned to leverage access to the available raw materials and tap into the region's growing market opportunities.

Region	Key States	Key areas and developments
North	Rajasthan, Uttar Pradesh	Rajasthan is a key region within the north with centers in cities like Jaipur and Kishangarh and has approximately 200+ tiles manufacturers. Uttar Pradesh is an emerging cluster for tiles manufacturing with cities like Noida, Gorakhpur and others having manufacturing set up.
South	Andhra Pradesh, Telangana	Andhra Pradesh government has established a dedicated ceramic cluster at Thatiparthi in Thottambedu mandal of Chittoor district. There are around 150+ tiles manufacturers in Thirssur district of Kerela.
West	Gujrat	Morbi region in Gujrat consists of more than 900 manufacturers for tiles, the largest hub for tiles manufacturer.
East	West Bengal, Jharkhand, Odisha	There are few manufacturers across this region. West Bengal has some organized manufacturers while Odisha and Jharkhand have few unorganized manufacturers.

Sub-Segment: Product Categories

The Indian tile industry offers a variety of products, primarily ceramic, polished vitrified tiles (PVT), and glazed vitrified tiles (GVT), each catering to different needs.

The demand for tiles is increasingly driven by the importance of design and aesthetics in modern construction. GVT has gained popularity due to its premium look and practical benefits such as stain resistance and low water absorption. As a result, top tile manufacturers such as Varmora are dedicating all their new facilities to GVT tiles, expanding their product offerings to meet evolving consumer preferences for both residential and commercial spaces.

Exhibit 4.5: Key Differences between Ceramic, PVT and GVT Tiles

Aspect	Ceramic Tiles	Polished Vitrified Tiles	Glazed Vitrified Tiles
Material Composition	Natural clay, sand and minerals	Silica, clay and minerals	Silica, clay and quartz
Finish	Matte/glazed/textured finish	Polished/glossy finish	Matte/glossy/textured/rustic finishes
Durability	Moderate durability, susceptible to chipping or cracking	High durability, apt for high-traffic areas	High durability with resistance to stains and scratches, apt for high traffic areas
Water Absorption	Higher water absorption, suitable for indoor use	Low water absorption	Very low water absorption, apt for both indoor and outdoor use
Aesthetic Variety	Limited colors and designs	Limited design variety – primarily plane/single colored	Large variety of designs and patterns, including digital prints
Technology Required	Kiln-firing for hardening	High temperature firing for creating a dense, non-porous surface, along with polishing equipment for strength and polish	Requires advanced glazing along with high-temperature firing to create dense, non-porous surface
Applications	Apt for low-traffic indoor areas like walls, bathrooms, kitchens	Apt for high-traffic areas in homes and commercial spaces	Highly recommended for commercial spaces like restaurants and public buildings, where resistance to wear and aesthetics are equally important. Also suitable for outdoor areas, including patios, balconies, and

Aspect	Ceramic Tiles	Polished Vitrified Tiles	Glazed Vitrified Tiles
			facades, due to their low water absorption and resistance to stains
Maintenance	Moderate upkeep, grout lines need cleaning, porous surface may stain if not sealed	Durable with occasional polishing in high-traffic areas	Low maintenance, stain-resistant and easy to clean
Price Range*	INR 30-160/Sq. Feet	INR 43-100/Sq. Feet	INR 50-180/Sq. Feet

Source: Technopak Analysis, Secondary Research
**Note: The price range is based on secondary (websites of aggregators and Brands) & primary research*

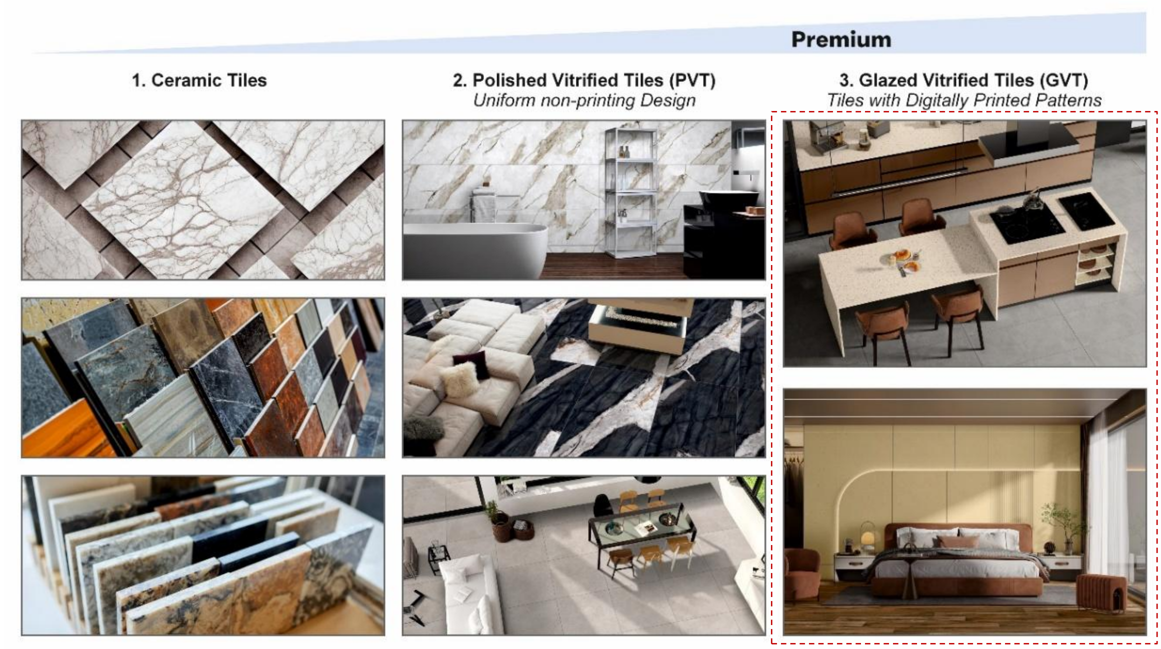
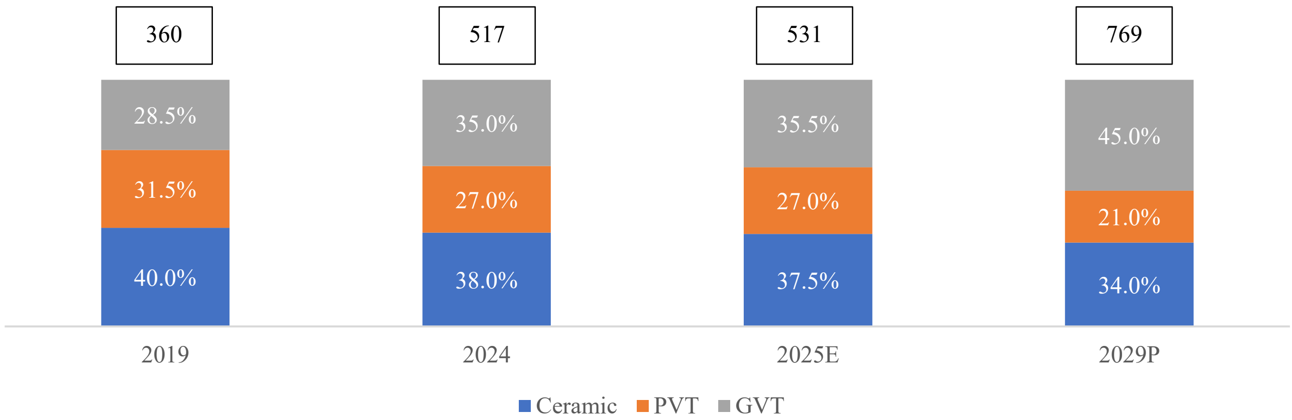


Exhibit 4.6: Ceramic, PVT, GVT Mix over the years by Value (Fiscal) (Market Size in ₹billion)



Source: Technopak Analysis, Secondary Research

Exhibit 4.7: CAGR of Ceramic, PVT and GVT Tiles (by Value) in India (Fiscal)

Time Period	Ceramic	PVT	GVT
2019-2024	6.4%	4.2%	12.0%
2024-2025	1.4%	2.7%	4.2%
2025-2029 P	7.0%	3.0%	16.4%

While Ceramic tiles are known for affordability, PVT tiles are valued for durability, and GVT tiles, apart from having the advantages of PVT, are recognized for superior finishes and design versatility. Another key advantage of GVT is that it does not require regular polishing to maintain its shine and appearance. The glaze on GVT tiles provides a durable, smooth surface that resists stains, scratches, and wear over time, reducing the need for maintenance.

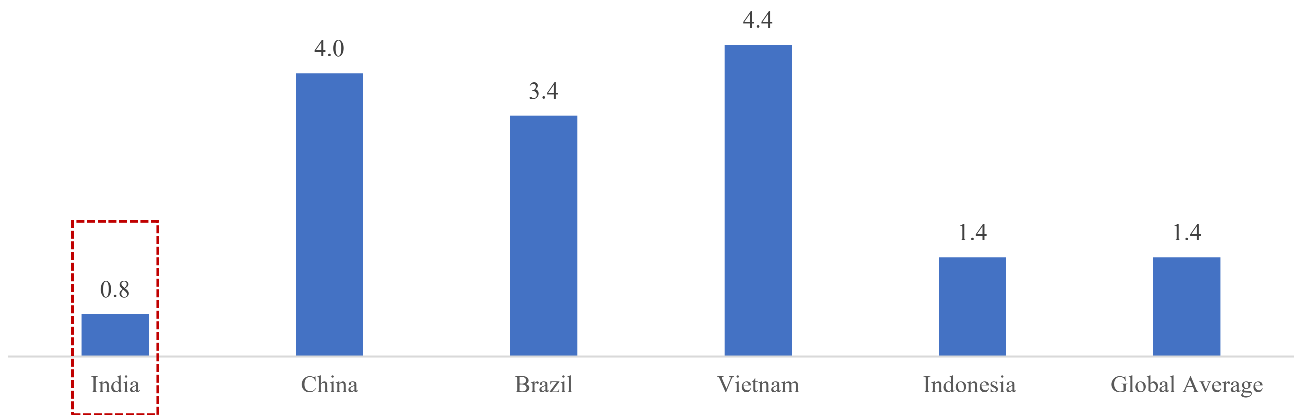
Premiumisation within the Indian tile industry is evident - In Fiscal 2025, GVT accounted for 35.5% of the tile industry revenue in India and is expected reach 45.0% by Fiscal 2029 and its market by value grew the fastest at a CAGR of 12.0% between Fiscal 2019 and Fiscal 2024 as compared to ceramic tiles and PVT that have grown at a CAGR of 6.4% and 4.2%, respectively, during the same period. GVT is expected to grow the fastest in the next five years from Fiscal 2025 to Fiscal 2029 growing at a CAGR of 16.4%, making it is the largest and fastest growing sub-segment within the Indian tile industry.

GVT also has a 15-30% higher realisation than ceramic and PVT tiles and changing product mix in favour of GVT is helping manufacturers improve their realisation and gross margins.

Top key players generated revenues of ₹7 to 14 billion from GVT in Fiscal 2025.

Low Per Capita Consumption of Tiles in India Compared to other Economies - Massive Headroom for Future Growth

Exhibit 4.8: Per Capita Consumption of Tiles in India vs Other Key Economies (Sq. M) (2023)



Source: Technopak Analysis, Secondary Research
For India, 2023 refers to Fiscal 2024

India's per capita tile consumption (0.8 sq.m) lags other major economies like Brazil (3.4 sq.m) and China (4 sq. m). The low penetration, along with rising disposable income, suggests significant potential for growth.

By Fiscal 2029, India's per capita tile consumption is expected to increase to 1 sq.m, narrowing the gap with other developing nations, driven by several favourable factors supporting the tile industry. These include increasing real estate development, the growing market share of tiles over alternatives like natural stone and increasing use cases for tiles.

Key Growth Drivers

The Indian tile industry is poised for continued growth, with increasing consumer demand for a variety of innovative products that combine aesthetics and functionality. As preferences evolve, manufacturers are responding by diversifying their product offerings and adopting new technologies. This transformation is not just limited to product types but also extends to production capabilities and distribution networks, all of which contribute to strengthening the tile industry's position in the flooring market.

Real Estate Development

The growth in real-estate sector will positively influence the demand for tiles. Initiatives such as affordable housing schemes, smart city projects, and the expansion of transportation networks are leading to significant growth in both residential and commercial real estate development. These initiatives not only create more construction activity but also raise the demand for high-quality building materials, including tiles, which are integral to both aesthetic and functional aspects of construction. Additionally, the push for urbanization is further fuelling the demand for tiles as more homes, office spaces, and public buildings are being constructed. India's residential real estate market is increasingly driven not only by new home sales but also by a rise in frequent renovations of existing homes. Growing disposable incomes have made renovations a key growth area alongside new developments, ensuring a steady demand for building materials such as tiles.

Tiles Manufacturers are Gaining Market Share from other Alternatives such as Marbles

Tiles are a preferred flooring material option and have gained market share from other alternatives such as marbles due to their numerous advantages including stain resistance, a wider range of designs, renewable and sustainable options, lower maintenance needs, easier transportation, affordable price range and greater customisation possibilities.

Moreover, the introduction of technologies such as Integrated Stone Technology (IST) has enabled the production of tiles that replicate the luxurious appearance of marble. With the help of 5-feeder technology, manufacturers can achieve precise control over material composition and ensure a consistent flow of veins, closely mimicking natural marble. At the same time, these tiles retain the superior technical characteristics of vitrified tiles, such as higher durability, stain resistance, and low maintenance.

Exhibit 4.9: Comparison of IST and Marble

USP	IST	Marble
Stain Resistance	Highly stain-resistant due to non-porous surfaces	Porous surface absorbs stains
Range of Designs	Wide range of colors, patterns, and textures, including consistent designs	Limited patterns and colors, less design flexibility as it is naturally occurring
Renewable and Sustainable Options	Often made from recycled materials and sustainable processes	Marble is a naturally occurring non-renewable natural stone
Maintenance	Low maintenance, simple cleaning with no sealing required	High maintenance, requires regular sealing and specific cleaners
Transportation	Lighter and more durable, reducing transport risks and costs	Heavier and more fragile, increasing transport costs and risks
Wastage	No wastage as size is customizable	High level of wastage in cutting.
Customization Options	Highly customizable in size, shape, thickness, and finish	Limited customization available in size, shape and installation layouts

Source: Technopak Analysis, Secondary Research

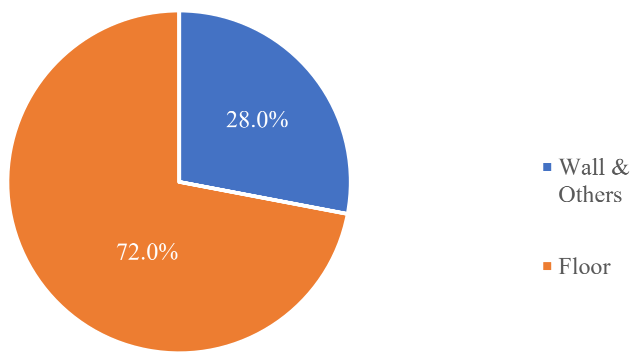
IST provides clear environmental advantages over traditional marble. While marble is non-renewable and requires energy-intensive extraction, IST enables more sustainable production with higher productivity (up to 21,500 sqm per day), a wide range of sizes and thicknesses, and less than 3% scrap—all of which is 100% recyclable. Digital synchronization throughout the process further reduces waste and optimizes resource use. Overall, IST lowers natural resource depletion, energy consumption, and waste generation compared to marble, resulting in a smaller environmental footprint. The products manufactured through IST are also environmentally superior as compared to marbles which are non-renewable and energy intensive in extraction. As a result, tiles produced using IST have strong potential to further penetrate the marble market, appealing to both cost-conscious and quality-focused consumers.

Multiple use cases for tiles across the home have emerged

The use of tiles is not limited to its most known application for wall or floor. Its use case is growing for other alternatives such as tabletops, sinks, outdoors, etc.

Floor tiles are thicker, more durable, and designed to handle foot traffic, with high density and low porosity for wear and moisture resistance. On the other hand, tiles used for wall are lighter and thinner, and often feature glossy, polished, or textured finishes for visual appeal. GVT tiles, due to their durability and anti-stain properties, are suitable for both indoor and outdoor use in both as walls and floors tiles, while PVT tiles are often preferred on walls because of their shiny surface. GVT, may be a bit costlier due to their strength, while ceramic and PVT, are more economical.

Exhibit 4.10: Segregation of Tiles into Floor, Wall and Others (Fiscal 2025)



Source: Technopak Analysis, Secondary Research

Tiles are increasingly being used for cladding and facades in India, driven by the growing demand for modern and visually appealing building exteriors. With a focus on architectural innovation, tiles offer an attractive, durable, and low-maintenance solution for facades. Their versatility in design, wide range of finishes, and weather resistance make them a popular choice for enhancing the aesthetic appeal of both residential and commercial buildings.

As ESG (Environmental, Social, and Governance) norms become more stringent, the use of glass in building façades is expected to decline due to its high energy consumption during production and poor thermal insulation. Tiles offer a more sustainable, energy-efficient, and practical alternative for façade applications.

Integrated stone technology are a particularly good choice for use in façade. The Indian façade market was valued at ₹255.5 billion in Fiscal 2025 and is projected to grow at a CAGR of 6.9% to reach ₹333.7 billion by Fiscal 2029.

Another category where tiles are emerging as a popular alternative is marble and granite for kitchen countertops due to their cost-effectiveness, versatility, and ease of installation. The Indian kitchen countertop industry is estimated to be worth around ₹127.0 billion as of Fiscal 2025, with a strong projected growth rate of 13.0% CAGR through Fiscal 2029, reaching a market size of ₹206.0 billion. Unlike marble and granite, tiles are easier to replace and maintain, making them a practical choice for modern kitchens. Additionally, the shift toward modular kitchen concepts and the rising demand for low-maintenance surfaces are driving the growing preference for tiles.

Shift in Customer Preference towards Premium Products

The trend of premiumization and preference for branded products is evident across sectors, from consumer electronics to building materials. In smartphones and TVs, brands like Apple, Samsung, Sony, and LG dominate as consumers prioritize quality and performance. Similarly, the building materials market is shifting from unbranded to branded products, with companies like UltraTech and ACC leading in high-quality offerings. In the wires and cables sector, Polycab and Havells have gained significant market share through durable, high-performance products. This shift is now extending to the tile industry, with branded players gaining ground.

The premiumisation trend in the Indian tile market is driven by evolving customer preference, characterised by a shift towards higher-quality, aesthetic products. With increasing disposable incomes, consumers are opting for tiles that offer luxurious designs and distinctive finishes that enhance the aesthetic appeal of their spaces. The demand for vitrified tiles has surged, as they are valued for their durability, water resistance, and refined finish. Manufacturers are responding by expanding their product offerings to include high-end vitrified tiles, helping consumers achieve both a luxurious aesthetic and long-lasting functionality.

Indian tile manufacturers are positioning themselves as premium brands by launching exclusive collections and focusing on comprehensive branding efforts. These initiatives highlight their commitment to high-quality standards, innovative designs, sustainable manufacturing processes and product differentiation catering to a segment of consumers who prioritise brand reputation.

Key Trends in the Tiles Market

Consumer perception of tiles as a lifestyle spend versus being considered a commodity earlier

In recent years, Indian consumers have increasingly viewed tiles not just as functional building materials but as lifestyle products that reflect personal style and aesthetics. This shift has been driven by rising disposable incomes, urbanization, and exposure to global design trends, particularly through social media. Urban homebuyers and consumers in metropolitan areas now consider tiles an integral part of home decor, enhancing the look and feel of their spaces. In response, manufacturers have been offering premium collections with unique designs, such as glazed vitrified tiles (GVT) and tiles with wood or marble finishes.

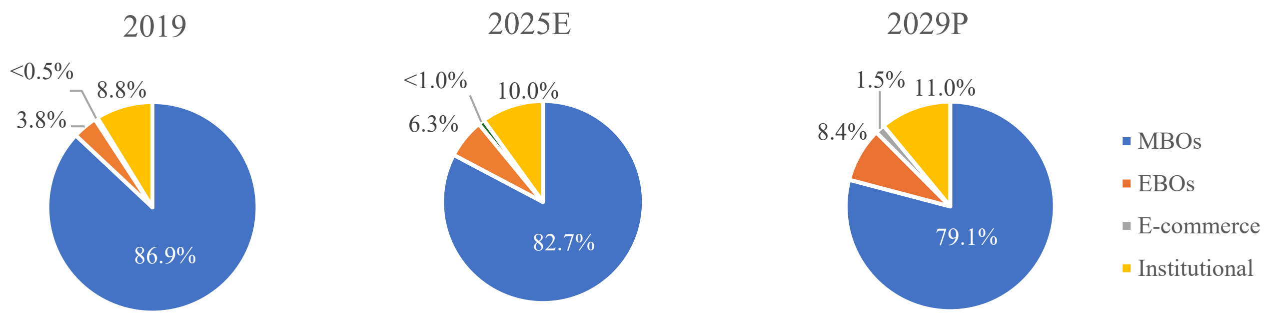
Additionally, companies are positioning tiles as aspirational home features through branding and showroom experiences, further elevating their status beyond simple construction materials. With innovations like GVT tiles and digital printing techniques, consumers now have a wider array of options to choose from, transforming their perception of tiles. As a result, the share of GVT tiles in the Indian tiles market has increased from 28.5% in Fiscal 2019 to 35.5% in Fiscal 2025, and this share is expected to reach 45.0% by Fiscal 2029.

Increasing Focus on Exclusive Brand Outlets (EBOs) to Enhance Customer Experience

The increasing emphasis on aesthetics, innovative use cases, and new technologies has led to a more involved purchase behaviour. As consumers increasingly seek physical interaction with products before buying, EBOs are becoming more relevant, and they offer immersive experiences and expert consultations for product selection. These outlets are designed to offer an enhanced customer experience, showcasing the latest tile designs and functionality, enabling manufacturers to show the full portfolio of their products at one place and helping manufacturers strengthen their brand presence.

Establishing EBOs in the tile industry requires substantial investment in prime retail spaces, showroom setup, and marketing, along with strong brand pull to attract customers. These requirements make EBOs viable primarily for established branded players, as they have the financial capacity and market recognition to ensure profitability and sustain operations. In Fiscal 2025, EBOs accounted for 6.3% of the total tiles market. For leading branded tiles player such as Varmora, sales contribution from EBOs contributed 20.4% to their domestic tiles revenue in Fiscal 2025. Branded players like Kajaria and Varmora have 200+ EBOs each present across India as of Fiscal 2025.

Exhibit 4.11: Sales Channel Segmentation for Tiles Industry (Fiscal)



Source: Technopak Analysis, Primary Research
Note: MBOs includes chained MBOs and small MBOs and E-commerce includes marketplaces and own websites

Leveraging Technology to Shorten the Turnaround Time for Manufacturing New Products and Addressing Evolving Consumer Demands

- Rapid Design Innovation: Digital printing technology has transformed the aesthetics of tiles, allowing manufacturers to create intricate, high-definition designs that replicate natural materials such as marble, wood, and stone. Digital printing also enables customization, offering a wider range of patterns and textures to cater to varying tastes in both residential and commercial spaces. Advanced manufacturing technologies have enabled tile manufacturers to produce new designs and patterns quickly, allowing them to respond faster to changing consumer preferences. Consumers can now access new designs in tiles more frequently, similar to the fashion industry.

- Faster Production Cycles: Automated production lines, robotic design technology, and innovations like Continua Plus technology (a tile manufacturing technology used to produce large slabs with precise designs and durability. It streamlines pressing and decoration processes, making it suitable for various applications) have significantly reduced production times, enabling manufacturers to meet growing demand for fresh designs and new product releases, much like the fashion industry's ability to launch new collections seasonally.

- Quick Laying and Interlocking Tiles: Quick-laying tiles are designed for easy installation and typically incorporate interlocking systems that remove the need for traditional adhesives. This design allows tiles to be installed quickly, making them suitable for short-term installations. Quick-laying tiles decrease installation time and costs, enabling flexibility for users who want to renovate their spaces frequently.

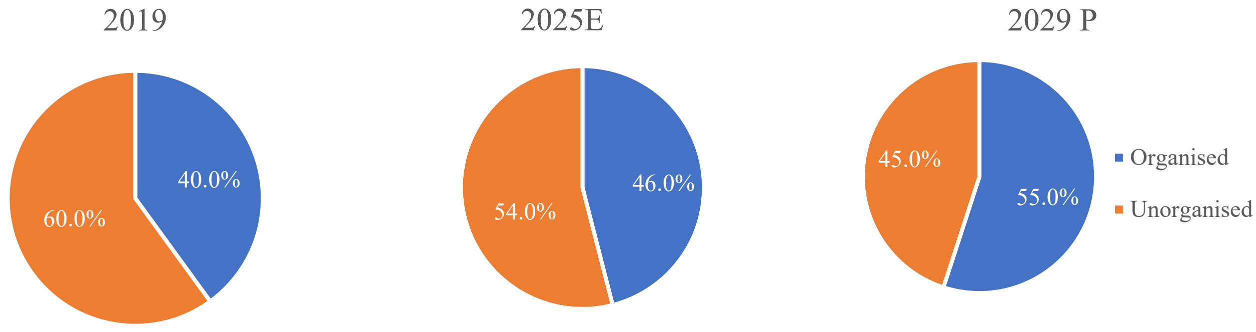
Shifts from Unorganised to Organised Manufacturers

The Indian market is being driven by advancements in digitalisation, technology-enabled visualisation and the growing popularity of EBOs which provide advantages to organised players with branded products.

Organised players offer higher product quality, better designs, and are faster to launch new collections. They also have the resources to invest in product and surface innovation, as well as new designs. Additionally, for high-involvement aesthetic purchases, they provide a quality in-store experience, which is made possible through EBOs.

The share of organized manufacturer has increased from 40% in Fiscal 2019 to 46% in Fiscal 2025 and is further expected to surpass the unorganized sector accounting for 55% by Fiscal 2029 growing at higher CAGR of 14.7% as compared to 4.8% of the unorganized manufacturers from Fiscal 2025 to Fiscal 2029.

Exhibit 4.12 Share of Organised and Unorganised Tile Manufacturers in India (Fiscal)



Source: Technopak Analysis, Primary Research

The Indian tile industry is fragmented, creating consolidation opportunities for established brands

While organised players such as Kajaria Ceramics and Varmora one of the leading players in the Indian tiles market in terms of revenue in Fiscal 2025 holds significant shares in the branded sector, which constitutes roughly 46.0% of the total market as of Fiscal 2025, a considerable portion remains with smaller, regional manufacturers who supply in the wholesale channel and serve projects. The share of organised players is expected to reach 55.0% by Fiscal 2029.

Organised sector has gained market share over the last five years as they can differentiate themselves by offering specialised products, such as glazed vitrified tiles and large-format designs. Such product specialisation helps brands build unique and more premium market positions.

However, large, organized players do acquire smaller, unbranded manufacturers, allowing larger companies to expand their market share, streamline operations, and gain access to established distribution networks. By consolidating smaller players, these companies can enhance economies of scale, improve product quality, and strengthen their position in both domestic and international markets. For instance, Kajaria acquired a 90% stake in Keronite Tiles Pvt. Ltd., based in Morbi, Gujarat, in May 2024 and Varmora acquired a 59% stake in Simola Tiles in 2023.

Brands diversifying into new categories for revenue growth and to provide one stop solution to customers

Indian companies in flooring materials sectors, such as tiles are increasingly diversifying into new product categories to enhance revenue and solidify their market position. There is a growing demand for comprehensive solutions, prompting these companies to expand their product lines to include complementary items. By broadening their offerings, they aim to provide complete packages that meet various consumer needs and improve overall customer satisfaction.

Examples of companies pursuing new product categories include:

- **Kajaria:** Invested in Kerovit, to further expand its business into the Sanitaryware segment. The plant commenced production in March 2024 to produce sanitaryware products being sold under the brand name of Kerovit by Kajaria.

- **Varmora:** Launched 20 unique sanitaryware series under 4 different categories i.e, one pieces, wall hung, Urinals and PVC; 14 unique series of basins and multiple designs; 14 series of facuets with multiple color designs and 10 unique series of PTMT with multiple SKUs.

The physical presence of the brand name on the bathware and sanitaryware products enhances long-term recall, as they are essential for daily use and occupy prominent spaces in homes and buildings.

A Shift towards Sustainability

The tile industry traditionally relied on coal gasifiers for energy until the late-2010s. However, in a shift towards sustainability, manufacturers have transitioned to cleaner alternatives like natural gas and propane. This transition has reduced carbon emissions and air pollution and improved overall energy efficiency. As a result, the industry's environmental footprint has decreased. Recognizing the importance of sustainability, Varmora a leading tile manufacturer began transitioning to cleaner energy sources including natural gas and propane as early as 2013, significantly reducing its carbon footprint and enhancing energy efficiency. Varmora is one of the first players that has appointed a consultant in Morbi region to guide on ESG (Environmental, Social and Governance) practices. Varmora has engaged InCorp Advisory Services Private Limited ("InCorp") over Fiscals 2024, 2025 and 2026 to report on the sustainability initiatives undertaken by Varmora during the mentioned financial years.

Introduction of Integrated Stone Technology (IST): A Sustainable Alternative to Natural Stone

Integrated Stone Technology, whose production in India began in August 2024 is a method of manufacturing stone-like products, often leveraged in construction and interior design, where natural stone is combined with advanced processes to improve performance and durability. This technology is used in the production of engineered stone products, such as stone tiles, which are designed to provide the aesthetic appeal of natural stone while improving functionality. This technology also allows creation of 3D ceramic slabs with perfectly synchronized surface and in-body decoration, mimicking natural patterns.

Some key aspects of integrated stone technology include:

- **Combination of Natural and Engineered Materials**: It integrates natural stone with bonding agents such as resins and polymers to develop a durable, consistent material with greater strength, superior longevity and less porosity compared to natural stone.

- **Advanced Manufacturing Processes:** The development of integrated stones involves advanced manufacturing processes such as precision cutting, surface finishing, and automation to create uniform products.

- **Emphasis on Sustainability:** Integrated stone products are typically designed with sustainable processes, leveraging recycled materials, decreasing waste generated during manufacturing, and enhancing the recyclability of the final product.

- **Customisation Options:** By leveraging integrated stone technology, products can be customised for design elements such as colour and texture, enabling greater flexibility in design compared to traditional stone products.

The growing customer demand for IST (Integrated Stone Technology) is expected to be fuelled by a combination of functional and aesthetic benefits. IST products, such as engineered stones, offer durability, resistance to cracking and staining, and are low maintenance, making them suitable for high-traffic and high-performance environments. The utilisation of recycled materials and eco-friendly manufacturing processes will make these products a preferred choice for environmentally conscious consumers, offering a sustainable alternative to natural stones. Moreover, applications of integrated stone technology include kitchen countertops and backsplashes, reception tables, centre and coffee tables, staircase, dining table tops and work tops, vanity tops and basin and television walls.

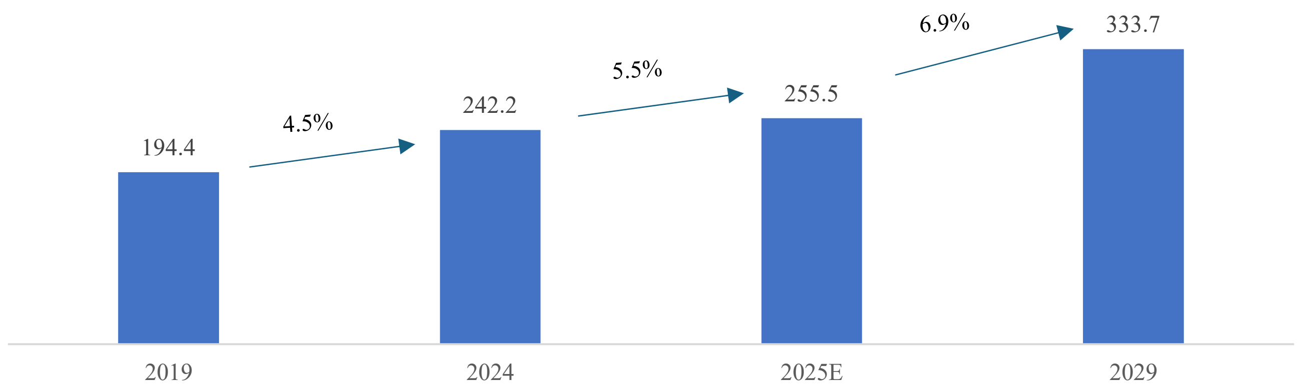
Additionally, integrated stone products provide a wide range of customisable designs, which will help attract customers seeking flexibility. These products are also cost-effective compared to high-end natural stones, with lower long-term maintenance costs. Integrated stone products are non-toxic and safe, making them a suitable choice for health-conscious consumers. With their ability to replicate the luxurious look of materials such as marble at a lower price, and their availability through more robust supply chains, IST products are expected to meet the evolving needs of today’s design and construction markets.

The demand for engineered stone is expected to be driven by increasing urbanisation, rising disposable incomes, and the expanding real estate and infrastructure sectors. IST products are gaining traction in for their durability, low maintenance, and ability to replicate the appearance of natural stones at a cost-effective price.

Varmora’s integrated stone technology facility is equipped with 5-feeder technology, which is an innovative technology that enables the production of high-quality artificial stone products that mimic the appearance and properties of natural stone and replace natural marble, stone and granite as well as engineering products such as quartz and corian.

The Indian natural stone market, valued at approximately ₹413.0 billion in Fiscal 2025, is expected to grow steadily at a CAGR of 6.5% during Fiscal 2025-2029, driven by demand in the construction and design sectors. However, IST is set to transform this market, which is currently untaped by organized tile players. This technology is expected to gain a significant share due to its advanced features, cost-effectiveness, and sustainability. Consequently, the total addressable market for IST aligns with the current natural stone market size, offering considerable potential for growth and innovation. IST Technology can also be used as a façade and this market is expected to grow from ₹255.5 billion in Fiscal 2025 to ₹333.7 billion in Fiscal 2029.

Exhibit 4.13: Indian Facade Market Size (in ₹billion) (Fiscal)



Source: Technopak Analysis, Secondary Research

Risks and Challenges in the Industry

- **Fluctuating Raw Materials Costs:** The cost of raw materials such as clay, feldspar, silica, and natural gas is volatile. Price fluctuations due to supply chain disruptions and inflation can affect the cost structure of tile manufacturers. This may result in higher production costs, impacting profitability, especially for smaller players who may lack the pricing power to pass on these increased costs to consumers.

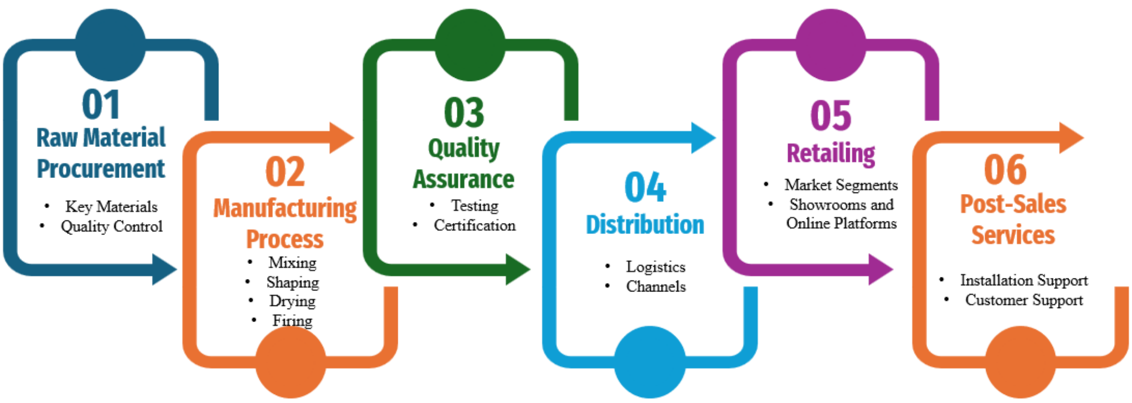
- **Dependence on Real Estate and Construction Sectors:** The tile industry's growth is intricately linked to the performance of the real estate and construction sectors. A slowdown in these sectors, due to downturns in the macroeconomic environment, regulatory changes, or other factors, can have a direct adverse impact on tile demand. For example, a reduction in commercial and residential building projects can lead to decreased demand for tiles.

- **Vulnerabilities in Supply Chain:** The tile industry relies on a complex supply chain for raw materials, manufacturing, and distribution. Any disruptions caused by factors such as labour strikes, transportation issues, or natural disasters can adversely affect production timelines and product availability. Additionally, fluctuations in logistics costs, particularly for transportation, can impact on the profitability of tile manufacturers.

- **Evolving Consumer Preferences**: Consumer preferences in design, quality, and sustainability are continuously evolving. The increasing demand for products with the latest designs and eco-friendliness is compelling tile manufacturers to adapt. Companies that are slow to adopt new trends, such as sustainability in production processes and innovative designs, may lose market share. Varmora is the only company in the Morbi cluster to appoint a dedicated ESG head as of March 31, 2025.

Value chain of Manufacturing and Retailing of Tiles

<u>Process and Value chain of manufacturing and retailing tiles</u>



Morbi – A Key Tile Production Hub in India

Morbi, Gujarat, is India's tile hub, contributing 90% of the country's tile production and the majority of tile exports as of March 31, 2025. Apart from Morbi, key tile manufacturing hubs include Rajasthan, Himmatnagar, Gandhinagar, and Andhra Pradesh, known for their abundant raw materials like feldspar and clay. These regions support efficient production by ensuring a steady and cost-effective supply chain for the tile industry. Morbi hosts over 900 ceramic plants, producing upto 4.0 million square meters of tiles daily. Morbi's efficient production processes, cost advantages, and well-established ecosystem enable it to export tiles to several countries, accounting for a significant share of India's tile export industry. This has cemented Morbi's reputation as a key player in driving India's growth in the global tile market.

Companies in Morbi can leverage the region's proximity to raw material sources, adequate availability of natural gas, shared infrastructure, and low production costs to cater to both domestic and international markets. Many of these manufacturers produce tiles under private labels or for retailers, offering affordable options for price-sensitive customers.

Originally known for traditional clay roof tiles (Naliya tiles), Morbi transitioned to modern tile manufacturing during the 1990s economic liberalization, spurring growth and diversification. Today, advanced technologies, such as automated production lines and inkjet printing, enable factories to produce up to 4.0 million square meters of tiles daily, elevating product quality and expanding offerings.

Morbi's position as a leading tile manufacturing hub is bolstered by multiple supply chain and logistical benefits discussed below:

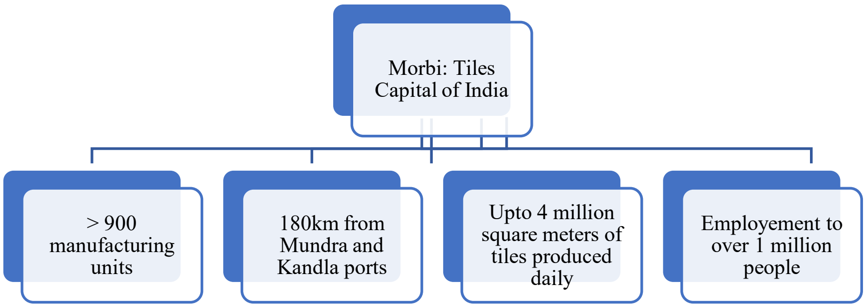
Access to Raw Materials: The region has easier access to essential raw materials, such as clay and feldspar, sourced from nearby areas like Rajasthan. This availability decreases transportation costs and enables a steady supply of high-quality inputs necessary for tile production.

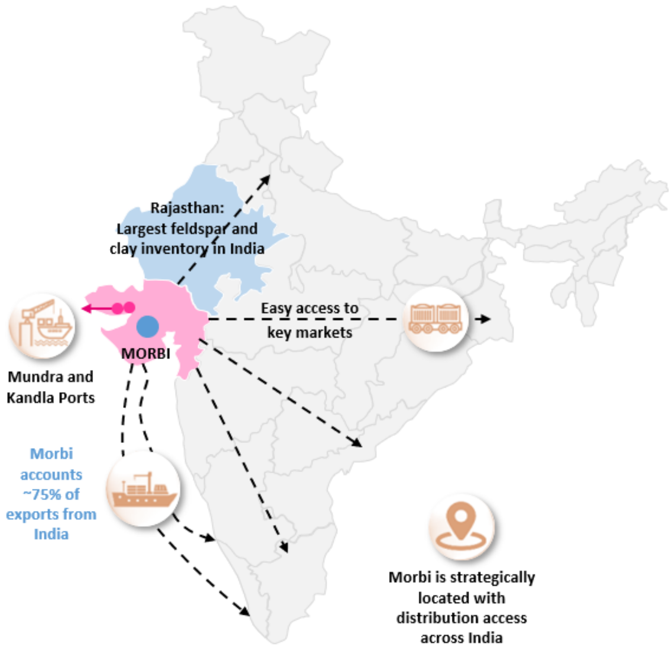
Cost Effective Production: The availability of piped natural gas (PNG) has helped reduce energy costs for tile production. This stable energy source ensures consistent kiln temperatures, which is crucial for quality control in the manufacturing process.

Proximity to Major Ports: Morbi is strategically situated just 180 km from both Mundra and Kandla ports, enabling efficient export logistics. This proximity enables manufacturers to swiftly and cost-effectively transport their products to international markets, greatly enhancing their export capabilities.

Established Infrastructure: The region benefits from well-developed infrastructure, including road and rail connectivity. The 8-A National Highway helps in smooth transportation of goods, while railway lines enable bulk movement of tiles across India.

Supportive Government Policies: Government initiatives aimed at bolstering domestic manufacturing have positively impacted Morbi's tile industry. In December 2023, the government announced plans to establish a dedicated ceramics park and promote local machinery manufacturing, which are expected to further improve operational efficiencies.



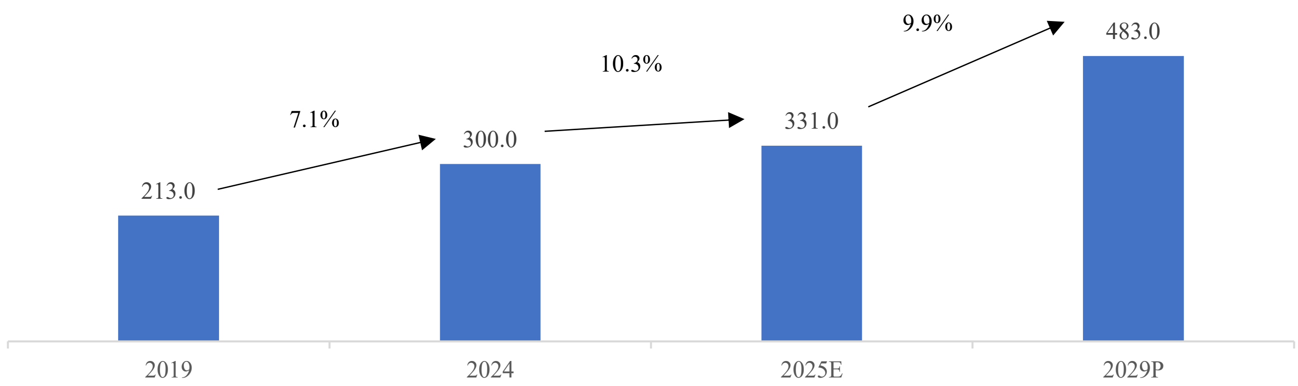


Sanitary and Bathware Market in India

Indian Sanitary and Bathware market

The Indian sanitary and bathware market has experienced steady growth over the past five years, increasing from ₹213.0 billion in Fiscal 2019 to ₹300.0 billion in Fiscal 2024, at a CAGR of approximately 7.1%. In Fiscal 2025, the market expanded by 10.3% year-on-year (YoY) to ₹331.0 billion and is projected to reach ₹483.0 billion by Fiscal 2029, at CAGR of about 9.9%. This growth is driven by rising urbanization, a growing emphasis on aesthetics and functionality, increased demand for home improvement products, and more frequent home renovations.

Exhibit 5.1: Indian Sanitary and Bathware Market Size (in ₹billion) (Fiscal)

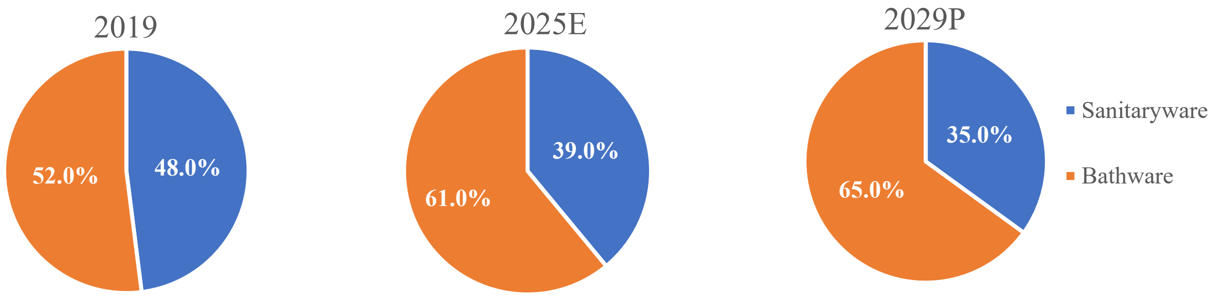


Source: Technopak Analysis, Secondary Research

Sanitary and Bathware Segmentation

The sanitary and bathware market is divided into two main categories: sanitaryware (toilets, basins, etc.) and bathware (faucets, showers, bathtubs, etc.). In Fiscal 25, the sanitaryware segment accounted for ~39.0% of the market while the bathware segments accounted for ~61.0% of market share. The share of bathware is projected to grow faster due to low penetration and increasing renovation frequency as compared to sanitaryware market which is a more penetrated market. Sanitaryware market is expected to grow at rate of 7.0% from Fiscal 2025 to Fiscal 2029, while the Indian bathware market valued at ₹201.9 billion in Fiscal 2025 is projected to grow at a CAGR of ~11.7% between Fiscal 2025 to Fiscal 2029 to reach ₹314.0 billion by Fiscal 2029.

Exhibit 5.2: Indian Sanitary and Bathware Market segmentation (Fiscal)

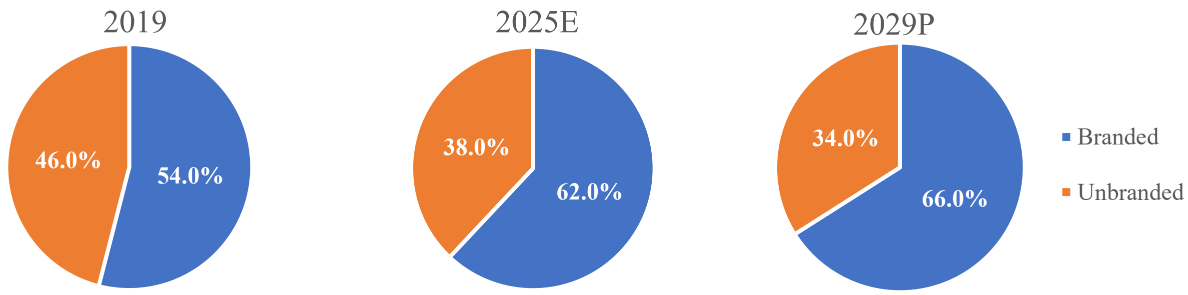


Source: Technopak Analysis, Secondary research

Branded v/s Unbranded Segmentation

Branded players account for a higher share in the sanitary and bathware market with ~62.0% of the market share in Fiscal 2025 and is expected to grow at a faster rate of ~11.6% as compared to the unbranded market expected to grow at ~6.9% from Fiscal 2025 to Fiscal 2029 in terms of value. Branded players with sanitary and bathware as primary segment like Cera, Roca (Parryware), and Jaquar, offer a wide range of products in this segment and have a pan-India presence. Players with tiles as primary segment, like Varmora, are leveraging their reach and distribution network for tiles to create their presence in the sanitary and bathware category as well. Whereas unbranded players have a significant presence in regional catchments, especially in the Tier 2 & Tier 3 cities.

Exhibit 5.3: Indian Sanitary and Bathware Market - Branded v/s Unbranded Segmentation (Fiscal)



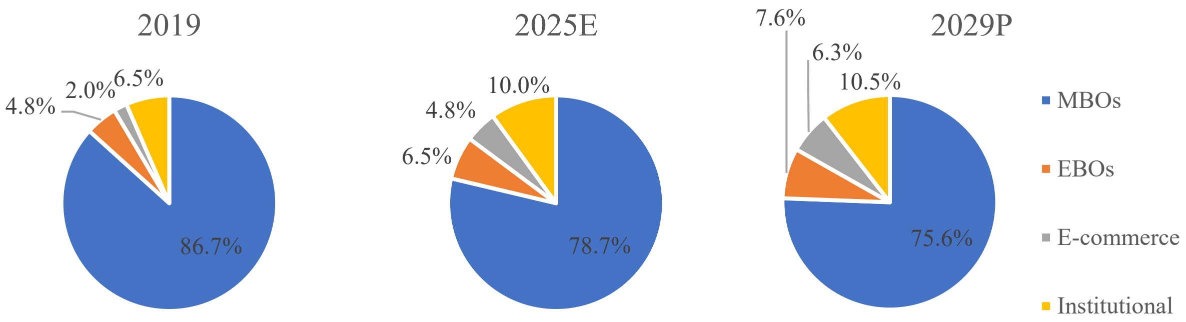
Source: Technopak Analysis, Primary Research

Sales Channel Segmentation

In sanitary and bathware market, distributor led retail continues to play a vital role, especially in Tier-2 and Tier-3 cities, where personal interactions and trust are pivotal for sales. However, there is a noticeable growth in experience centres established by major players like Kohler, Roca, and Jaquar allowing customers to explore and visualise product applications in a realistic setting through their large format EBOs, enhancing customer engagement and fostering brand differentiation. This trend is contributing to the growth of sales through EBOs, with their market share expected to rise from ~6.5% in Fiscal 2025 to ~7.6% in Fiscal 2029. Additionally, the online marketplace for sanitary and bathware is expanding, with platforms like Hippo Stores, Flipkart, and Amazon offering a broader range of products. This shift to e-commerce is driven by increased internet penetration and the convenience of online shopping, allowing consumers to access product reviews and enjoy competitive pricing.

Sales through MBOs is further split between sales through large MBOs and small MBOs comprising of traditional retail stores. Large MBOs accounts for ~19.0% of the total market share in Fiscal 2025 and is expected to reach ~20.1% of the total market share in Fiscal 2029. Though small MBOs occupies a larger share of the sales, the growth of large MBOs is higher at ~11.5% from Fiscal 2025 to Fiscal 2029 as compared to small MBOs growing at ~7.9% for the same period.

Exhibit 5.4: Indian Sanitary and Bathware Segmentation by Sales Channel (Fiscal)



Source: Technopak Analysis, Secondary Research
Note: MBOs includes chained MBOs and small MBOs

Exhibit 5.5: Indian Sanitary and Bathware Key Players Product Mix

Key Player	Contribution to revenue (FY2025)	Total Revenue INR Million (FY2025)	Sanitaryware	Bathware
Primarily Sanitary and Bathware players				
Jaquar and Company Pvt. Ltd.	NA	61,056	Basin, Urinals, Toilets, Frame, Sanitaryware accessories, washroom accessories	Faucets, Shower, Shower closure, Thermostatic mixers, Whirlpool, Bathtubs, Spas, Sauna, Flushing System, Diverters, Accessories, Shower valves and panels
Cera Sanitaryware Ltd.	87.7%	19,150	Toilets, Basin, Urinals, Cisterns, Vanity cabin, Sanitaryware accessories	Faucets, Shower, Bath fitting accessories, Allied products
Roca Bathroom Pvt. Ltd.*	100.0%	17,200	Basin, Urinals, Toilets, Baths, Seat Covers	Faucets, Shower, Mirrors, Accessories, Installation System
Primarily Tiles players				
Kajaria Ceramics Ltd.	8.3%**	46,351	Toilet, Basin, Thermo Control	Faucets, Shower
Somany Ceramics Ltd.	NA	26,588	Toilets, Basin, Urinals, Cisterns, Vanity cabin, Sanitaryware accessories	Faucets, Shower, Bath fitting accessories, Allied products
Varmora Granito Ltd.	8.9%	14,460	Toilets, Basin, Urinals, Pans, Sanitaryware accessories	Faucets, showers, Allied items, Bath Accessories

Source: Company websites, Secondary research, Technopak analysis
**Roca bathroom Pvt. Ltd. Data for Fiscal 2024*
***Kajaria ceramics ltd. 8.3% share also includes sanitary, bathware and plywood business*

Sanitary and bathware market consists of national players like Jaquar, Kohler, Cera and others with a pan-india presence and a longtail of regional and local players like Inart, Delta Sanitaryware, Century Bath, and other players present in tier-II and tier-III cities or selling through distributor led retail stores, or e-commerce marketplaces.

Key Trends Shaping the Market

Premiumisation

Premiumization is transforming India's sanitary and bathware market, driven by consumers' growing emphasis on aesthetics, comfort, and personalisation in home spaces. Bathrooms are increasingly viewed as spaces for relaxation and self-care, driving demand for high-quality and design focused products.

Brands are adapting to this trend by offering high-end refined aesthetics and tech-integrated designs and experiential buying via EBOs. This shift is prompting more companies to enter the premium segment, emphasizing quality, design, smart features, and customization, ultimately raising industry standards and redefining bathrooms as personal style statements.

Decision-Making Through Display/ Experience Centres

In the Indian sanitary and bathware market, display centres have evolved into decision-making hubs where customers gain confidence and clarity before making a purchase. For high-investment products like sanitaryware, where details such as material quality, design, and functionality are critical, display centres provide customers with the tools to make well-informed choices that align with their preferences and needs.

This direct engagement with products allows customers to compare features, understand product benefits, and visualize the products in their own homes, thus reducing post-purchase uncertainty. Display centres are helping brands foster trust and loyalty in a highly competitive landscape, differentiating themselves through transparency and a genuine understanding of customer needs.

Sustainability and Eco-friendly Products

Growing awareness of environmental issues is driving the demand for eco-friendly sanitary and bathware products. Customers are increasingly looking for water-efficient solutions, like low-flow faucets and dual-flush toilets, to reduce water consumption. Brands are responding by incorporating sustainable materials and designs that minimise environmental impact, positioning themselves as environmentally responsible.

Technology Integration in Smart Homes

The rise of smart homes is influencing the sanitary and bathware market. Consumers are adopting technologically advanced products like touchless faucets, sensor-based showers, and smart toilets with features such as automatic flushing, seat heating, and built-in bidets. Brands like Kohler, Jaquar are also investing in technology-driven products, including sensor-based faucets and advanced shower panels, to offer a more seamless and luxurious bathroom experience. These tech innovations address growing preferences and modern conveniences and are certainly shaping the industry.

Brands Co-investing with Exclusive Dealers

To meet the growing demand for experiential shopping, many leading sanitary and bathware brands are partnering with exclusive dealers to enhance consumer engagement and strengthen brand loyalty. This shift is driven by consumers who increasingly value hands-on experiences, especially for high-involvement categories like sanitary and bathware, where aesthetics and functionality are key. This exclusive dealer partnerships allows brands to gain greater control over how their products are presented and to reinforce their brand image effectively.

Threats and Challenges

Raw Material Price Fluctuations

The sanitary and bathware industry is highly dependent on raw materials like clay, ceramics, and metals. Fluctuations in the prices of these materials due to supply chain disruptions or international market volatility can affect production costs, squeezing margins, especially for smaller players or players dependent on imports for raw material. For instance, India imported USD 40,794 thousand worth sanitaryware products (HSN 7324) from China in 2024. Any price increase or duty increase can increase the cost of imports and result in raw materials price hikes, which in turn will directly impacting companies' profitability due to high cost.

Highly Competitive Market

The sanitary and bathware market is fragmented and highly competitive with players in both branded and unbranded sector. The unbranded market, which offers lower-priced products, poses a challenge for branded players. Many consumers, particularly in rural areas, still prefer cheaper, unbranded alternatives, making it difficult for premium brands to penetrate these markets. The challenge lies in educating consumers about the benefits of branded, quality products over unbranded ones. Within the branded sector, new brands are coming up and catering to the same market that can result in loss of market share for established companies. However, it will take a lot of resources for new players to do so as the established branded players can manage to maintain their share due to technological expertise, wide product range and availability of resources to spend.

Economic Slowdowns

Any economic downturn or decrease in real estate activity can lead to a slowdown in demand for new homes and renovations, significantly impacting the sanitary and bathware market. The sanitary and bathware sector is closely tied to the real estate cycle, making it vulnerable to broader economic shifts.

Logistics and Infrastructure Gap

India's diverse geography and infrastructure gaps, especially in rural areas, pose challenges for distributing products efficiently. Ensuring timely delivery while maintaining product quality across the value chain remains a hurdle, especially for companies seeking to expand their presence in less-developed regions as compared to urban cities like Delhi, Mumbai, etc. Apart from logistics, infrastructure gap can be another challenge wherein different kind of plumbing systems in certain regions can limit the installation of modern sanitary and bathware products.

Operational Benchmarking

Key Players and their Category Presence

Several fundamental and long-term macro drivers and opportunities, such as increasing demand for housing and office spaces, have significantly influenced the growth of the Tiles industry. Other factors including government focus on enhancing public infrastructure and housing availability, urbanisation and India's low per capita consumption of tiles as compared to global average, indicates headroom for growth.

Key players in the industry have maintained their market presence, starting from a certain product category and expanding their portfolio within categories or through cross category expansion capturing the market, like Kajaria, Varmora and Somany with tiles as primary segment forayed into sanitary and bathware. Simultaneously these players have been diversifying their core categories as well with introduction of GVT tiles with new surfaces, patterns, etc. and technology integrated products, like Varmora introducing integrated stone technology to provide tiles with marble like product appearance across surfaces. These category diversification, capacity expansion and technological innovations have ensured consistent growth and stability of these key players in the market over the period. Varmora Granito Ltd. is one of the leading players in the Indian tiles market in terms of revenue in Fiscal 2025 among the selected listed peers.

Exhibit 6.1: Key Players in the Industry - Date of Incorporation, Number of Plants and Revenue Growth

Company Name	Date of Incorporation	Headquarter	No. of Plants**	Revenue from Operations FY2025 (INR million)
Varmora Granito Ltd.	2003	Morbi	13	14,460
Asian Granito India Ltd.	1995	Ahmedabad	14	15,585
Kajaria Ceramics Ltd.	1985	Gurgaon	9	46,351
Orient Bell Ltd.	1977	New Delhi	5	6,698
Somany Ceramics Ltd.	1968	Noida	^11	26,588

Source: Company website, Annual reports and secondary research
Note: Listed players with tiles as primary segment with total revenue above ₹ 600 crore and tiles revenue contribution of more than 80% are selected for comparison
*** For all players no. of plants include own plants, subsidiaries and associates except Kajaria Ceramics Ltd. which includes own plants and subsidiaries only*
^Data pertains to Fiscal 2024

Exhibit 6.2: Key Players Category-wise Contribution to Revenue (Fiscal 2025)

Company	Revenue from operations (INR million)	Tiles (%)	Sanitaryware & Bath Fitting (%)	Other Categories (%)
Varmora Granito Ltd.	14,460	88.4%	8.9%	Others (adhesives, stone and tableware) -2.7%
Asian Granito India Ltd.	15,585	87.3%	***Others (12.7%)	
Kajaria Ceramics Ltd.	46,351	91.7%	**8.3%	NA
Orient Bell Ltd.	6,698	100.0%	0%	0%
Somany Ceramics Ltd.	26,588	84.8%	11.1%	4.1%

Source: Company website, Annual reports
NA refers to not available, Na refers to not applicable
*** Includes other business segment such as adhesives and plywood business*
****Includes other categories like sanitaryware, Marble & Quartz etc*

Manufacturing Capacity, Capacity Utilization and Split

The tiles industry has significantly advanced its manufacturing capabilities, leveraging state-of-the-art facilities to meet growing domestic and global demand. Companies combine in-house manufacturing and outsourcing to optimize operations. Outsourcing provides flexibility to scale production without heavy capital investments. But in-house production offers better control over quality, costs, and inventory, ensuring consistency, especially for premium products. In-house manufacturing leads to better time management resulting into better speed to market. Key players in the tiles industry have been doing in-house capacity expansion to strengthen their manufacturing capabilities, amongst selected listed peers, Varmora has one of the largest manufacturing capacities (owned and operated) as of Fiscal 2025 with a growing in-house manufacturing share in revenue accounting for 78.6% in Fiscal 2025. Varmora added the most manufacturing capacity amongst selected listed peers in India between 2016 and 2025.

Exhibit 6.3: Key Players Total In-house Manufacturing Capacity, Capacity Utilization and Outsourcing Share

Company Name	Manufacturing Plants (FY2025)****	Total Manufacturing Capacity ****	Inhouse Capacity Utilization (FY2025)	Tiles Outsourcing share in revenue (FY2025)	Tiles Capacity Expansion 2016-2025 (Mn sqm)
Varmora Granito Ltd.	13 Plants	Tiles- 70.2 Mn sqm Bathware- 0.9Mn units	78.2% in Tiles 86.7% in Bathware	20.6%	23.9
Asian Granito India Ltd.	11 Plants ***	Tiles - 52.5 Mn sqm Bathware- 0.66 Mn units	NA	15.6%	16.0^^^
Kajaria Ceramics Ltd.^	9-Tiles Plants	Tiles- 90.5 Mn sqm	97.1% in Tiles	22.3%	21.9
Orient Bell Ltd.	5-Tiles Plants	Tiles- 42.4 Mn sqm	NA	34.5%	18.4
Somany Ceramics Ltd.**	11^^	Tiles-75.0 Mn sqm Sanitaryware & Bathware-1.8 Mn sqm	96% in sanitaryware	NA	14.8

Source: Company website, Annual reports and secondary research
Note:Mn refers to million; sqm refers to square meter; S&B refers to Sanitary & Bathware
NA refers to not available
*** For Somany ceramics, manufacturing capacity for tiles includes outsourced capacity whereas for sanitaryware and bathware the data reflects only the in-house manufacturing capacity, and Capacity utilization is only for Q4 Fiscal 2025.*
^Kajaria Sanitary and Bathware data and associate plants data not available for Fiscal 2025, and tiles capacity does not include associate plant capacity.
^^Data pertains to Fiscal 2024
^^^ Data pertains to Fiscal 2015-2025
**** 14 units across 11 facilities*
***** Includes Own, Associates and Subsidiaries*

B2C vs B2B Sales

B2B sales encompasses orders from real estate developers, architects, hotels, government agencies and other contractors. These channels often focus on high-volume sales with competitive pricing, which can result in tighter margins. Amongst the B2B sales channel government projects offer various benefits including lower competition as compared to retail, large bulk orders, steady demand, lower risk of default, supplying to government enhances brand image, multi-year supply agreement, etc. Further, the government's ongoing focus on infrastructure development ensures a steady and growing demand for tiles, offering strong opportunities for expansion. Additionally, government tenders are generally open and transparent, providing a fair environment for all qualified participants. There is also a strong emphasis on public safety and quality in government projects, which means that only established and reputable brands are usually selected B2C sales, on the other hand, target end consumers and typically allow for higher margins and requires significant investments in branding, marketing, and a direct retail network. Amongst peers, Varmora Granito Ltd. is one of the leading players in India with second highest contribution from B2C sales as a percentage which was 75.7% of revenue from operations in Fiscal 2025. It is also present in the vendor list of several government departments as of Fiscal 2025 among its selected listed peers.

Exhibit 6.4: Key Players B2B v/s B2C Share (Fiscal 2025)

Organisation	B2C Sales	B2B Sales
Varmora Granito Ltd.	75.7%	24.3%
Asian Granito India Ltd	51.0%	49.0%
Kajaria Ceramics Ltd.	70.0%	30.0%
Orient Bell Ltd.	NA	NA
Somany Ceramics Ltd.	80.0%	20.0%

Source: Company website, Annual reports and secondary research
NA refers to not available

Distribution and retail touch points

The distribution and retail networks are crucial in the tiles industry, connecting manufacturers with a wider customer base. These networks include Exclusive Brand Outlets (EBOs), Multi-Brand Outlets (MBOs), and regional distributors. EBOs provide a platform for premium brands like Varmora, AGL and Kajaria to showcase their full product range, offer a better customer experience and enhance brand loyalty. MBOs offer consumers a comparative shopping experience with multiple brands in one location. A strong distribution network ensures products reach both urban and rural markets, driving growth, especially in tier-2 and tier-3 cities.

The retail and distribution network not only aids in efficient market penetration but also supports growth by enhancing product visibility and accessibility. It allows companies to adapt to changing consumer preferences, launch new products effectively, and capture market share across regions. This is especially crucial in India, where regional demand varies, and reliable distribution ensures a strong market presence.

Exhibit 6.5: Key Players Retail and Distribution Network (Fiscal 2025)

Company Name	EBOs	Dealers/Distributors
Varmora Granito Ltd.	286	2,286+
Asian Granito India Ltd	277+	2,700**
Kajaria Ceramics Ltd.	430	1,850
Orient Bell Ltd.	381	2,000+
*Somany Ceramics Ltd.	474	2,675

Source: Company website, Annual reports
NA refers to not available
EBO-Exclusive Brand Outlets
Dealers/Distributors: Number of partners for distribution
** Data pertains to Fiscal 2024*
*** Includes Dealers and Sub- distributors*

Innovation and New launches

Technology and innovation are crucial in the tiles industry, helping companies differentiate, improve efficiency, and meet evolving consumer demands. Innovations like smart tiles with built-in lighting, metallic or wood finishes, and digitally printed designs offer new options, enable higher margins and position companies as market leaders in a competitive landscape. Premiumization in recent times in India have driven the demand for innovative tile designs and large-format tiles that combine aesthetics and functionality, prompting manufacturers to be much more innovative than ever before.

Companies like Varmora are at the forefront of innovations in tiles industry with multiple industry firsts. They were the first to launch digitally printed wall tiles in 2010. They are one of the first in the industry to introduce Homogenous-body Slabs (i) 1170 x 1770 mm; and (ii) 1185 x 1785 mm full-body slabs in 2006, Double Charge Tiles in 2012, High Gloss & Rocker in 2017, kitchen slabs (80x260) in 2020 and is the first company to commercialize integrated stone technology in Asia in 2024. Varmora's market leading growth is driven by its forefront position in tile innovation and premiumization in India.

Between Fiscal 2023 and Fiscal 2025, Varmora launched 3000+ number of products, including surfaces such as Homogenous-body Slabs, Digital Printing, High Gloss & Rocker.

Varmora is also amongst the few players in the Indian tiles industry to have developed a digital application in India that enables channel partners to offer all SKUs to customers as well as allow customers to virtually preview and visualize their choice of product in a customized setting. It also had one of the largest, most diverse and premium tile product portfolios in terms of number of SKUs among selected listed peers in India as of March 31, 2025. Varmora, with a significant contribution from its GVT (Glazed Vitrified Tiles) segment and the introduction of Integrated Stone Technology in India, is positioned at the forefront of driving market growth in the domestic tile industry.

Exhibit 6.6: Key Players SKU, New Launches, Innovation and Technology

Company Name	No. of SKUs**	New Launches in past years	Innovation & Technology
Varmora Granito Ltd.	4,000+	• First to launch digitally printed wall tiles in CY2010 • Launched homogenous-body slabs (i) 1170 x 1770 mm and (ii) 1185 x 1785 mm full-body slabs • Launched homogenous body slabs, 80x80 and 600x1200 double charge tiles, surface innovation for tiles and 80x260 kitchen slabs as early as CY2007, CY2012, CY2017 and CY2020 respectively	• Spearheading Asia's largest slab manufacturing plant with 6 Mn sqm capability • Varmora uses imported technologies from companies like SCAMI, System Ceramics, Appel, KEDA, CMF, EFI Creta print • Hybrid Varmora digital application provides functionality such as 4D sales presentations (Ibook) and showcases all products in a panel interface (Ipanel).

Company Name	No. of SKUs**	New Launches in past years	Innovation & Technology
		• First to introduce integrated stone technology to produce marble like products across surfaces	
Asian Granito India Ltd.	*4,333	• New Range of Surfaces in Iridium, Multicolour carving and Velvet finish under Marblex and Grestek range. • Introduced 600x600mm designs with 12 mm thickness under Grandura +.	• Pioneer in Water Jet Technology, Digital 9-Color • Printing Technology, Online Vitrified • Technology
Kajaria Ceramics Ltd.	4,600+	• Introduced 'Grestough' tile range, engineered for enhanced bonding strength and durability, owing to its low water absorption rate.	• Invested in the latest technology namely Continua Plus • Installation of new technology of pressing system (i.e. Continua and Roller Pressing Technology) • Installation of digital printing machines for glaze/dry application
Orient Bell Ltd	*4,000+	• Cool Tiles • Anti-Static Tiles • Germ Free Tiles	• Installed New vertical FBCC 168M new K-3
Somany Ceramics Ltd.	3,700+	• Somany Max Coverstone collection • The launch of new sizes ranging from 200x200 mm to 800x3000 mm in both full body and glazed	• Double digital Shape Tech technology

Source: Company website, Annual reports and secondary research
*** No. of SKUs basis manual data scrapping from the company websites for all players as of November 2024 including Tiles and Sanitaryware*
**SKU of Tiles have been considered for Orient Bell Ltd. which pertains to Fiscal 2025 and Asian Granito India Ltd. data which pertains of Fiscal 2024.*

Key Players' Presence in Tiles, Sub-categories in Tiles and Category Contribution to Revenue

India's tile market offers diverse options like ceramic, porcelain, vitrified, natural stone, and designer tiles, catering to varying aesthetic and functional needs across varying price points. The market trend is shifting towards vitrified tiles due to better realizations, durability, and low porosity, making them ideal for both indoor and outdoor applications. Vitrified tiles refer to PVT (Polished Vitrified Tiles) and GVT (Glazed Vitrified Tiles), and the difference between PVT and GVT lies in their surface finish and design versatility. While PVT offers a polished surface, GVT is a superior segment due to its ability to feature intricate designs and textures, catering to premium and aesthetic demands. Additionally, GVT commands higher realizations and profit margins, and is becoming a more preferred option for retailers in the market. With the foresight to leverage this growing demand for premium tiles, Varmora was one of the first few players in India to focus on selling GVT.

Varmora had the highest contribution of 78.7% from glazed vitrified tiles (GVT) as a percentage of their revenue from tiles segment in Fiscal 2025 as compared to selected listed peers in the organised Indian tiles market. They also have one of the highest mix of GVT in India in terms of revenue of ₹10,058 million in Fiscal 2025 as compared to its selected listed peers and one of the largest manufacturing capacity as compared to its selected listed peers as of March 31, 2025.

Exhibit 6.7: Key Players Tiles Category Manufacturing Capacity (Mn sqm) and Contribution to Revenue (₹Mn) (Fiscal 2025)

Company Name	Manufacturing capacity			Category contribution to total tiles revenue			Tiles Segment Revenue
	GVT	PVT	Ceramic	GVT	PVT	Ceramic	
*Varmora Granito Ltd.	60.2	4.8	5.1	78.7%	12.2%	9.1%	12,779
*Asian Granito India Ltd.	52.5			51.0%^	18.0%^	31.0%^	13,600
Kajaria Ceramics Ltd.	41.0	15.4	34.1	37.0%	26.0%	37.0%	42,489
*Orient Bell Ltd.	42.4			41.0%	NA	NA	6,698
*Somany Ceramics Ltd.	75.0			38.0%	28.0%	34.0%	22,551

Source: Company website, Annual reports and secondary research
Note: Manufacturing Capacity is in Mn sqm; NA refers to not available

* Includes capacity of associate and subsidiaries plants
^ This data pertains to Fiscal 2024

Financial Benchmarking

Revenue from Operations

Varmora is the fastest-growing amongst the selected listed peers in India in terms of revenue CAGR, with tiles as its primary segment, recording a CAGR of 4.1% between Fiscal 2023 and Fiscal 2025.

Exhibit 7.1: Revenue from Operations (In ₹million) (Fiscal)

Player	2023	2024	2025	CAGR 2023-2025
Varmora Granito Ltd.	13,349	14,355	14,460	4.1%
Asian Granito India Ltd.	15,627	15,306	15,585	(0.1%)
Kajaria Ceramics Ltd.	43,819	44,740	46,351	2.8%
Orient Bell Ltd.	7,051	6,745	6,698	(2.5%)
Somany Ceramics Ltd.	24,785	25,914	26,588	3.6%

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
NA: Not Available

Gross Profit & Gross Margin

Gross profit is calculated by subtracting direct production-related expenses—including cost of materials consumed, purchases of stock-in-trade, and changes in inventories of finished goods, work-in-progress, and stock-in-trade and power & fuel—from the total income. This metric reflects the core profitability of a company's manufacturing or trading operations before accounting for overheads and indirect costs. In recent periods, gross margins have come under pressure due to rising input costs, particularly for gas and clay. However, larger manufacturers have responded by optimizing production processes and shifting their product mix toward higher-margin offerings such as glazed vitrified tiles and premium designs, which are increasingly favoured by consumers. This strategic shift has helped partially mitigate the impact of raw material inflation on overall profitability. In Fiscal 2025, with a y-o-y growth of 12.0%, Varmora recorded the highest y-o-y growth over Fiscal 2024 in gross profit among its peers. In Fiscal 2025 it also recorded the highest gross margin amongst peers.

Exhibit 7.2: Gross Profit (In ₹ million) (Fiscal)

Player	2023		2024		2025	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
Varmora Granito Ltd.	5,247	37.5%	5,192	35.3%	5,814	39.0%
Asian Granito India Ltd.	2,926	18.5%	3,765	24.4%	4,131	26.4%
Kajaria Ceramics Ltd.	15,532	35.2%	17,597	38.9%	17,999	38.5%
Orient Bell Ltd.	2,572	36.2%	2,330	34.4%	2,393	35.6%
Somany Ceramics Ltd.	7,766	31.2%	8,822	33.9%	8,851	33.2%

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
NA: Not Available, NA (1): Cannot be calculated due to unavailability, negative numerator, denominator, or both.
All figures are consolidated
Gross Profit= Total Income – (Cost of materials consumed +Purchases of stock-in-trade + Changes in inventories of finished goods, work-in-progress and stock-in-trade+ Power & Fuel)
*Gross Margin= (Gross Profit/Total Income) *100*

EBITDA and EBITDA Margin

EBITDA represents earnings before interest, taxes, depreciation, and amortization, serving as an indicator of operational efficiency and profitability. It is also used to standardize business performance against industry averages. As EBITDA margin is inherently a function of scale benefits, larger players with higher production volumes and better procurement efficiencies naturally enjoy higher margins. Additionally, a shift towards high-value, premium tile segments and export growth has supported EBITDA margins, reflecting the industry's resilience and adaptive strategies in a competitive market. Moreover, cost-control measures such as fuel fungibility, proximity to ports, and optimized logistics have further bolstered margins, showcasing the sector's focus on operational excellence.

In Fiscal 2025, Varmora recorded an EBITDA margin of 13.3%, the highest among its listed peers.

Exhibit 7.3: EBITDA (In ₹million) (Fiscal)

Player	2023		2024		2025		CAGR
	EBITDA	Margin	EBITDA	Margin	EBITDA	Margin	2023-2025
Varmora Granito Ltd.	1,807	12.9%	1,503	10.2%	1,983	13.3%	4.8%
Asian Granito India Ltd.	(681)	(4.4%)	510	3.3%	757	4.9%	NA (1)
Kajaria Ceramics Ltd.	5,920	13.5%	6,997	15.3%	5,975	12.8%	0.5%
Orient Bell Ltd.	526	7.5%	236	3.5%	308	4.6%	(23.5%)
Somany Ceramics Ltd.	1,887	7.7%	2,532	9.8%	2,210	8.4%	8.2%

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
NA: Not Available, NA (1): Cannot be calculated due to unavailability, negative numerator, denominator, or both
All figures are consolidated
All figures are in Fiscal
EBITDA and EBITDA Margin are considered as reported by the respective companies (For Varmora Granito Ltd: EBITDA =PBT + Finance cost + Depreciation and Amortization, EBITDA Margin =EBITDA/ Total Income)

Return on Equity

Return on Equity (ROE) measures the profitability generated from shareholders' investments, reflecting how effectively a company uses equity to drive earnings.

In Fiscal 2025, Varmora experienced a decline in ROE, primarily attributed to an increase in depreciation and amortisation cost and finance costs due to commencement of 2 new units.

Exhibit 7.4: Return on Equity (%) (Fiscal)

Player	2023	2024	2025
Varmora Granito Ltd.	8.2%	6.4%	4.1%
Asian Granito India Ltd.	(2.6%)	2.4%	NA
Kajaria Ceramics Ltd.	15.5%	17.1%	11.0%
Orient Bell Ltd.	7.6%	0.3%	NA
Somany Ceramics Ltd.	9.5%	12.9%	NA

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
NA: Not Available
All figures are consolidated numbers except for Asian Granito India Ltd. data which is for standalone
*Return on Equity= (PAT/Total Equity)*100*

Return on Capital Employed

Return on Capital Employed (ROCE) assesses how efficiently a company generates profits from its total capital, including both equity and debt. A higher ROCE indicates effective use of capital in driving profitability. In Fiscal 2024 and Fiscal 2025, Varmora experienced a drop in ROCE, primarily due to an increase in total assets resulting from substantial capital expenditure during the year. Assets saw a notable increase and current liabilities decreased compared to Fiscal 2023 further increasing the denominator and leading to a decline in ROCE.

Exhibit 7.5: Return on Capital Employed (%) (Fiscal)

Player	2023	2024	2025
Varmora Granito Ltd.	13.3%	8.0%	6.3%
Asian Granito India Ltd.	(2.3%)	5.4%	NA
Kajaria Ceramics Ltd.	19.7%	21.9%	16.3%
Orient Bell Ltd.	10.3%	0.9%	NA
Somany Ceramics Ltd.	9.9%	14.7%	NA

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
NA: Not Available
All figures are consolidated except for Asian Granito India Ltd. data which is for standalone
All figures are in Fiscal
ROCE values are as reported by the respective companies (For Varmora Granito Ltd: ROCE=EBIT/ (Total Equity+ Non-Current Borrowing+ Current Borrowing), EBIT = Profit before Share of profit of associates and joint venture and tax + finance cost)

Capital Expenditure (CapEx)

Capital expenditure (CapEx) refers to the funds a company allocates for acquiring, upgrading, or maintaining physical assets, such as manufacturing plants, machinery, and technology. In capital-intensive industries, companies invest in CapEx to enhance production capacity, improve operational efficiency, and adopt advanced technologies that drive better quality and innovation.

Varmora has focused on investing in innovation, particularly through adopting cutting-edge technologies and sustainable practices. This is most evident in their GVT (Glazed Vitrified Tiles) and IST (Industrial Sustainable Technologies) offerings. This strategic approach not only supports the development of premium, high-quality products but also positions Varmora as one of the leading players in meeting consumer demands and maintaining a competitive edge in the market. Over the last three fiscal years (Fiscal 2023– Fiscal 2025), Varmora recorded the highest cumulative capital expenditure as a percentage of revenue from operations and in absolute terms among our listed peers in India, with all investments directed primarily toward the GVT and IST categories.

Exhibit 7.6: Capital Expenditure as a % of Revenue from Operations (₹million) (Years in Fiscal)

Player	2023	2024	2025	Total Capex as a % of Total Rev from Operation
Varmora Granito Ltd.	1.5%	24.3%	7.7%	11.4%
Asian Granito India Ltd.	16.4%	5.2%	11.5%	11.1%
Kajaria Ceramics Ltd.	5.3%	6.7%	4.8%	5.6%
Orient Bell Ltd.	8.6%	9.5%	1.0%	6.4%
Somany Ceramics Ltd.	7.1%	6.2%	3.1%	5.5%

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
NA: Not Available, NA (1): Cannot be calculated due to unavailability, negative numerator, denominator, or both.
All figures are consolidated
All figures are in Fiscal
*Capital Expenditure as a % of Revenue from Operations= (Purchase of property, plant and equipment/Revenue from operations) * 100*

Net Working Capital Cycle Days

Net working capital (NWC) cycle measures the time taken to convert a company's net current assets and liabilities into cash, reflecting the efficiency of working capital management. It combines inventory days, receivable days, and payable days to indicate how efficiently a company manages its short-term liquidity and operational cash flow.

Exhibit 7.7: Net Working Capital Cycle- Days (Fiscal)

Player	2023	2024	2025
Varmora Granito Ltd.	81	82	112
Asian Granito India Ltd.	85	94	102
Kajaria Ceramics Ltd.	71	69	66
Orient Bell Ltd.	42	39	44
Somany Ceramics Ltd.	41	56	51

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
NA: Not Available,
All figures are consolidated
All figures are in Fiscal
*Net Working Capital Days Cycle = (Inventory+ Trade Receivable- Trade Payable)/ Total Revenue * 365*

Research on Tiles Market in India

As part of this Industry Report, Technopak conducted a Consumer and Channel Partner survey to understand sentiments with respect to the Tiles Market in India.

The sample set for the survey was 766 Consumers, 58 Multi-Brand Outlets (MBOs), and 27 Exclusive Brand Outlets (EBOs) across 12 cities including Ahmedabad, Aurangabad, Bangalore, Coimbatore, Delhi NCR, Indore, Jaipur, Meerut, Mumbai, Mysore, Patna, Raipur, thereby representing a complete spectrum of regions and city tiers (Metro, Mini metro, Tier I, Tier II).

The findings of the market survey are as below-

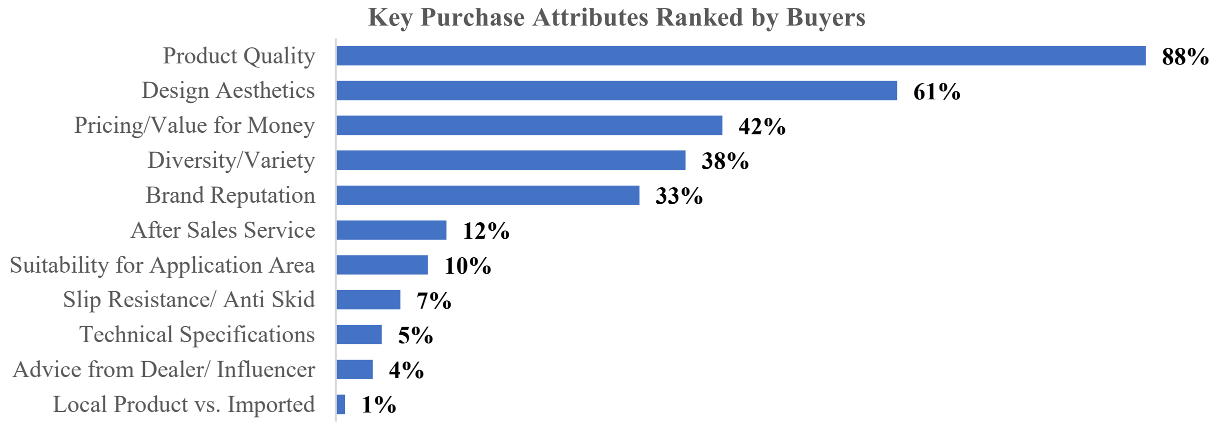
Consumer & Channel Behaviour Insights

<u>Consumer Insights</u>

Key Purchase Criteria (KPCs)

Product quality, design aesthetics, and value for money emerged as the top decision-making criteria for consumers purchasing tiles, followed by durability, brand reputation, and post-sales service, with 88% of consumers ranking product quality and 61% ranking design aesthetics as key purchasing attributes.

Exhibit 8.1: Key Purchase Criteria Considered When Buying Tiles (%)

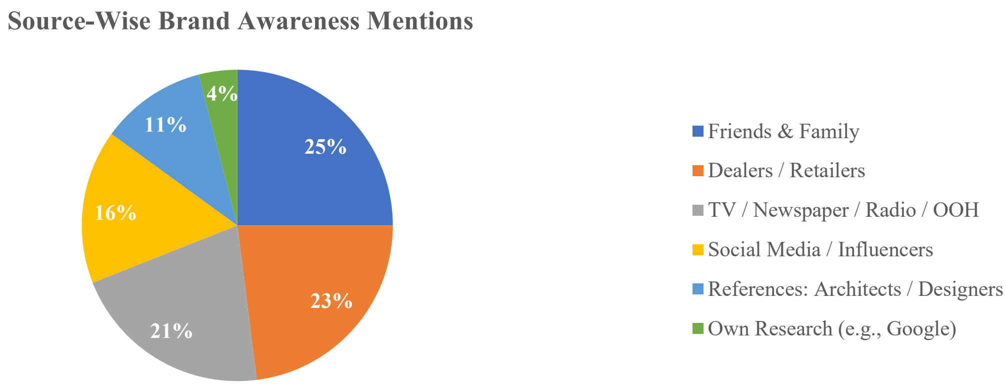


Source: Primary research, Technopak Analysis

Source of Awareness

Brand discovery in the tile category is driven by a mix of interpersonal and traditional channels. Friends and family (25%), dealers/retailers (23%), and mass media (21%) were the most frequently cited sources of awareness. Social media also played a role (16%), followed by architects/designers (11%). Own research accounted for just 4%, reinforcing the category's offline, recommendation-led nature.

Exhibit 8.2: Source-wise Distribution of Brand Awareness Mentions

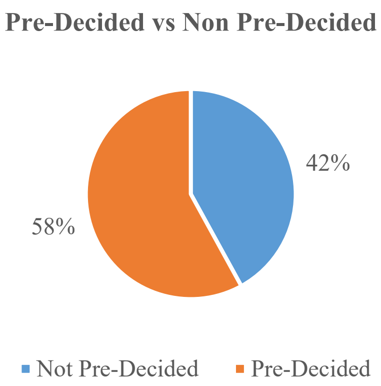


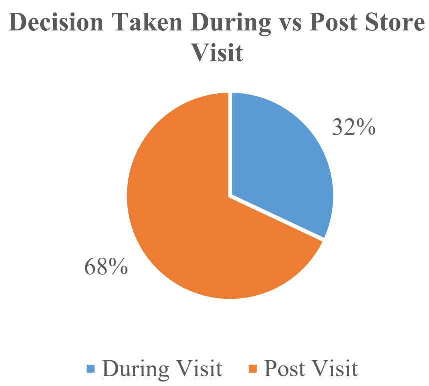
Source: Primary research, Technopak Analysis.

Decision-Making at Point of Purchase

While 58% of respondents had a pre-decided brand in mind, 42% were undecided at the time of store entry. Among the undecided group, 32% made their decision in-store, and 68% finalised it post-store visit.

Exhibit 8.3: Brand Decision Stage in Purchase Journey



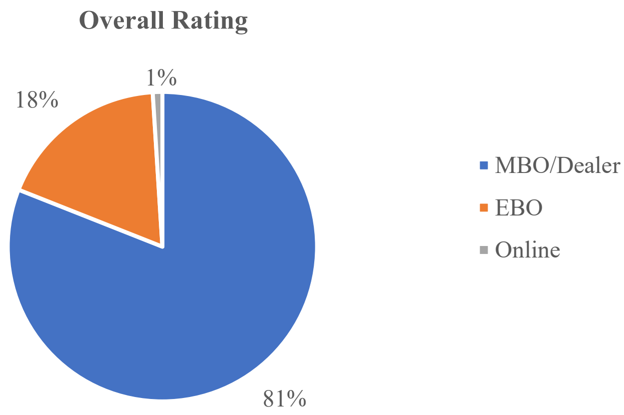


Source: Primary research, Technopak Analysis

Channel Preferences

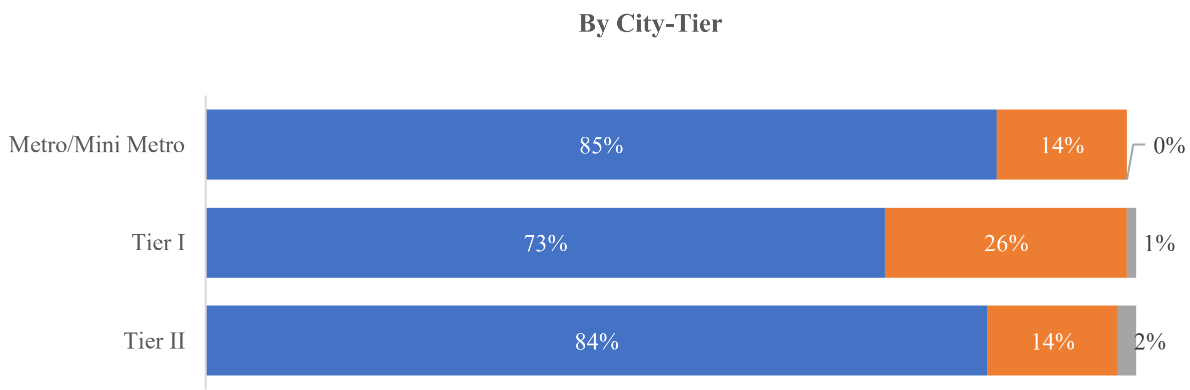
Multi-brand outlets (MBOs) remain the most preferred retail format across city tiers. However, exclusive brand outlets (EBOs) have higher share among affluent consumers and in homes with larger tile areas, as they typically offer a superior consumer experience, a more curated product portfolio, and better brand engagement Online remains niche but sees higher adoption (11%) for small tile purchases (<=250 sq ft)- indicating its growing relevance for low-volume, convenience-driven buyers.

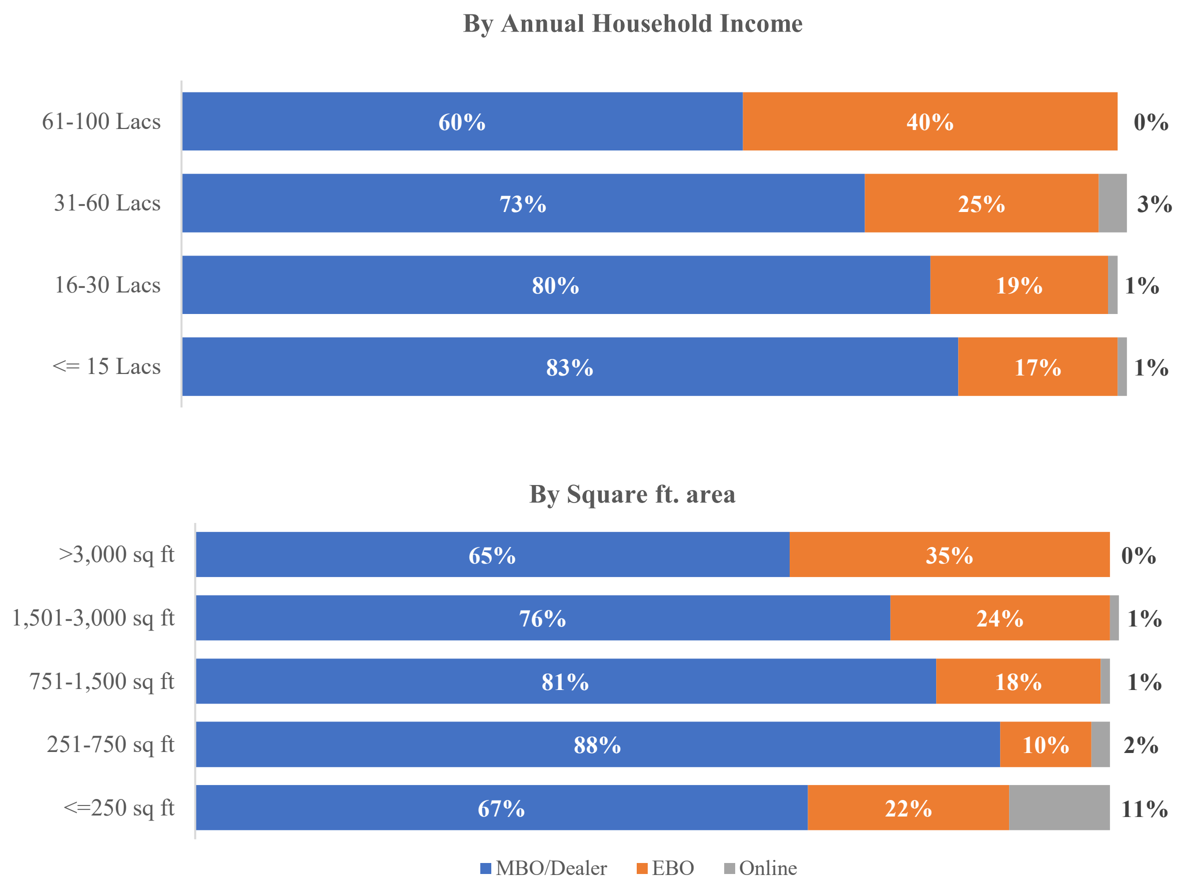
Exhibit 8.4: Preferred Retail Channels (Overall)



Source: Primary research, Technopak Analysis

Exhibit 8.5: Preferred Retail Channels- By Select Segments



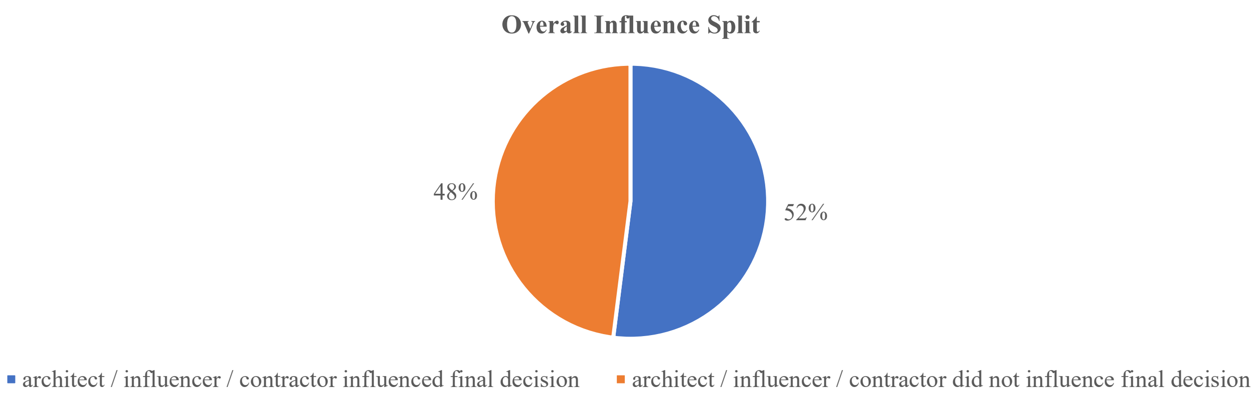


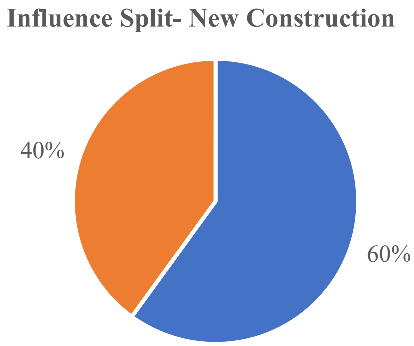
Source: Primary research, Technopak Analysis

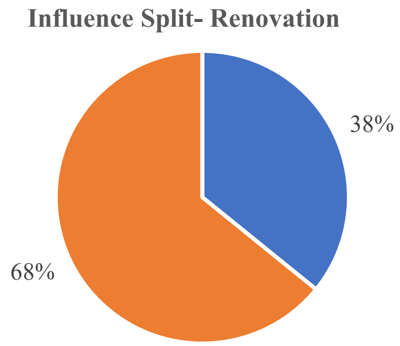
Role of Influencers

Architects and interior designers influence 52% of purchases, particularly for new home construction (60% of such cases), while in the context of renovation, architects and interior designers account for 38% of purchase decisions.

Exhibit 8.6: Share of Architects/Designer Influence in Tile Purchases







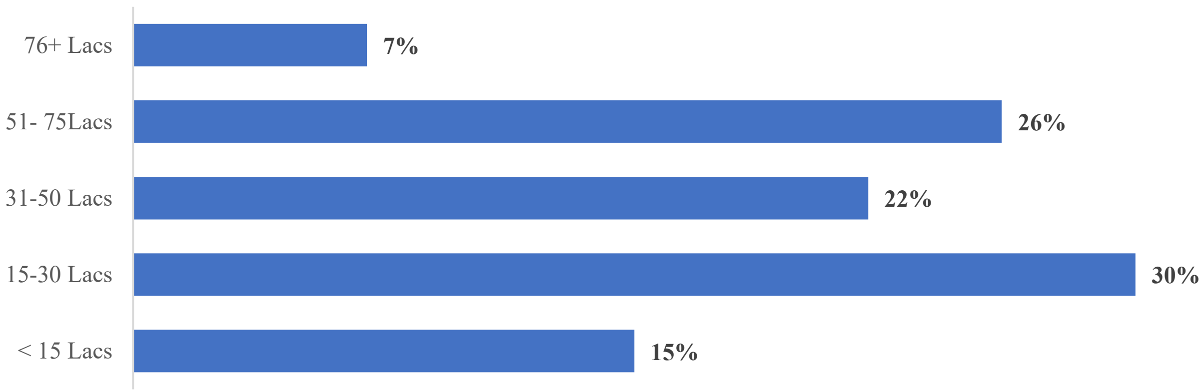
Source: Primary research, Technopak Analysis

<u>Channel Insights</u>

Monthly Revenue Distribution of EBOs

Tile EBOs reported a varied revenue spread, with most falling in the ₹15–30 lakh/month bracket (30%), followed by ₹51–75 lakh/month (26%), reflecting diversity in outlet scale and business performance.

Exhibit 8.7: Monthly Revenue Distribution of EBOs (% Share by Revenue Band)

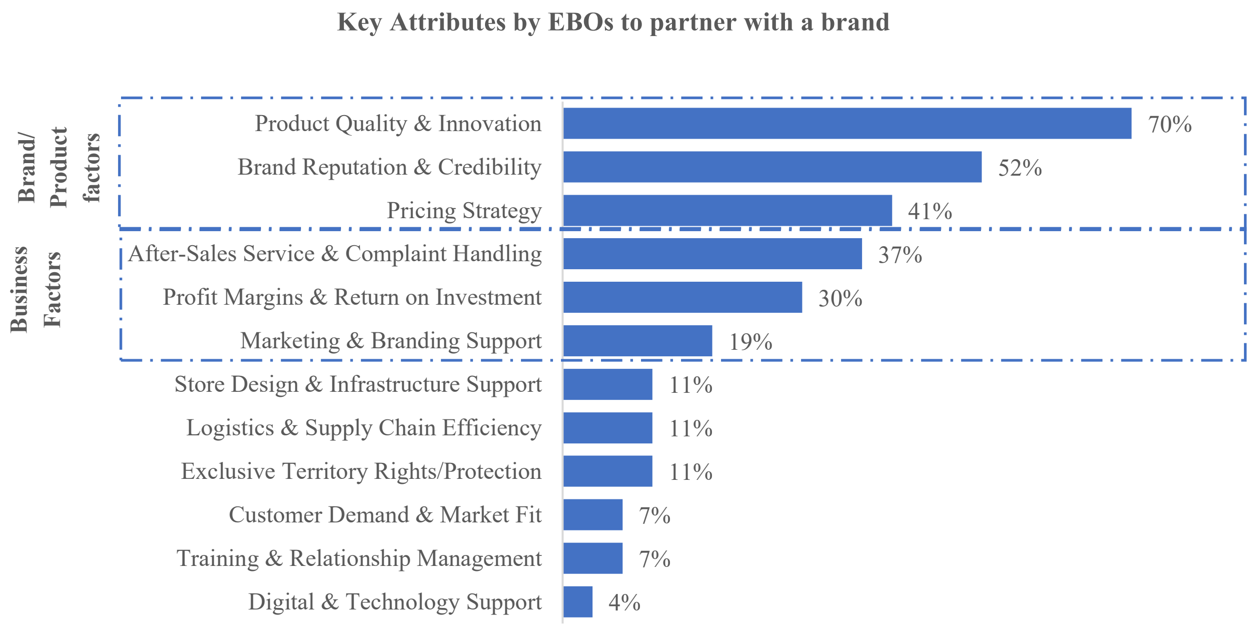


Source: Primary research, Technopak Analysis

Key Performance Criteria Considered by EBOs While Partnering

While brand and product-related factors such as product quality and innovation (70%), and brand reputation and credibility (52%) are commonly expected and often treated as hygiene factors, EBOs place significant importance on business enablers. The top three business-related criteria include after-sales service and complaint handling (37%), profit margins and return on investment (30%), and marketing and branding support (19%).

Exhibit 8.8: Key Attributes EBOs Consider While Partnering with a Tile Brand (% of respondents)

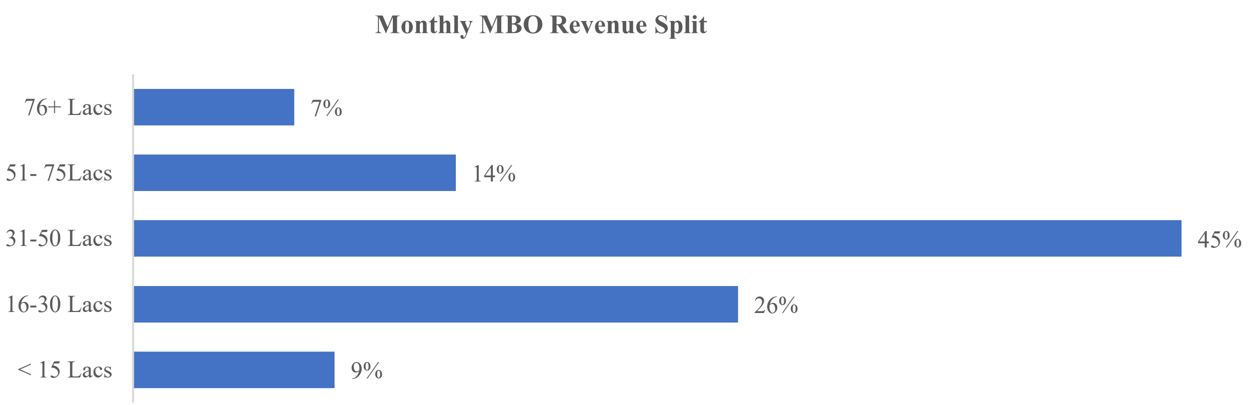


Source: Primary research, Technopak Analysis

Monthly Revenue Distribution of MBOs

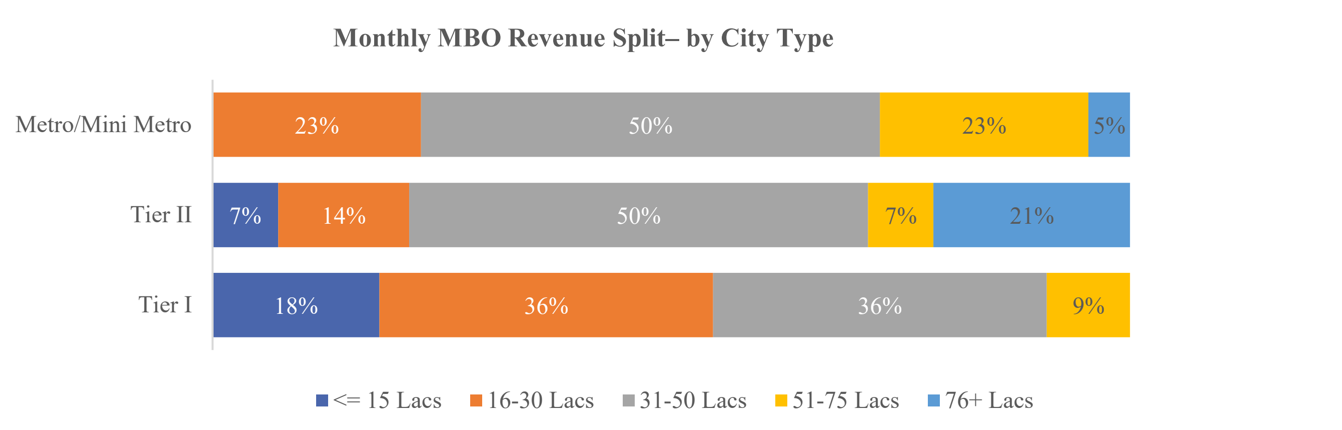
Majority of MBOs reported monthly revenues in the ₹31–50 lakh bracket (45% overall), with consistent trends across metro, Tier I, and Tier II cities.

Exhibit 8.9: Monthly Revenue Distribution of MBOs (Overall)



Source: Primary research, Technopak Analysis

Exhibit 8.10: Monthly Revenue Distribution of MBOs (by City Tier)

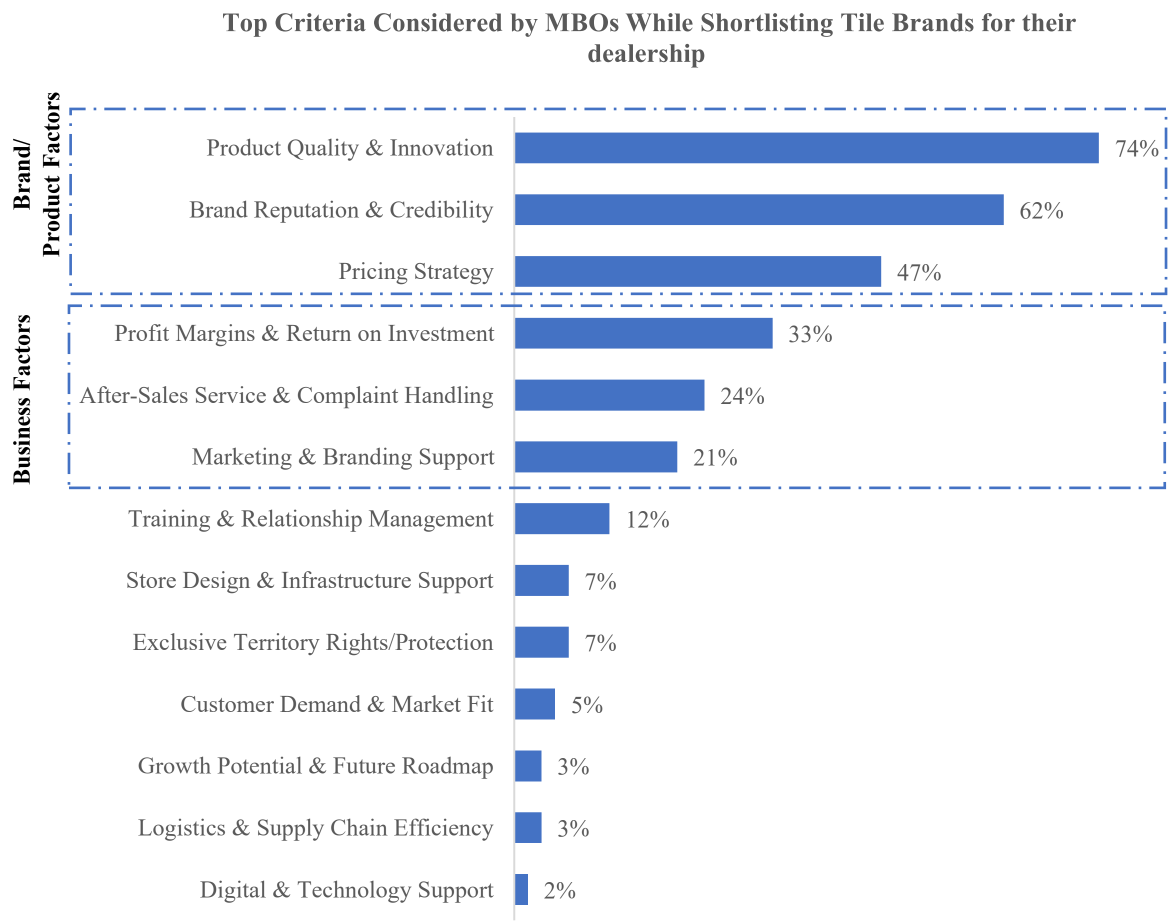


Source: Primary research, Technopak Analysis

Key Selection Criteria Considered by MBOs While Partnering

While brand and product-related factors such as product quality and innovation (74%), brand reputation and credibility (62%), and pricing strategy (47%) are expected and commonly prioritised, MBOs also consider key business-related enablers when evaluating dealership partnerships. Profitability/ROI (33%), after-sales service and complaint handling (24%), and marketing and branding support (21%) emerge as the top business factors influencing their decision-making.

Exhibit 8.11: Key Attributes MBOs Consider While Partnering with a Tile Brand (% of respondents)



Source: Primary research, Technopak Analysis

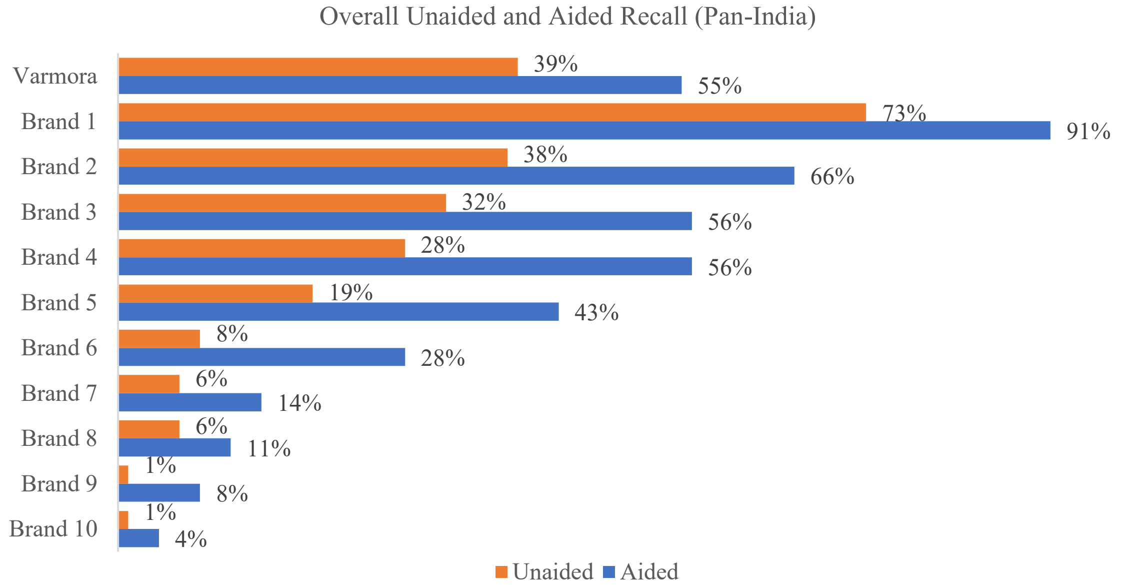
Consumer & Channel Brand Preferences

<u>Consumer Insights</u>

Brand Recall

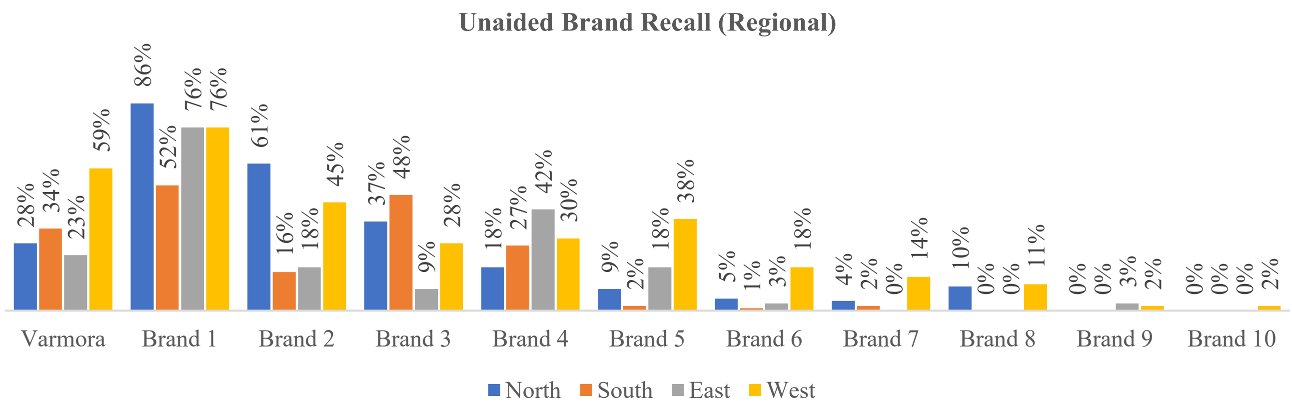
Varmora had the 2nd highest unaided recall and the 5th highest aided recall among 11 brands surveyed Pan-India.

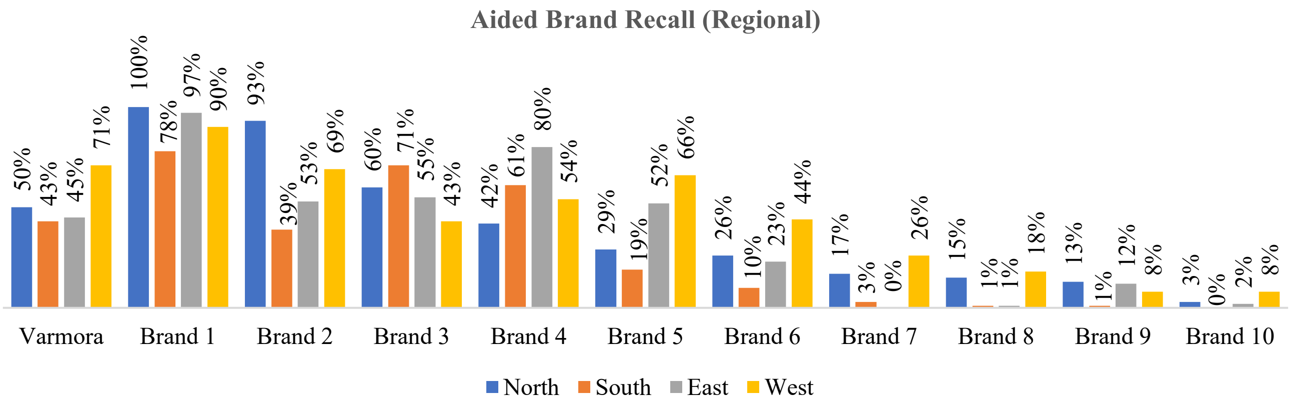
Exhibit 8.12: Unaided and Aided Brand Recall (Pan-India)



Source: Primary research, Technopak Analysis

Exhibit 8.13: Unaided and Aided Brand Recall (Regional)



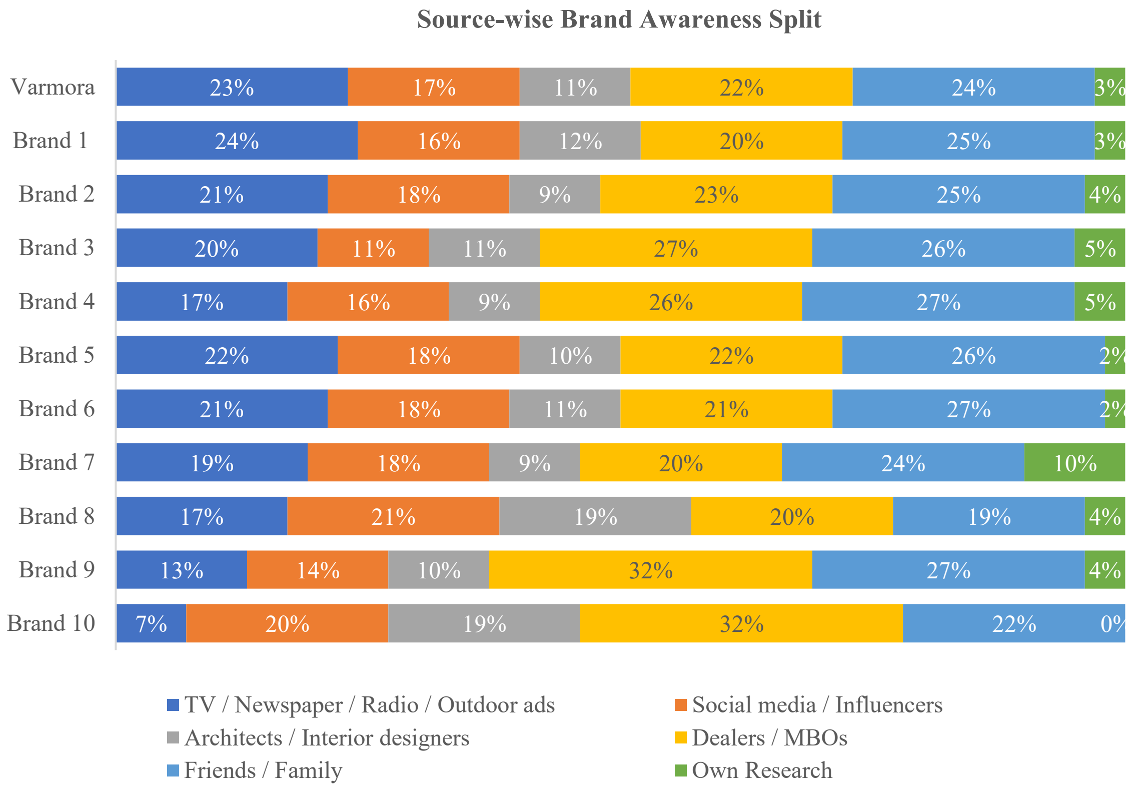


Source: Primary research, Technopak Analysis

Source of Awareness

Varmora brand awareness is largely driven by recommendation from friends/ family, above-the-line (ATL) channels such as print, radio, and outdoor ads, and Dealers/ MBOs.

Exhibit 8.14: Key Brands- Sources of Brand Awareness (%)



Source: Primary research, Technopak Analysis

Brand Performance on Key Purchase Criteria

Varmora was the 2nd highest rated brand among select peers on the top five purchase criteria most valued by consumers.

Exhibit 8.15: Brand Rankings on Key Purchase Criteria

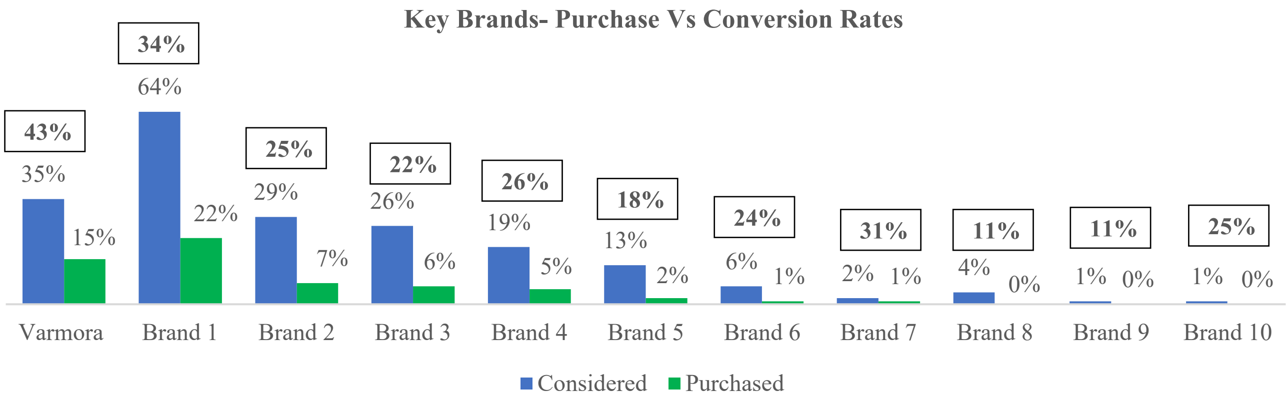
	Varmora	Brand 1	Brand 2	Brand 3	Brand 4	Brand 5	Brand 6
Product Quality	4.2	4.3	3.9	4.0	3.9	3.7	3.7
Design/Aesthetics	4.0	4.1	3.7	3.8	3.8	3.7	3.7
Pricing/Value for Money	3.9	4.1	3.8	3.8	3.9	3.5	3.5
Diversity/Variety	4.2	4.3	3.8	3.9	3.8	3.7	3.7
Brand Reputation	4.1	4.3	3.8	3.4	3.9	3.5	3.5

Source: Primary research, Technopak Analysis

Consideration and Conversion

Varmora had the 2nd highest brand consideration rate and the highest conversion rate among considered brands, indicating high consumer confidence post-evaluation.

Exhibit 8.16: Consideration and Conversion Rates Among Tile Brands

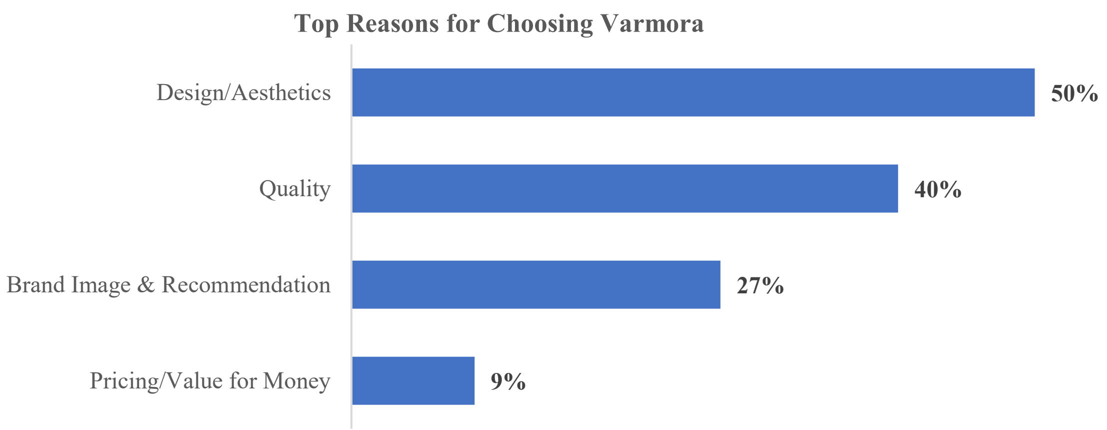


Source: Primary research, Technopak Analysis; Note: Purchase Conversion Rate= Purchase Rate/Considered Rate

Purchase Drivers and Barriers

The primary reason cited for choosing Varmora was design and aesthetic appeal, while the most common reason for not choosing the brand was limited awareness.

Exhibit 8.17: Top 4 Reasons for Choosing and Not Choosing Varmora

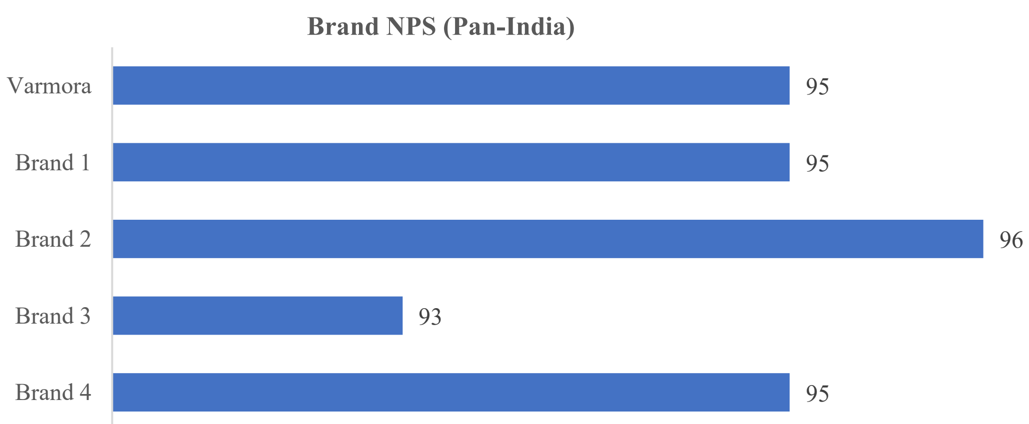


Source: Primary research, Technopak Analysis

Net Promoter Score

Varmora had the joint 2nd highest NPS among surveyed peers. It performed particularly well in the West, where its promoter base was strongest.

Exhibit 8.18: Brands Net Promoter Scores (Pan-India)



Source: Primary research, Technopak Analysis

Channel Insights

Brand Performance on Key Performance Criteria for MBOs

Varmora was ranked the highest among surveyed brands on 3 out of 5 top dealer key performance critieria, namely, product quality, profitability/ROI, and after-sales service.

Exhibit 8.19: MBO Ratings for Key Brand Selection Criteria (Top 5 Attributes)

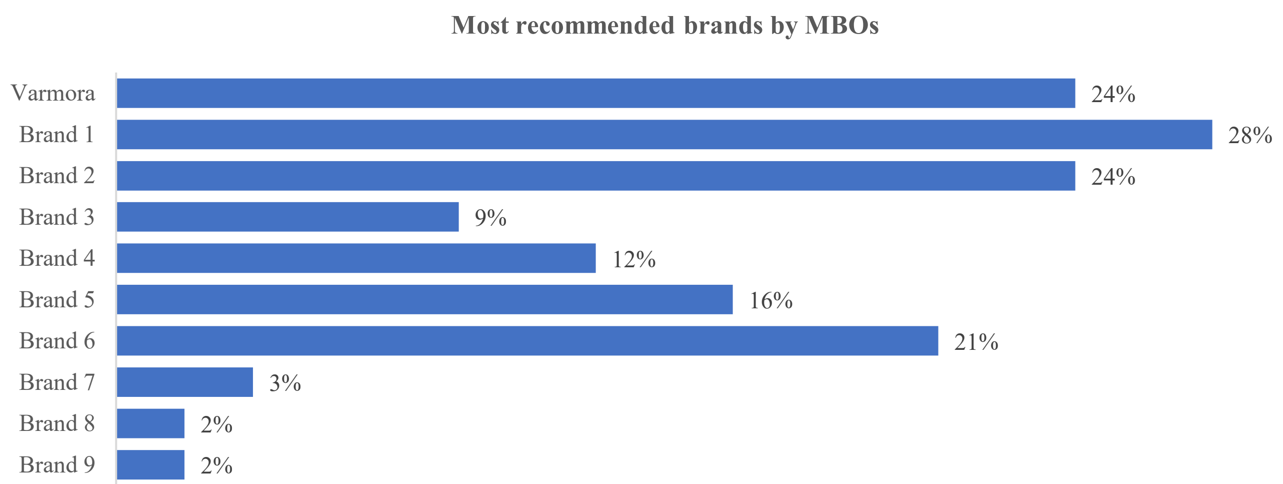
Product Quality &Innovation	Varmora	Brand 1	Brand 2	Brand 3	Brand 5	Brand 6
Product Quality &Innovation	4.3	4.6	4.5	3.6	3.6	3.9
Brand Reputation & Credibility	3.9	3.8	3.8	3.7	3.8	3.5
Pricing Strategy	3.7	4.6	4.3	4.2	3.3	3.6
Profit Margin & Return on Investment	4.0	4.5	4.3	4.4	3.8	4
After-Sales Service & Complaint Handling	4.0	3	3.3	3.0	5.0	4.1

Source: Primary research, Technopak Analysis

Brands Recommended by MBOs

Varmora was the joint 2nd most recommended brands by MBOs, reflecting strong dealer confidence and brand preference.

Exhibit 8.20: Most Recommended Brands by MBOs

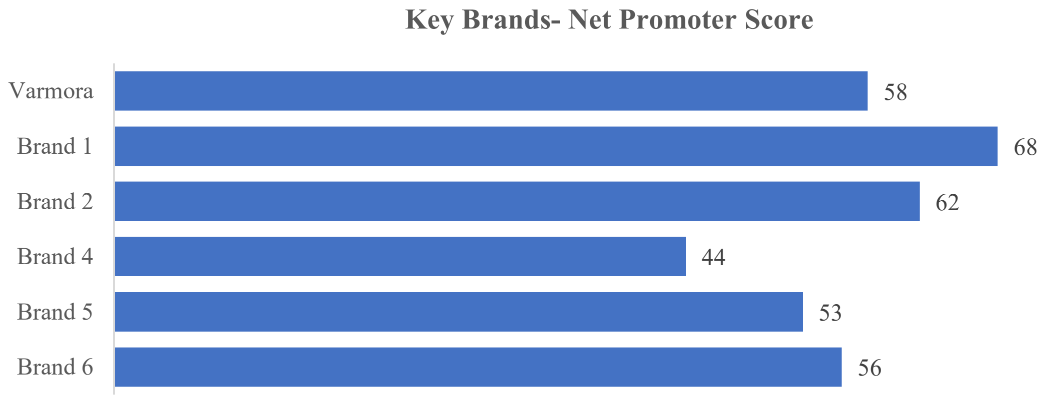


Source: Primary research, Technopak Analysis

Net Promoter Scores

Varmora recorded 3rd highest NPS scores at 58, indicating channel partner satisfaction and likelihood to recommend.

Exhibit 8.21: Brands Net Promoter Scores



Source: Primary research, Technopak Analysis.

OUR BUSINESS

Some of the information in the following discussion, 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 14 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" on page 38 for a discussion on 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. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information - Restated Consolidated Financial Information" on pages 38, 151, 391 and 289, respectively.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Information as of and for Fiscals 2025, 2024 and 2023, included in this Draft Red Herring Prospectus. For further information, see "Financial Information - Restated Consolidated Financial Information" on page 289. Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated, or if the context otherwise requires, in this section, references to "the Company" or "our Company" are to Varmora Granito Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Varmora Granito Limited and its Subsidiaries, Associates and Joint Ventures, on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Industry Report on Tiles, Bathware & Sanitaryware Market in India" dated August 7, 2025 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited and exclusively commissioned and paid for by us in connection with the Offer, pursuant to a letter of authorisation dated October 4, 2024. A copy of the Technopak Report is available on the website of our Company at https://varmora.com/investor-relations/industry-report/. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors — Internal Risks — 48. Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which has been prepared exclusively for the Offer and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 61.*

OVERVIEW

We are one of the leading players in the Indian tiles market in terms of revenue in Fiscal 2025 among the selected listed peers (*Source: Technopak Report*). According to the Technopak Report, we are the fastest growing among the selected listed peers in India in terms of revenue CAGR, with tiles as its primary segment, between Fiscals 2023 to 2025. The market leading growth is driven by our forefront position in tile innovation and premiumization in India (*Source: Technopak Report*). We have consistently leveraged technology to pioneer design and quality advancements in the industry. For instance, according to the Technopak Report, we were the first to launch digitally printed wall tiles in 2010 and one of the first in the industry to introduce homogenous-body slabs ((i) 1170 x 1770 mm; and (ii) 1185 x 1785 mm full-body slabs) in 2006, double charge tiles in 2012, high gloss and rocker in 2017 and kitchen slabs (80x260) in 2020. We are also the first company to commercialize integrated stone technology (**"IST"**) in Asia in 2024 (*Source: Technopak Report*), with a technology partnership with SACMI Imola S.C. ("**SACMI**"), an Italian tile equipment provider.

According to the Technopak Report, the Indian domestic tiles market has witnessed significant growth over the past years. Valued at approximately ₹360.0 billion in Fiscal 2019, the Indian domestic tiles market expanded to ₹531.0 billion by Fiscal 2025, growing at a CAGR of 6.7% (*Source: Technopak Report*). The Indian domestic tiles market is projected to further grow to ₹769.0 billion by Fiscal 2029, representing a CAGR of 9.7% from Fiscals 2025 to 2029 (*Source: Technopak Report*). Premiumisation within the Indian tiles industry is evident - in Fiscal 2025, glazed vitrified tiles ("**GVT**") accounted for 35.5% of the tile industry revenue in India and is expected to reach 45.0% by Fiscal 2029 and its market by value grew the fastest at a CAGR of 12.0% between Fiscals 2019 and 2024 as compared to ceramic tiles and polished vitrified tiles ("**PVT**") that have grown at a CAGR of 6.4% and 4.2%, respectively, during the same period (*Source: Technopak Report*). Moreover, GVT also has a 15-30% higher realisation than ceramic and PVT tiles and changing product mix in favour of GVT is helping manufacturers improve their realization and gross margins (*Source: Technopak Report*).

Our diverse product offerings comprise a wide range of high-quality, durable and aesthetic tiles. Our primary focus is on selling premium products such as GVT which represented 78.71%, 75.37% and 69.35% of our revenue from operations from tiles in Fiscals 2025, 2024 and 2023, respectively. According to the Technopak Report, we had the highest contribution from GVT as a percentage of our revenue from tiles segment in Fiscal 2025 as compared to selected listed peers in the organised Indian tiles market. This underscores our focus on developing and selling premium products. This has also driven an improvement in our Gross Margin from 37.48% in Fiscal 2023 to 38.95% in Fiscal 2025.

To sustain our leadership in innovation and to maintain control over product quality and costs efficiency, 78.55% of our revenue from operations was generated from products manufactured in-house in Fiscal 2025, through our nine strategically located manufacturing facilities in the Morbi cluster in Gujarat, as of date of this Draft Red Herring Prospectus. We have also added the most manufacturing capacity amongst selected listed peers in India between 2016 and 2025, according to the Technopak Report.

In addition to product innovation and premiumization, we have established a deep retail distribution footprint, particularly in India. We sell our products through a multi-channel distribution network comprising business-to-consumer ("**B2C**") retail channels, which includes 286 exclusive brand outlets ("**EBOs**") and over 2,000 multi brand outlets ("**MBOs**") (collectively, referred to as "**Dealers**") spread across India and outside India, as of March 31, 2025, and business-to-business ("**B2B**") channels, various builders, contractors, developers and government empanelment.

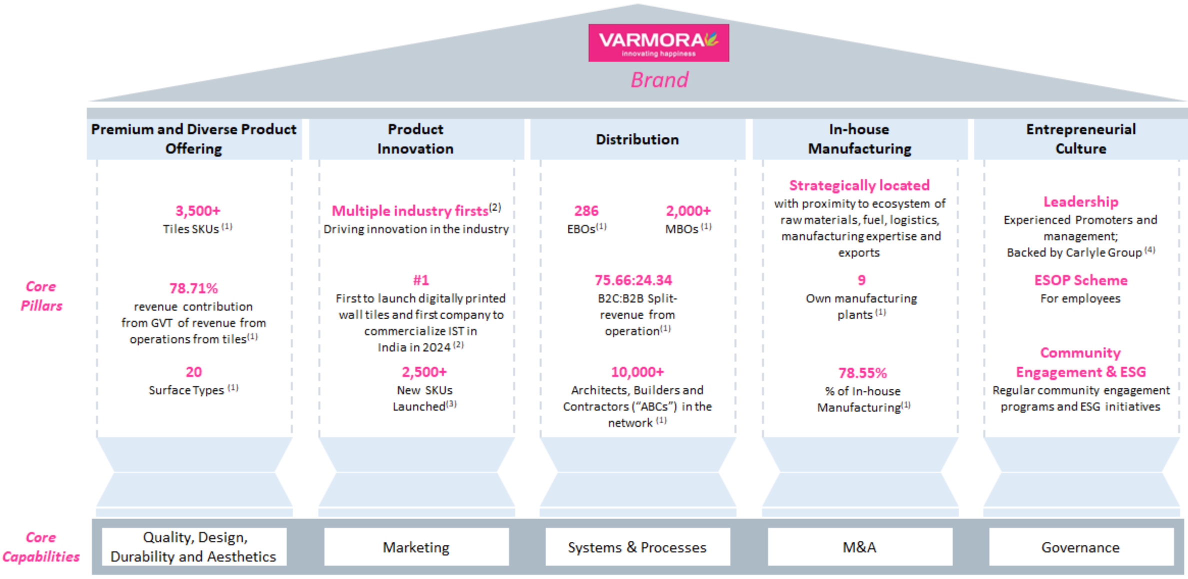
With a history of over 22 years, our market position is attributable to our key capabilities, brief details of which are set out below:

Capability	Description
Amongst the most diverse and premium product portfolio	We had one of the largest, most diverse and premium tiles product portfolio in terms of number of SKUs among selected listed peers in India, as of March 31, 2025 (*Source: Technopak Report*). As of March 31, 2025, our product portfolio included over 3,500 stock-keeping units ("**SKUs**") for tiles including GVT, PVT and ceramic tiles. As of March 31, 2025, our tiles are provided across 20 different surface types, which address different use cases such as flooring, walls, back paneling, façade and kitchen slabs. We also have one of the highest mix of GVT in India in terms of revenue in Fiscal 2025 as compared to selected listed peers (*Source: Technopak Report*). GVT is expected to grow the fastest in the next five years from Fiscal 2025 to Fiscal 2029 growing at a CAGR of 16.4%, making it is the largest and fastest growing sub-segment within the Indian tile industry (*Source: Technopak Report*). Additionally, GVT commands higher realizations and profit margins, and is becoming a more preferred option for retailers in the market (*Source: Technopak Report*). Moreover, GVT is a superior segment due to its ability to feature intricate designs and textures, catering to premium and aesthetic demands (*Source: Technopak Report*). Our strategic focus on GVT has led to improving gross margins. Our Gross Margin has increased from 37.48% in Fiscal 2023 to 38.95%in Fiscal 2025. Our realization (*i.e.,* revenue from tiles divided by sales volume of tiles) was 352.38, 352.67 and 340.38 in Fiscals 2023, 2024 and 2025, respectively. Moreover, since 2011, all our capacity enhancement and expansion at our manufacturing facilities have been dedicated to strengthening our GVT offering.
Continued innovation with multiple industry firsts	We endeavour to continuously launch new products to serve the evolving market trends and customer needs, ranging in sizes and thickness with various functionalities such as anti-bacteria, fire resistance and anti-skid surface. Between April 1, 2022 and March 31, 2025, we launched over 2,500 new SKUs for tiles. According to the Technopak Report, companies like us are at the forefront of innovations in the tiles industry with multiple industry firsts. We were the first to launch digitally printed wall tiles in 2010 and one of the first in the industry to introduce homogenous-body slabs ((i) 1170 x 1770 mm; and (ii) 1185 x 1785 mm full-body slabs) in 2006, double charge tiles in 2012, high gloss and rocker in 2017 and kitchen slabs (80x260) in 2020 (*Source: Technopak Report*). We have also launched marble-like products across four surfaces in Fiscal 2025 leveraging a technology partnership with SACMI. According to the Technopak Report, we are the first company to commercialize IST in Asia in 2024. Further, we are the first company in Asia to successfully implement SACMI's "V-NATURE BLOCK Technology & Machine" also called as IST in 2024. Moreover, IST has enabled the production of tiles that replicate the luxurious appearance of marble and at the same time, the tiles retain the superior technical characteristics of vitrified tiles, such as higher durability, stain resistance, and low maintenance (*Source: Technopak Report*). As a result, tiles produced using IST have strong potential to further penetrate the marble market, appealing to both cost-conscious and quality-focused consumers (*Source: Technopak Report*).
Multi-channel pan-India distribution with increasing focus on EBOs	Our products are distributed pan-India through 286 EBOs and over 2,000 MBOs, as of March 31, 2025, spread across 949 cities in 27 states and union territories in India. EBOs are designed to offer an enhanced customer experience, showcasing the latest tile designs and functionality, enabling manufacturers to show the full portfolio of their products at one place and helping manufacturers strengthen their brand presence (*Source: Technopak Report*). We have been successful in converting 121 MBOs into EBOs, between April 1, 2022 and March 31, 2025, which showcases our increasing brand recognition in the market. In Fiscal 2025, the average revenue of MBO (i.e., revenue from operations of MBOs divided by number of MBOs during the Fiscal) was ₹5.78 million, while the average revenue of EBO was ₹9.49 million (*i.e.*, revenue from operations of EBOs divided by number of EBOs during the Fiscal). We have opened 33, 41 and 47 new EBOs in Fiscals 2025, 2024 and 2023, respectively. Correspondingly, we have witnessed a significant increase in our revenues from EBOs, with the

Capability	Description
	contribution of EBOs (as a percentage of our total domestic tile sales) increasing from 20.89% in Fiscal 2023 to 24.90% in Fiscal 2024 and further to 26.95% in Fiscal 2025. Our product launch events help in showcasing the innovative attributes of our products to our Dealers. Our event in Gurugram, Haryana, in November 2024 was attended by more than 800 Dealers. In Fiscals 2025, 2024 and 2023, 68.82%, 75.96% and 80.41%, respectively, of our total domestic sales was generated through B2C retail channels, i.e., MBOs and EBOs, underscoring our strong distribution network and brand recognition. According to the Technopak Report, we are one of the leading players in India with second highest contribution from B2C sales as a percentage of revenue from operations in Fiscal 2025 among our selected listed peers. Our robust network of EBOs and MBOs are strategically located across key markets spread across 949 cities in India, as of March 31, 2025. In addition, our multi-channel distribution network includes B2B channels, which comprise arrangements with various builders, contractors, developers and government agencies and accounted for 31.18%, 24.04% and 19.59% of our total domestic sales in Fiscals 2025, 2024 and 2023, respectively. Since inception, our products were exported to over 100 countries as of March 31, 2025. Our exports are managed by a dedicated team comprising 47 individuals as of the same date.
Extensive in-house manufacturing capabilities with advanced machinery ensuring control over quality as well as cost	We operate nine strategically located manufacturing facilities in the Morbi cluster in Gujarat, as of March 31, 2025. Our in-house manufacturing allows us to control product quality, shorten timelines from development to launch and improves our margins. Our share of revenue from operations from products manufactured in-house has increased from 72.51% in Fiscal 2023 to 78.55% in Fiscal 2025. We have also added the most manufacturing capacity amongst selected listed peers in India between 2016 and 2025, according to the Technopak Report. We employ advanced technological production capabilities. We import our machinery from Italy, which allow us to offer high-quality products. Further, all our manufacturing facilities are certified with high quality standards including ISO. We have recently entered into a term sheet on August 2, 2025 to acquire 51% equity shareholding in Allemby Ceramics Private Limited ("**Allemby**"), pursuant to which we propose to establish a greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India. The facility is expected to become operational with an expected installed production capacity of approximately 6.40 million square meters of ceramic tiles, per annum. This strategic expansion aims to enhance our access to the Eastern and Northeastern markets of India, enabling us to better serve customers in these regions and strengthen our competitive position.
Entrepreneurial culture within a robust governance and ESG framework	We are led by our founders who are supported by a professional and experienced management team and Board of Directors. Our Promoters, Pramodkumar Parsotambhai Patel, Bhavesh Vallabhdas Varmora and Hiren R. Varmora have been associated with our Company since 2003. In Fiscal 2023, Katsura Investments (an affiliate of investment funds ultimately managed and advised by affiliated entities of the Carlyle Group Inc.) invested ₹6,403.52 million in our Company. Leveraging their global network and best practices, we upgraded our strategy, technology adoption, governance mechanisms and systems and processes, hired talent and expanded our distribution footprint. We also published our first sustainability report for Fiscal 2024 aligning our ESG goals with 17 United Nation Sustainable Development Goals. We have strategically and purposefully curated our Board of Directors with relevant skills and expertise in their respective roles to guide and maintain oversight over the management team. Our senior management team comprises seasoned professionals with an average experience of 20 years in their respective functions across industries. Our employee welfare initiatives also include an ESOP Plan for certain of our employees, fostering a sense of ownership amongst key employees.

Our technologically advanced product capabilities and extensive product offerings under the guidance of our Promoters have enabled us to successfully establish our brand "*Varmora*", which we believe has become synonymous with high-quality and innovative products. For more information, see "*Industry Overview - Research on Tiles Market in India*" on page 191.

Our branding and marketing efforts emphasize the advanced specifications, aesthetics, functional attributes and technology that is used in the manufacturing of our products. We undertake various above-the-line ("**ATL**") and below-the-line ("**BTL**") advertisement and digital marketing campaigns across diverse channels (including social media, news channels, cinema, TV platforms and outdoor advertisement) to enhance brand awareness. We also bolster our sales and brand recognition by hosting product launch events, collaborations with recognised builder networks (such as Confederation of Real Estate Developers' Associations of India ("**CREDAI**")) and hosting stalls at exhibitions as well as by establishing an influencer network comprising architects, builders and contractors ("**ABCs**"). We believe the quality, range and functional attributes of our products remain the biggest endorsement for our brand.



Notes:
1) *As of and for the financial year ended March 31, 2025.*
2) *Source: Technopak Report*
3) *Between April 1, 2022 and March 31, 2025*
4) *Through Katsura Investments (an affiliate of investment funds ultimately managed and advised by affiliated entities of the Carlyle Group Inc.)*

Our market opportunity (*Source: Technopak Report*)

Rising disposable income and affluence are driving the demand for housing (particularly premium and luxury). The premium and luxury housing segments (₹150 million and above) are amongst the fastest growing in real estate, accounting for 30% of all residential real estate launches in 2024, up from 11% in 2021 by number of units sold. Rising income levels, particularly among the affluent and upper-middle class, have increased the demand for these properties, as these segments prioritise exclusivity, comfort, and advanced amenities. Additionally, people view premium and luxury real estate as a safe and profitable investment, contributing to its growing popularity. Government policies and infrastructure improvements in metros have supported the premium housing market, while the pandemic increased demand for larger homes with private spaces and home offices. (*Source: Technopak Report*)

Demographic changes underway: urbanisation and nuclearization. Urbanization is one of the most important pillars of India's growth story, as urban areas serve as the nodes for economic growth. Driven by the pursuit of enhanced opportunities, people are shifting to urban areas. In 2024, approximately 530 million people, or 36.6% of India's total population, resided in urban areas. By 2030, it is anticipated that 40.0% of India's population will reside in urban centres. India's younger, working-age population is driving urbanization as they transition from joint family systems in rural areas to nuclear family setups in urban areas, creating higher demand for residential real estate. (*Source: Technopak Report*)

Flooring transitioning from being a functional product to an aesthetic essential. Consumer preferences in flooring are shifting from purely functional choices to those focused on aesthetic, style, and brand. Flooring is seen as a key element of home décor, with consumers seeking unique designs, colours and finishes. Brand has become more important, with buyers gravitating toward organized players who offer better quality products and a larger range of design choice. (*Source: Technopak Report*)

Increasing consumer demand for enhanced in-store experience. Consumers are increasingly seeking enhanced in-store experiences that go beyond traditional shopping, emphasizing personalization, convenience and innovation. In the flooring segment, branded players can address this demand by creating immersive showrooms with realistic product visualizations, offering tailored design consultations, and integrating digital tools like virtual room planners. (*Source: Technopak Report*)

Shift towards organised manufacturing segment with branded products. The organised segment accounted for around 57.0% of the market in Fiscal 2025. Moving forward, the organised segment is projected to increase from 57.0% in Fiscal 2025 to 66.0% of the flooring market by Fiscal 2029, growing at a CAGR of 9.4% as compared to the 0.6% growth of unorganized segment. This growth is driven by various factors that encourage consolidation and formalization such as premiumisation, flooring transitioning to an aesthetic essential from a functional product and consumer demand for enhanced in-store experience. (*Source: Technopak Report*)

Tiles are the fastest growing segment in the flooring space. Tiles are the fastest growing segment in the flooring market due to their affordability, durability, versatility and low maintenance, and their share in the flooring market is expected to reach 31.6% by Fiscal 2029, from 28.2% in Fiscal 2025. Unlike wood or laminate flooring, which can be vulnerable to moisture and scratching, tiles are resistant to water, stains, and wear, making them ideal for high-traffic areas as well as residential and commercial spaces. Their wide variety of designs, ranging from classic to contemporary styles, allows for customization in any space, making them suitable for both aesthetic and practical needs. (*Source: Technopak Report*)

Moreover, innovations in tile manufacturing, such as germ-resistant and anti-skid tiles, are enhancing their appeal to consumers, and making them the preferred choice over other flooring options. This is complemented by the growing trend of home renovations, where consumers increasingly seek modern, stylish interiors. Together, these factors are driving higher demand for tiles in India, particularly in the residential sector. As a result, tile consumption is poised for continued growth, fuelled by both innovation and evolving consumer preferences. (*Source: Technopak Report*)

Shift in customer preference towards premium products. The premiumisation trend in the Indian tile market is driven by evolving customer preference, characterised by a shift towards higher-quality, aesthetic products. With increasing disposable incomes, consumers are opting for tiles that offer luxurious designs and distinctive finishes that enhance the aesthetic appeal of their spaces. The demand for vitrified tiles has surged, as they are valued for their durability, water resistance, and refined finish. Further, Indian tile manufacturers are positioning themselves as premium brands by launching exclusive collections and focusing on comprehensive branding efforts. (*Source: Technopak Report*)

Increasing focus on Exclusive Brand Outlets (EBOs) to enhance customer experience. The increasing emphasis on aesthetics, innovative use cases, and new technologies has led to a more involved purchase behaviour. As consumers increasingly seek physical interaction with products before buying, EBOs are becoming more relevant, and they offer immersive experiences and expert consultations for product selection. These outlets are designed to offer an enhanced customer experience, showcasing the latest tile designs and functionality, enabling manufacturers to show the full portfolio of their products at one place and helping manufacturers strengthen their brand presence. (*Source: Technopak Report*)

Certain key financial and operational information

The following table sets out certain key financial and operational information as of and for the years indicated, which we track as key financial and operational metrics:

Key financial and operational metrics	As of and for the financial year ended March 31,		
	2025	2024	2023
Tiles Sales Volume (million square meter)	38.10	36.12	33.42
Total Dealer Network (i.e., EBOs and MBOs)	3,005	3,315	2,829
Number of Cities with EBOs	232	209	186
Revenue from Operations (₹ million) (1)	14,460.29	14,354.81	13,349.46
Growth in Revenue from Operations (%) (2)	0.73%	7.53%	NA(3)
Revenue from Tiles (₹ million) (4)	12,779.34	12,483.99	11,600.10
Revenue from GVT as a percentage of Revenue from Tiles (%) (5)	78.71%	75.37%	69.35%
Revenue from In-House Manufacturing (₹ million) (6)	11,358.53	9,593.49	9,679.03
Revenue from In-House Manufacturing as a percentage of revenue from operations (%) (7)	78.55%	66.83%	72.51%
Gross Profit (₹ million) (8)	5,814.40	5,192.33	5,246.85
Gross Margin(2) (%) (9)	38.95%	35.26%	37.48%
Profit for the year (₹ million) (1)	307.73	449.35	550.64
Profit for the year margin (%) (10)	2.06%	3.05%	3.93%
EBITDA (₹ million) (11)	1,982.91	1,503.30	1,806.81
EBITDA margin (%) (12)	13.28%	10.21%	12.91%
Adjusted EBITDA (13)	2,071.41	1,534.88	1,806.81
Adjusted EBITDA Margin (%) (14)	13.88%	10.42%	12.91%
Advertisement and promotion expense (₹ million) (15)	332.36	375.59	357.60
Basic Earnings per Equity Share (₹) (1)	1.75	2.19	2.80
Return on Capital Employed (“**ROCE**”) (%) (16)	6.32%	7.95%	13.29%
Return on Equity (“**ROE**”) (%) (17)	4.14%	6.39%	8.23%
Net working capital days (18)	112	82	81
Net debt (₹ million) (19)	3,900.10	3,145.67	304.80

Notes:

1. *Revenue from operations, profit for the year and basic earnings per equity share is as per the Restated Consolidated Financial Information*
2. *Growth in revenue from operations is calculated as percentage growth in revenue from operations for the relevant Fiscal over revenue from operations for the immediately preceding Fiscal*
3. *Since the comparative financials for Fiscal 2022 have not been restated the revenue from operations growth cannot be provided*
4. *Revenue from tiles is calculated as the sum of revenue from sale of tiles*
5. *Revenue from GVT as a percentage of revenue from tiles is calculated as Revenue from GVT Tiles divided by revenue from operations generated from tiles*
6. *Revenue from in-house manufacturing is calculated as the sum of revenue from sale of products manufactured in-house by our Company including Subsidiaries*

7. *Revenue from in-house manufacturing (%) is calculated as the revenue from in-house manufacturing divided by revenue from operations*
8. *Gross profit is defined as total income less the sum of cost of materials consumed, purchases of stock-in-trade, changes in inventory, and power and fuel expenses. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
9. *Gross margin represents the ratio of gross profit to total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
10. *Profit for the year margin is calculated as profit for the year divided by total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
11. *Earnings before interest, tax, depreciation, and amortisation (EBITDA) is calculated as profit before share of profit of associates and joint venture and tax plus finance cost and depreciation. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
12. *EBITDA margin is the ratio of EBITDA to total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
13. *Adjusted earnings before interest, tax, depreciation, and amortisation (Adjusted EBITDA) is calculated as profit before share of profit of associates and joint venture and tax plus finance cost, depreciation and share based payment expense. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
14. *Adjusted EBITDA margin is the ratio of Adjusted EBITDA to total income for a given year. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
15. *Advertisement and promotion expense is as per the Restated Consolidated Financial Information*
16. *Return on capital employed (ROCE) is calculated as earnings before interest and tax (EBIT) divided by the sum of total equity, non-current borrowing and current borrowing. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
17. *Return on equity (ROE) is calculated as profit for the year divided by total equity. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*
18. *Net working capital days is calculated as the sum of trade receivable days and inventory days, less payable days. Trade receivable days is calculated as trade receivables divided by total income, multiplied by 365. Inventory days is calculated as inventory divided by total income, multiplied by 365. Payable days is calculated as trade payables divided by total income, multiplied by 365*
19. *Net debt is calculated as the sum of non-current borrowing, current borrowing less cash and cash equivalents and bank balances other than cash and cash equivalents. For a reconciliation of non-GAAP measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" at page 417.*

COMPETITIVE STRENGTHS

Our key competitive strengths include:

1. *One of the leading and the fastest growing player in the tile industry in India in a large attractive market*
2. *One of the largest and most premium product portfolio*
3. *Customer centric innovation led approach resulting in multiple new product launches, including several industry firsts*
4. *Well diversified pan-India distribution network focused on EBOs that strengthen our brand recall*
5. *Strategically located and technologically advanced in-house manufacturing to maintain control over quality and supply chain*
6. *Entrepreneurial founder led management team, independent Board with strong focus on sustainability*

One of the leading and the fastest growing player in the tile industry in India in a large attractive market

We are one of the leading players in the Indian tiles market in terms of revenue in Fiscal 2025 among the selected listed peers (*Source: Technopak Report*). According to the Technopak Report, we are the fastest growing among the selected listed peers in India in terms of revenue CAGR, with tiles as its primary segment, between Fiscals 2023 to 2025. Our revenue from operations grew at a CAGR of 4.08% from ₹13,349.46 million in Fiscal 2023 to ₹14,460.29 million in Fiscal 2025.

According to the Technopak Report, India's per capita tile consumption (0.8 square meter) lags other major economies like Brazil (3.4 square meter) and China (4 square meter) in 2023. The low penetration, along with rising disposable income, suggests significant potential for growth (*Source: Technopak Report*). By Fiscal 2029, India's per capita tile consumption is expected to increase to 1 square metre, narrowing the gap with other developing nations, driven by several favorable factors supporting the tile industry (*Source: Technopak Report*). These include increasing real estate development, the growing market share of tiles over alternatives like natural stone and increasing use cases for tiles (*Source: Technopak Report*). Moreover, the share of organized manufacturer has increased from 40% in Fiscal 2019 to 46% in Fiscal 2025 and is further expected to surpass the unorganized sector accounting for 55% by Fiscal 2029 growing at higher CAGR of 14.7% as compared to 4.8% of the unorganized manufacturers from Fiscal 2025 to Fiscal 2029 (*Source: Technopak Report*). For further information, see "- *Our Market Opportunity*" and "*Industry Overview*" on pages 206 and 151, respectively.

We are well-positioned to capture these tailwinds of growth in the tiles market, premiumization of customer demand and shift towards branded players. Our diverse product offerings with key focus on premium products (such as GVT), continued innovation, pan India distribution channels, effective sales and marketing initiatives, advanced manufacturing capabilities and robust governance mechanisms enable us to leverage these industry trends to maintain and enhance our competitive market position and growth.

One of the largest and most premium product portfolio

We had one of the largest, most diverse and premium tiles product portfolio in terms of number of SKUs among selected listed peers in India, as of March 31, 2025 (*Source: Technopak Report*). Our product portfolio included over 3,500 tiles SKUs, as of March 31, 2025, which include GVT, PVT and ceramic tiles. We have also significantly differentiated our product offerings. We are the first company to commercialize IST in Asia in 2024 (*Source: Technopak Report*). IST produces marble-like products across four surfaces. We offer 20 different surface types of tiles for various applications, as of March 31, 2025, as reflected below:

We place key focus on developing premium and quality products based on industry trends and customer demands, such as GVT, which offers superior quality, design, durability and aesthetics. According to the Technopak Report, GVT commands higher realizations and profit margins, and is becoming a more preferred option for retailers in the market.

According to the Technopak Report, GVT has gained popularity due to its premium look and practical benefits such as stain resistance and low water absorption. While ceramic tiles are known for affordability, PVT tiles are valued for durability, and GVT tiles, apart from having the advantages of PVT, are recognized for superior finishes and design versatility (*Source: Technopak Report*). Another key advantage of GVT is that it does not require regular polishing to maintain its shine and appearance (*Source: Technopak Report*). The glaze on GVT tiles provides a durable, smooth surface that resists stains, scratches, and wear over time, reducing the need for maintenance (*Source: Technopak Report*). GVT also has a 15-30% higher realisation than ceramic and PVT tiles and changing product mix in favour of GVT is helping manufacturers improve their realization and gross margins (*Source: Technopak Report*). As a result, the share of GVT tiles in the Indian tiles market revenue has increased from 28.5% in Fiscal 2019 to 35.5% in Fiscal 2025, and this share is expected to reach 45.0% by Fiscal 2029. (*Source: Technopak Report*)

With the foresight to leverage this growing demand for premium tiles, we were one of the first few players in India to focus on selling GVT (*Source: Technopak Report*). In Fiscals 2025, 2024 and 2023, 78.71%, 75.37% and 69.35%, respectively, of our revenue from operations from tiles were attributable to revenue from GVT. According to the Technopak Report, we had the highest contribution from GVT as a percentage of our revenue from tiles segment in Fiscal 2025 as compared to selected listed peers in the organised Indian tiles market. Further, 100.00% of the sale of products from our new product launches in Fiscals 2025, 2024 and 2023 were attributable to GVT. Over the last decade, we have consistently focused on building and expanding this premium offering. All our capacity expansions and enhancement since 2011 at our manufacturing facilities have been dedicated to strengthening our GVT offering. Moreover, over the last three fiscal years (i.e. Fiscals 2023 to Fiscal 2025, we recorded the highest cumulative capital expenditure as a percentage of revenue from operations and in absolute terms among our listed peers in India, with all investments directed primarily toward the GVT and IST categories (*Source: Technopak Report*). Our strategic focus on GVT and increasing share in GVT has an improvement in our Gross Margin from 37.48% in Fiscal 2023 to 38.95% in Fiscal 2025. Our realization (*i.e.,* revenue from tiles divided by sales volume of tiles) was 352.38, 352.67 and 340.38 in Fiscals 2023, 2024 and 2025, respectively.

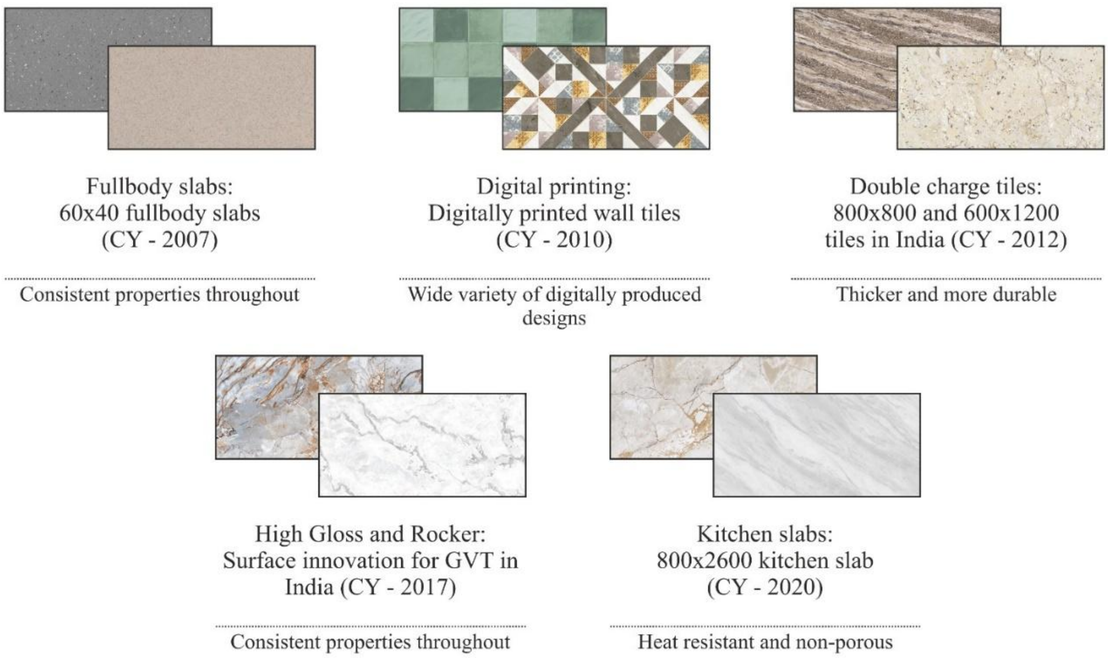
Set out below are details of our revenues generated from each of our product offerings for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
GVT	10,058.44	69.56%	9,408.85	65.54%	8,045.06	**60.27%**
PVT	1,560.40	10.79%	1,820.28	12.68%	1,993.76	14.94%
Ceramics	1,160.50	8.03%	1,254.86	8.74%	1,561.28	11.70%
Total - Tiles	**12,779.34**	**88.38%**	**12,483.99**	**86.97%**	**11,600.10**	**86.90%**
Bathware	1,287.55	8.90%	1,432.83	9.98%	1,427.47	10.69%
Adhesive	209.27	1.45%	203.81	1.42%	130.21	0.98%
Others	184.13	1.27%	234.18	1.63%	191.68	1.44%
Revenue from operations	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

** Others include sale of broken tile and samples, revenue from dealer display, insurance facilitation charges and export incentive income*

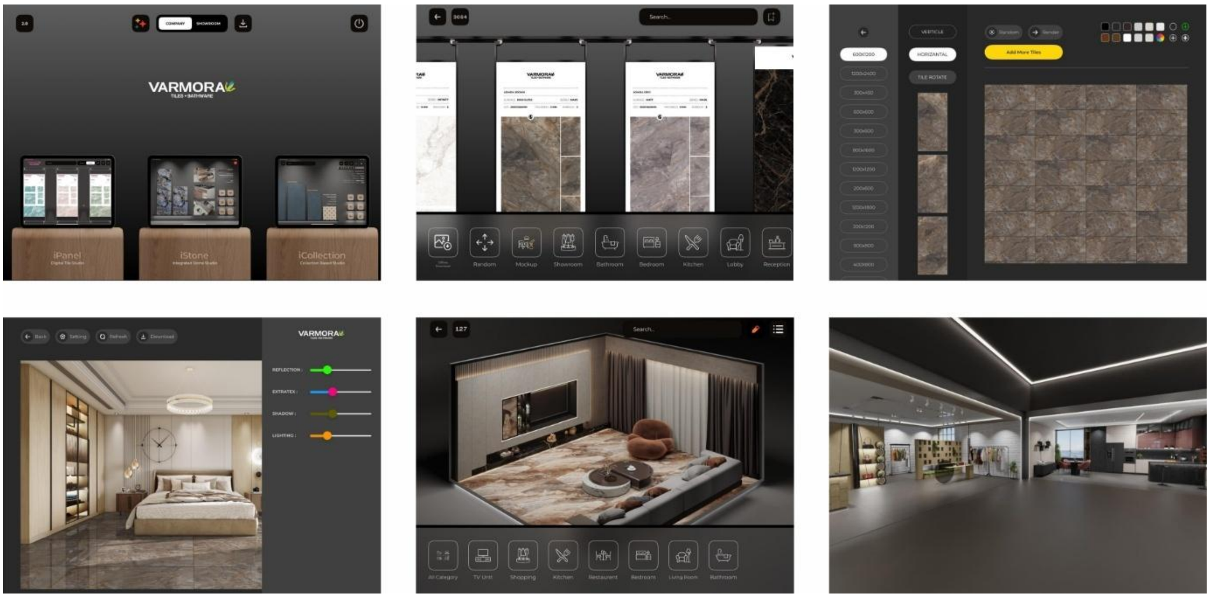
Customer centric innovation led approach resulting in multiple new product launches, including several industry firsts

According to the Technopak Report, premiumization in recent times in India have driven the demand for innovative tile designs and large-format tiles that combine aesthetics and functionality, prompting manufacturers to be much more innovative than ever before. Our continued focus on innovation enables us to offer an attractive product portfolio based on latest designs and advanced technology that are curated to serve evolving customer needs. We have demonstrated a strong focus on investing in innovation, particularly through the adoption of technologies and sustainable practices, primarily in GVT. This strategic approach not only supports the development of premium, high-quality products but also positions us as one of the leading players in meeting consumer demands and maintaining a competitive edge in the market (*Source: Technopak Report*). We have a dedicated R&D team, comprising 17 members as of March 31, 2025, that drives our innovation initiatives. Further, as of March 31, 2025, we have a team of 20 skilled designers, who explore global trends to integrate fresh ideas in our product designs. Our capabilities have enabled us to consistently introduce new product designs and concepts for customers. The graphic below highlights some of our key launches:



We actively participate in global conventions to stay at the forefront of innovation and showcase our latest products. We gather regular feedback from our customers, which helps in product design and production planning. Between April 1, 2022 and March 31, 2025, we launched over 2,500 new SKUs for tiles and eight new surface finishes, which is a testament to our ongoing commitment to innovation. We prioritise building stronger and more durable tiles (instead of focusing on aggressive pricing) to enhance customer confidence.

We focus on continuously enhancing the customer purchase experience. For instance, we have recently launched a proprietary augmented reality platform, *Hybrid Varmora*, that enables our Dealers to virtually preview and offer our full range of SKUs in customizable digital layouts to customers, as indicated below:



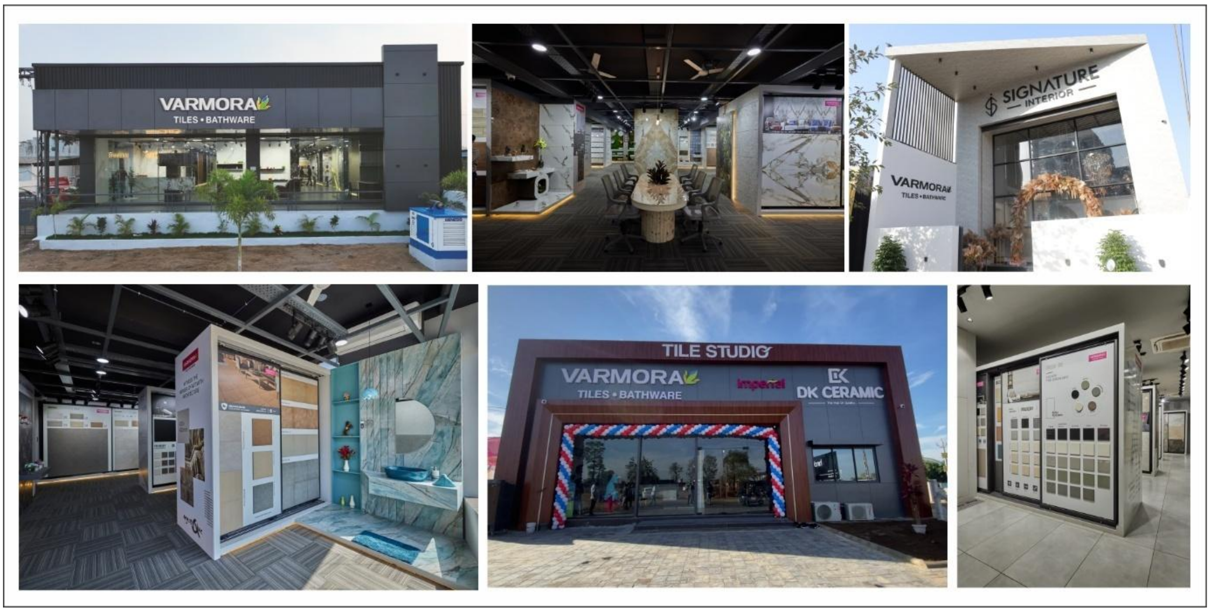
While EBOs and MBOs are unable to physically display our entire product range due to limited physical space, this innovative tool enables our customers to explore our offerings and visualize how our products would appear in real-world settings. We are also amongst the few players in the Indian tiles industry to have a developed such a digital application in India (*Source: Technopak Report*).

Well diversified pan-India distribution network focused on EBOs that strengthen our brand recall

Multi-Channel Distribution Network

B2C channel: Our operations are primarily B2C retail channel driven accounting for 68.82%, 75.96% and 80.41% of total domestic sales in Fiscals 2025, 2024 and 2023, respectively. According to the Technopak Report, we are one of the leading players in India with second highest contribution from B2C sales as a percentage of revenue from operations in Fiscal 2025 among our selected listed peers. For our B2C sales, we have established an extensive network of EBOs and MBOs spread across India and outside India which are operated on a franchisee-owned-franchisee-operated model. As of March 31, 2025, our network comprised 286 EBOs and over 2,000 MBOs in India and outside India. We have long-term relationships with such Dealers and believe this provides us with a competitive edge over the other Indian tile players. As of March 31, 2025, our vast distribution network across 949 cities in India, ensures accessibility for customers throughout the country.

Exclusive Brand Outlets (EBOs) and Multi Brand Outlets (MBOs)



Our extensive network reduces our dependency on a single or few Dealers or geographies and provides us with a well-diversified and de-risked presence. For instance, none of the states in India contributed more than 14% of our revenue from operations in Fiscals 2025, 2024 and 2023. Further, the demand for tiles is also growing in Tier-II and Tier-III cities, as well as in rural areas, which remain largely untapped markets (*Source: Technopak Report*). Accordingly, we have strategically expanded our distribution network to the Tier-II and Tier-III cities in India to capitalize on the increasing demand from these geographies. During Fiscal 2025, we sold our products in 949 cities across India. In Fiscals 2025, 2024 and 2023, our revenue from sales made in Tier I cities in India represented 24.19%, 22.76% and 20.84%, respectively, of our total revenue from operations. Set out below are details of revenue contribution from our top 10 MBOs and EBOs for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Top 10 MBOs	1,047.56	7.24%	961.31	6.70%	846.89	6.34%
Top 10 EBOs	841.60	5.82%	702.09	4.89%	540.60	4.05%

We have witnessed an increased conversion of our MBOs to EBOs, which demonstrates the increasing popularity and acceptance of our brand. Between April 1, 2022 and March 31, 2025, we successfully converted 121 MBOs to EBOs. In Fiscal 2025, the average revenue of MBO (*i.e.*, revenue from operations of MBOs divided by number of MBOs during the Fiscal) was ₹5.78 million, while the average revenue of EBO was ₹9.49 million (*i.e.*, revenue from operations of EBOs divided by number of EBOs during the Fiscal) In the Fiscals 2025, 2024 and 2023, we opened 33, 41 and 47 new EBOs, respectively. Further, we have consistently increased our number of EBOs from 219 as of March 31, 2023 to 256 as of March 31, 2024 and further to 286 as of March 31, 2025. EBOs provide an elevated in-store experience for potential customers by strategically displaying our wide range of products. Additionally, our new EBOs have larger sizes and have expanded their presence to Tier II and Tier III cities. For instance, our largest EBO is approximately 15,000 square feet as of March 31, 2025 compared to approximately 10,000 square feet as of March 31, 2023. The average size of our EBOs has also increased over time, from 1,747.65 square feet as of March 31, 2023, to 2,361.23 square feet as of March 31, 2024, and to 2,614.23 square feet as of March 31, 2025. We also closely collaborate with our EBOs and MBOs by offering targeted incentives and comprehensive sales and display support. Our in-house teams actively engage with EBOs to assist in setting up and displaying our products effectively to ensure maximize visibility and sales. As of March 31, 2025, our in-house R&D team comprised 17 individuals and play a crucial role in assessing market demand and customer preferences including through consistent customer feedback.

B2B channel: Our B2B distribution network comprises arrangements with various builders, contractors, developers and government agencies.

- *Project/builder network*: We provide an extensive range of products to builders and contractors serving both residential and commercial projects, ensuring that all their construction needs are met with quality materials. Our products are available either directly to builders or through our EBOs and MBOs, which provide builders with convenient access to our product portfolio. Our project/ builder network is designed to foster strong, long-term relationships with industry professionals. We have a dedicated team that works closely with project managers and site supervisors to provide tailored solutions, from selecting the right tile designs to ensuring timely delivery and installation support.

  As of March 31, 2025, we have serviced 1,310 builders and contractors across India and have established long-standing relationships with builders such as Signature Global (India) Limited, Sobha Ltd and Srijan Group. Set out below are certain details of our relationships with builders:

Name	Logo	Length of relationship (years)	Volume of tiles purchased
Signature Global (India) Limited	SIGNATURE GLOBAL MAKING INDIA AFFORDABLE	Over 9 years	1.5 million square metres(1)
Srijan Group	srijan Building Tomorrows	Over15 years	1 million square feet (1)
NCC Urban	NCC Urban	Over 5 years	0.1 million square feet(1)

Notes:
1. In Fiscal 2025
2. Volume of various types/ sizes of tiles purchased during seven years of business/ tenure.

We have consistently provided quality products with superior durability and resistance to wear and tear, along with timely delivery of product to these builders. We believe this has helped us build and maintain these long-standing relationships with such builders.

- *Government empanelment*: We are empanelled with multiple government departments in India. According to the Technopak Report, we are also present in the vendor list of several government departments as of March 31, 2025. Our products are procured by government contractors and agencies for use in government projects. This provides us with competitive advantages and positions us for growth as new government schemes are introduced in the future. According to the Technopak Report, amongst the B2B sales channel government projects offer various benefits including lower competition as compared to retail, large bulk orders, steady demand, lower risk of default, supplying to government enhances brand image, multi-year supply agreement, etc. Further, the government's ongoing focus on infrastructure development ensures a steady and growing demand for tiles, offering strong opportunities for expansion (*Source: Technopak Report*). Additionally, government tenders are generally open and transparent, providing a fair environment for all qualified participants (*Source: Technopak Report*). There is also a strong emphasis on public safety and quality in government projects, which means that only established and reputable brands are usually selected (*Source: Technopak Report*).

We are also in the process of establishing a greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India. We intend to strengthen our distribution in East and Northeast India by increasing the number of EBOs and MBOs in this region, which will enhance our market reach, brand visibility and customer access to our products.

Varmora Sankalp: We also engage with numerous masons and plumbers to increase our brand recall. Our loyalty platform, *Varmora Sankalp*, has been crafted to create long-term associations with influencers. This innovative platform offers an opportunity for masons and plumbers to earn rewards and incentives. *Varmora Sankalp* provides the visual aid to the professionals, providing them with the resources to learn about various products being manufactured by us. As of March 31, 2025, we had a total of 23,500 registered users on our *Varmora Sankalp* platform, who we utilize to drive revenue generation and benefit from indirect marketing through word-of-mouth publicity.

Set out below are certain details of our revenues from operations by products for the years indicated:

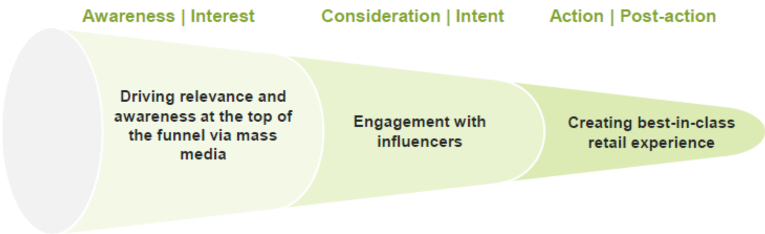
	Fiscal					
	2025		2024		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
India						
EBO	2,631.22	18.20%	2,269.03	15.81%	1,878.97	14.08%
MBO	7,130.94	49.31%	6,841.77	47.66%	7,116.14	53.31%
Total domestic tiles	**9,762.16**	**67.51%**	**9,110.80**	**63.47%**	**8,995.11**	**67.38%**
Bathware	1,287.55	8.90%	1,432.83	9.98%	1,427.47	10.69%
Adhesives	209.27	1.45%	203.81	1.42%	130.21	0.98%
Others	184.13	1.27%	234.18	1.63%	191.68	1.44%
Exports						
Total exports tiles	3,017.18	20.87%	3,373.19	23.50%	2,604.99	19.51%
Revenue from operations	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

Set out below are certain details of our revenues by B2C and B2B channels for the years indicated:

	Fiscal					
	2025		2024		2023	
	(₹ million)	% of total domestic sales	(₹ million)	% of total domestic sales	(₹ million)	% of total domestic sales
India						
B2B	3,519.02	31.18%	2,595.99	24.04%	2,074.78	19.59%
B2C	7,767.33	68.82%	8,204.69	75.96%	8,517.96	80.41%
Total Domestic Sale	**11,286.35**	**100.00%**	**10,800.68**	**100.00%**	**10,592.74**	**100.00%**

<u>Marketing Channel Strengthening Brand Recall</u>

Our marketing strategy effectively encompasses comprehensive touchpoints across the entire customer decision-making cycle. By driving awareness and interest at the top of the funnel through mass media and brand campaigns (including ATL and BTL marketing strategies), we ensure that our brand remains at the forefront of customers' minds. The engagement with influencers further solidifies customer interest, providing authentic and relatable endorsements that resonate with potential buyers. Finally, our commitment to creating an advanced and immersive retail experience through EBOs and MBOs ensures that customers not only make a purchase but also remain satisfied and loyal to our brand. This holistic approach ensures that we capture and retain customer attention at every stage, fostering a seamless and positive journey from initial awareness to post-purchase satisfaction.



Influencer network: We have established a network of over 10,000 influencers including ABCs, as of March 31, 2025. Our engagement with ABCs serves as an important marketing channel and allows us to set up display stalls at their project sites, thereby enabling end-customers to view our products while finalizing their homes. Additionally, we have collaborated with CREDAI, an association of private real estate developers in India, which provides a platform to engage with numerous other builders and increase our network.

Brand campaigns:

- *Wide reach of our brand campaigns*: We have implemented several ATL and digital marketing campaigns to enhance our brand reach and complement our existing BTL promotion activities. We launched our first television commercial advertisement in January 2023. Since January 2023, our multimedia advertisements were broadcasted across 50 general entertainment, sports and news channels, have been placed in over 4,000 cinema screens across India and have received over 16 billion views across social media platforms, over-the-top and connected TV platforms, as of March 31, 2025. Our branding initiatives are placed at two airports, in Mumbai and Ahmedabad. We also focus on onboarding skilled leadership with strong marketing and brand building backgrounds. For instance, many of our independent directors have significant experience in the marketing and sales functions. Additionally, we host product launch events every year and our event in November 2024 was attended by more than 800 Dealers. In addition, over 1,000 SKUs and over 20 surfaces were displayed in this product launch event. Such events enable us to highlight the competitive attributes of our products to our customers. Moreover, our increasing network of Dealers is representative of our successful brand campaign. For further details, see "- *Marketing*" on page 228.

- *Focus on functional attributes of our products*: Our focus on product innovation has led to an increase in brand recognition and traction from Dealers, suppliers and customers. Our campaigns focus on the high quality, functional and aesthetic attributes as well as the innovative designs of our products, which ensures the customer attention to our products without the need for endorsements by brand ambassadors.

Strategically located and technologically advanced in-house manufacturing to maintain control over quality and supply chain

We operate nine manufacturing facilities strategically located in Morbi, Gujarat, India. According to the Technopak Report, Morbi, Gujarat, is India's tile hub, contributing 90% of the country's tile production, as of March 31, 2025. We have one of the largest manufacturing capacities (owned and operated) among selected listed peers, as of March 31, 2025 (*Source: Technopak Report*). In Fiscals 2025, 2024 and 2023, 78.55%, 66.83% and 72.51%, respectively, of our revenue from operations from products were manufactured in-house. This enables us to maintain end-to-end control of our value chain and ensure quality production standards as well as help in increasing our margins. In Fiscal 2024, we expanded our network with the establishment of two additional manufacturing facilities in the Morbi region, which provides us with advanced technology and additional production capacity. These facilities have added a capacity of 17.76 million square meters (40.55% of our total installed capacity, as of March 31, 2025). We are also the first company to commercialize IST in Asia in 2024 (*Source: Technopak Report*) through our manufacturing facility, Varmora Unit - 2 in Morbi, Gujarat that produces marble-like products across four surfaces. Varmora Unit – 2 had an installed capacity was 3.96 million square meters and capacity utilization of 60.60% as of and for the financial year ended March 31, 2025. Our capital expenditure amounted to ₹1,116.69 million, ₹3,482.97 million and ₹201.37 million, in Fiscals 2025, 2024 and 2023, respectively.

We have also added the most manufacturing capacity amongst selected listed peers in India between 2016 and 2025, according to the Technopak Report. Six out of our nine manufacturing facilities (representing 77.29% of our total installed capacity, as of March 31, 2025) have been set up in the last 10 years. Further, our facilities are located on land with sufficient vacant space, which enables us to undertake any future capacity expansion at a quicker pace and with a lower gestation period. Our manufacturing facilities are also equipped to function on both propane as well as natural gas providing us flexibility in choosing the fuel, based on market price volatility or in cases of electricity failures. This provides us with significant flexibility and reduces our exposure to price volatility or supply disruptions and enables us to effectively manage our operational costs. More recently, we have entered into a term sheet to acquire a 51% equity stake in Allemby, pursuant to which we propose to establish a greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India. This proposed facility aims to capitalize on the significant growth opportunities in the East and Northeast regions of India. According to the Technopak Report, while North

India is expected to maintain its leading position over the next five years, East India is emerging as the fastest-growing region, driven by rising urbanization and a strong infrastructure push. Between Fiscals 2019 and 2025, East India tiles market is projected to grow from ₹46.4 billion to ₹71.2 billion, at a CAGR of 7.4%, and further to ₹107.7 billion by Fiscal 2029, recording a CAGR of 10.9% (*Source: Technopak Report*).

Further, the location of our manufacturing facilities allows us access to low-cost raw material and packaging material. In particular, we benefit from our proximity to nearby areas such as Rajasthan, which provides access to clay and feldspar. Our manufacturing facilities are located in Morbi which are in close proximity to the Mundra and Kandla ports, which according to the Technopak Report, enables efficient export logistics and this proximity enables to swiftly and cost-effectively transport products to international markets, greatly enhancing export capabilities. We leverage the proximity of our network of automated manufacturing facilities, an in-house design and innovation team, advanced technological capabilities and processes, swift computing systems and strict quality control to enhance integration and efficiency in our operations.

We employ advanced technology in our manufacturing processes and the early adoption of technology has enabled us to deliver high-quality and innovative "industry-firsts" products. We have recently introduced IST in Fiscal 2025 that produces marble-like products with body veins, which offers a superior alternative to traditional marble. For the supply of this technology, we have entered into a technology partnership with SACMI. We are the first company in Asia to successfully implement SACMI's "V-NATURE BLOCK Technology & Machine" also called as IST in 2024 According to the Technopak Report, IST provides clear environmental advantages over traditional marble. While marble is non-renewable and requires energy-intensive extraction, IST enables more sustainable production with higher productivity (up to 21,500 sqm per day), a wide range of sizes and thicknesses, and less than 3% scrap—all of which is 100% recyclable (*Source: Technopak Report*). Digital synchronization throughout the process further reduces waste and optimizes resource use (*Source: Technopak Report*). Overall, IST lowers natural resource depletion, energy consumption, and waste generation compared to marble, resulting in a smaller environmental footprint (*Source: Technopak Report*). This technology will enable us to enhance our product offerings and capture a substantial share of a new untapped market.

We strive to maintain superior product quality by implementing stringent production standards. Our manufacturing facilities are accredited with various quality certifications including ISO, which is a testament to our brand's dedication to quality.

Moreover, to efficiently produce high-volume, low-complexity products such as ceramic and PVT tiles, we collaborate with external third-party contract manufacturers. While our own manufacturing enables faster adoption of technology, higher degree of innovation, wider design portfolio and faster time-to-market, such collaborations with contract manufacturers, ensure operational efficiency and flexibility in our production capabilities. Such strategic partnerships allow us to leverage the specialized capabilities and economies of scale that these manufacturers offer, ensuring that we can meet large order demands without compromising on quality or delivery timelines. By outsourcing the production of these tiles, we can focus our internal resources on core competencies such as design innovation, quality control, and customer service. Additionally, working with contract manufacturers provides us with the flexibility to scale production up or down based on market demand, thereby optimizing our operational efficiency and cost-effectiveness. We believe this collaborative approach not only enhances our production capacity but also enables us to maintain a competitive edge in the market.

Entrepreneurial founder led management team, independent Board with strong focus on sustainability

We benefit from the leadership of our Promoters, each of whom is involved full-time in our business as Executive Directors, and has extensive understanding of sales, marketing, production and procurement in the tiles and bathware markets:

- Bhavesh Vallabhdas Varmora, our Chairman and Managing Director has over 19 years of experience in the industry, built our sales and distribution network and oversees our product innovation activities.

- Hiren R. Varmora has more than 13 years of experience in sales and marketing in the export business. He played an instrumental role in starting and expanding our bathware vertical.

- Pramodkumar Parsotambhai Patel has 19 years of experience in production and procurement of materials in the industry. He oversees operations, project and product delivery function in our Company.

We are guided by an experienced and independent Board of Directors and supported by an experienced management team. We have strategically and purposefully curated our Board of Directors with relevant expertise in their respective roles. For further information, see "*Our Management*" on page 262.

We believe our investment in professional management team and 'fit for purpose' Board has strengthened our internal systems, processes, digital capabilities, innovation and governance, which has helped us to significantly scale our end-to-end organizational capabilities. We have also introduced an ESOP Plan for certain of our employees, which fosters a sense of ownership among key employees in our Company's success. In addition, we have implemented certain employee engagement activities and rewards for key employees to cultivate trust, collaboration and synergy among our workforce, which have enabled us to effectively retain talent.

We also place key focus on maintaining appropriate ESG standards and implementing sustainable practices in our manufacturing processes. According to the Technopak Report, we are the only company in the Morbi cluster to appoint a dedicated ESG head as of March 31, 2025. We monitor our compliance with ESG norms through periodic reviews, including through external agencies. Moreover, in Fiscal 2025, we appointed InCorp Advisory Services Pvt. Ltd., as ESG consultants, to help us further strengthen our commitment to ESG standards.

Environment: We focus on adopting sustainable processes for our production activities, such as, use of renewable energy in our manufacturing facilities. Our Company's manufacturing facilities are equipped to operate with solar and wind energy and are also ISO 14001:2015 certified. As of March 31, 2025, we had a total renewable capacity of 16.22 megawatt ("**MW**") comprising wind power capacity of 8.10 MW and solar power capacity of 8.12 MW. Further, in Fiscals 2025, 2024 and 2023, 29.52%, 38.27% and 37.86% of our total electricity consumption was consumed through renewable sources, respectively. Moreover, in Fiscal 2025 compared to Fiscal 2024, emission intensity per tonne of production was increased by 12.19%, water intensity per tonne of production was decreased by 16.07% and energy intensity per tonne was increased by 3.62%. The products manufactured through IST are also environmentally superior as compared to marbles which are non-renewable and energy intensive in extraction (*Source: Technopak Report*). As a result, tiles produced using IST have strong potential to further penetrate the marble market, appealing to both cost-conscious and quality-focused consumers (*Source: Technopak Report*).

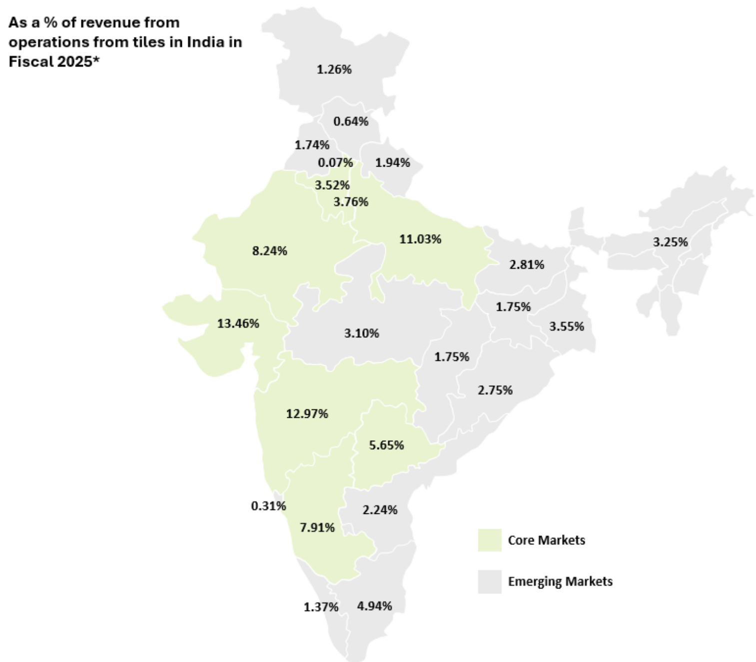
Social: We aim to ensure a strong balance of regional, gender and age diversity within our workforce. Moreover, all our employees and workers undergo regular medical check-up and job-specific tests are carried out based on the nature of the work to identify and mitigate potential health risks associated with their roles.

Governance: We have eight dedicated Board committees in place to manage key areas of governance and strategic decision making: the Board Committee, Nomination and Remuneration Committee, CSR Committee, Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, IPO Committee and CAPEX Committee. We also have an internally approved ESG Committee to oversee emissions management, review performance, ensure alignment with environmental goals, and identify opportunities for further reductions.

STRATEGIES

Expanding reach in high growth emerging markets while consolidating leadership in our core markets

We have categorized the regions in India into core and emerging markets based on an assessment of our presence and distribution network. Set out below is our percentage of revenue from operations from tiles generated from each state in India in Fiscal 2025:



Note: Map not to scale
**Revenue from operations from tiles in India excludes direct sales amounting ₹638.56 million in Fiscal 2025.*

Based on this classification, we have designed specific strategies for each of these markets:

Core markets: In the western and northern regions of India (i.e. our core markets), we intend to strengthen our existing relationships by converting MBOs to EBOs, expanding the range of product offering with new surface launches and build new strategic relationships, such as marble dealers, to sell our new launched IST products.

Further, our focus on premiumisation will drive realization growth, allowing us to offer higher-value products that meet the evolving preferences of our customers. This approach will not only enhance our revenue streams but also support our expansion into core markets by attracting a more affluent customer base, improving brand perception, and driving innovation.

Emerging Markets: In the eastern and southern regions of India (i.e. our emerging markets), we have significant headroom to increase our market presence. We intend to open new MBOs and EBOs as well as expand our sales and marketing teams to increase our market share.

We also intend to strengthen our direct sales efforts, with a particular emphasis on cultivating strong relationships with key accounts and government agencies to secure contracts for large housing projects and repeat business. Additionally, we aim to improve our logistics and warehousing operations to guarantee timely and cost-effective delivery of products. We believe our advanced capabilities together with industry tailwinds, provide us significant headroom to drive productivity across India.

Strategic acquisition and expansion into East and Northeast regions of India

On August 2, 2025, we have entered into a term sheet to acquire a 51% equity stake in Allemby for a total consideration of ₹270.10 million. Allemby is in the process of establishing a greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India. The establishment of this facility represents a key strategic initiative, significantly improving our access to the East and Northeast regions of India.

According to the Technopak Report, the Eastern region, encompassing Bihar, West Bengal, Odisha, the Northeast and others, an underpenetrated market, is growing at a steady rate due combination of government infrastructure schemes and improving economic indicators like gross state domestic product growing at a CAGR of 10.0% from Fiscal 2019 to Fiscal 2024 (*Source: Technopak Report*). The state-level programs in Bihar, Odisha and West Bengal are improving connectivity and logistics. Government has introduced several schemes aimed at promoting industrial growth and investment in the northeastern region by providing incentives to units under state policies Uttar Poorva Transformative Industrialization Scheme (UNNATI) 2024 and IIPPA (Industrial and Investment Promotion Policy of Assam) 2019 (*Source: Technopak Report*). By taking advantage of these schemes manufacturing units can streamline its cost structures, enhance profitability and catalyse sustainable growth within the sector (*Source: Technopak Report*). These initiatives, along with rising urbanisation and construction activity, is likely to support higher demand for tiles in the Eastern region over the next few years (*Source: Technopak Report*). Further, while the Eastern region remains relatively nascent, it holds potential for future development to become a cluster for tile manufacturing due to the adequate availability of key raw materials such as clay and feldspar and a ready supply chain for distribution and retail (*Source: Technopak Report*). Our proposed manufacturing facility in Tezpur, Assam, India is expected to have an installed production capacity of approximately 6.40 million square meters, enabling us to serve these markets more efficiently and cost-effectively while meeting anticipated demand.

Historically, our presence in East and Northeast regions of India has been limited, primarily due to long lead times and high costs associated with servicing these regions from our existing manufacturing facilities. As of March 31, 2025, we operated 215 EBOs in North and West regions of India, compared to only 40 EBOs in East and Northeast regions of India. With the commencement of operations at our proposed Tezpur facility in Assam, India, we plan to expand our distribution network in these regions by increasing both EBOs and MBOs. This targeted expansion is expected to enhance our market penetration, strengthen brand visibility and provide customers with greater access to our products.

By leveraging the proximity of our proposed Tezpur facility in Assam, India, we aim to offer improved service levels, reduced delivery times and more competitive pricing, enabling us to capitalize on the significant opportunities in these regions.

Expansion of distribution network with focus on EBOs

We believe there is significant potential for further expansion of our pan-India outlet network. We will continue to work towards converting our MBOs into EBOs, which we believe will result in increased operating margins, better brand visibility, improved product placement, enhanced customer experience, and direct market feedback, all of which would enable us to further strengthen our market position. As of March 31, 2025, we have over 2,000 MBOs, which have the potential of being converted into EBOs and we have already successfully converted 121 MBOs into EBOs between April 1, 2022 and March 31, 2025. Additionally, we have started opening EBOs with larger sizes in Tier II and Tier III cities. This strategic move is expected to drive growth for our Company.

Accelerate our investment in brand-building

<u>Strengthening our relationship with partners</u>

Leveraging our operating experience, we seek to strengthen our existing relationships and build new relationships with retailers (EBOs and MBOs), architects, builders, contractors, masons and plumbers through, among others, hosting our product launch events. Our Dealers provide us with increased brand visibility together with feedback on SKUs that receive higher demand, which will continue to help us optimize our production decisions. We intend to continue our loyalty program designed specifically for our network of architects, builders, and contractors. We aim to use this program to enhance their engagement with our products, fostering stronger relationships and ultimately driving our sales growth.

Continued communication of product features through a comprehensive marketing effort

Our communication strategy has and will continue to be based on a balanced media mix that includes ATL, BTL and digital channels. This integrated approach is designed to maximize reach and engagement across diverse customer segments. To enhance brand visibility and foster brand affinity, we intend to continue to use prominent outdoor advertising touchpoints, with a particular focus on high-traffic locations such as domestic and international airports. These touchpoints are strategically selected to facilitate direct engagement with key audience segments and influencers, thereby strengthening brand recognition in environments that align with customer lifestyles and preferences. We also continue to be committed to our ongoing investment in brand-building and marketing initiatives across ATL, BTL and digital platforms. Our advertising campaigns will continue to be deployed across a diverse array of genres in ATL mediums, including entertainment, sports, and news media, as well as airports, cinema screens, social media and other high-impact platforms in BTL mediums. These campaigns are intended to highlight the features of our products, reinforce our brand's value proposition, support customer growth and improve the effectiveness of our marketing investments.

Continued technology adoption to enhance customer experience and cost efficiencies

According to the Technopak Report, the Indian market is being driven by advancements in digitalisation, technology-enabled visualisation and the growing popularity of EBOs which provides advantages to organised players with branded products. Within the competitive landscape of India's consumer market, delivering a superior customer experience along with offering quality products or services is driving the organized sector's share of the Indian flooring market at a faster pace than the unorganized market (*Source: Technopak Report*). Recognizing this, we developed *Hybrid Varmora* to foster trust, loyalty and brand advocacy among our customers. This proprietary augmented reality platform allows our Dealers to virtually preview and offer our full range of SKUs in customizable digital layouts to customers. We believe these technological developments will significantly drive growth and improve customer satisfaction.

Further, we continuously focus on implementing latest technology for increased efficiency in our operations, cost optimization and improvement in sales. We intend to optimize and enhance our end-to-end supply chain, i.e., from design to delivery, which we believe will significantly reduce our costs. We seek to undertake real time performance and financial tracking through implementation of various digital applications and tools. Further, we aim to increase the use of our sales force automation tools that enable comprehensive management of field activities, including activity listings, sample requests, product catalogues and sales order management. In addition, we will continuously upgrade our ERP software for efficiency in our overall business operations. As we continue to scale our network of operations, we believe our investment in technological capabilities, together with our operating leverage will lower production costs and increase profitability.

Continued focus on technology-driven product innovation and premiumization

We continue to work towards procuring latest technology to develop and increase the sale of novel and premium products, that caters to evolving customer needs and generates higher realisation. To keep up with the latest innovations, our product development team continues to actively participate in major global conventions.

According to the Technopak Report, the premiumisation trend in the Indian tile market is driven by evolving customer preference, characterised by a shift towards higher-quality, aesthetic products. Further, rising income levels, especially in urban and semi-urban areas, are fuelling demand for premium flooring solutions (*Source: Technopak Report*). Branded products are emerging as the preferred choice, offering superior quality, innovative designs and a more seamless customer purchase experience, catering to the aspirations of a more discerning consumer base (*Source: Technopak Report*). Brands are adapting to this trend by offering high-end refined aesthetics and tech-integrated designs and experiential buying via EBOs (*Source: Technopak Report*). This shift is prompting more companies to enter the premium segment, emphasizing quality, design, smart features, and customization, ultimately raising industry standards (*Source: Technopak Report*). We intend to leverage these tailwinds and seek to expand our GVT offerings, which generate higher revenues and profitability.

We aim to offer our IST products as substitutes for granite and marbles, which will increase our addressable market and allow us to make further inroads in the premium product segments. We enhanced our IST capability through the establishment of an additional manufacturing facility (i.e., Varmora Unit – 2) in the Morbi region in Fiscal 2024. Varmora Unit – 2 had an installed capacity was 3.96 million square meters and capacity utilization of 60.60% as of and for the financial year ended March 31, 2025, providing capacity to capitalize on future growth opportunities associated with IST. According to the Technopak Report, the Indian natural stone market, valued at approximately ₹413.0 billion in Fiscal 2025, is expected to grow steadily at a CAGR of 6.5% during Fiscals 2025 to 2029, driven by demand in the construction and design sectors. However, IST is set to transform this market, which is currently untapped by organized tile players (*Source: Technopak Report*). This technology is expected to gain a significant share due to its advanced features, cost-effectiveness, and sustainability (*Source: Technopak Report*). Consequently, the total addressable market for IST aligns with the current natural stone market size, offering considerable potential for growth and innovation. (*Source: Technopak Report*)

Further, according to the Technopak Report, tiles are increasingly being used for cladding and facades in India, driven by the growing demand for modern and visually appealing building exteriors. With a focus on architectural innovation, tiles offer an attractive, durable and low-maintenance solution for facades (*Source: Technopak Report*). Their versatility in design, wide range of finishes, and weather resistance make them a popular choice for enhancing the aesthetic appeal of both residential and commercial buildings (*Source: Technopak Report*). Moreover, as ESG norms become more stringent, the use of glass in building façades is expected to decline due to its high energy consumption during production and poor thermal insulation (*Source: Technopak Report*). Tiles offer a more sustainable, energy-efficient and practical alternative for façade applications (*Source: Technopak Report*). We aim to benefit from these changing and growing demand, which may open up the exterior façade market for our products. According to the Technopak Report, IST are a particularly good choice for use in façade. The Indian façade market was valued at ₹255.5 billion in Fiscal 2025 and is projected to grow at a CAGR of 6.9% to reach ₹333.7 billion by Fiscal 2029 (*Source: Technopak Report*).

Expansion in bathware, adhesives and other adjacencies

We intend to grow our bathware and adhesives product capabilities to leverage the growing market and further strengthen our business. According to the Technopak Report, the Indian sanitary and bathware market has experienced steady growth over the past five years, increasing from ₹213.0 billion in Fiscal 2019 to ₹300.0 billion in Fiscal 2024, at a CAGR of approximately 7.1%. In Fiscal 2025, the market expanded by 10.3% year-on-year to ₹331.0 billion and is projected to reach ₹483.0 billion by Fiscal 2029, at CAGR of about 9.9% (*Source: Technopak Report*). This growth is driven by rising urbanization, a growing emphasis on aesthetics and functionality, increased demand for home improvement products, and more frequent home renovations (*Source: Technopak Report*). In addition to establishing newer distribution channels, we aim to leverage our existing retail network and other touchpoints in our tiles business to expand our bathware and adhesives operations. Both our tiles and bathware products share a similar operational foundation and are manufactured in Morbi, Gujarat. This strategic location offers us significant advantages in terms of production efficiency and quality control. By centralizing our manufacturing operations in Morbi, Gujarat, we can streamline our processes, reduce costs and maintain high standards of product quality. This synergy between our tiles and bathware operations not only enhances our operational efficiency but also strengthens our ability to meet the growing market demand effectively.

We also intend to continue to expand our offerings with products that are also complementary or adjacent to our bathware and tiles operations. We believe our understanding of the market, capabilities for quality and innovation, our brand and reputation, positions us well to grow our bathware, adhesives and any other adjacent products. Further, we believe our EBO network which allows us to offer various product offerings, will enable us to expand the reach of bathware and adhesives at a faster pace. Our growth in bathware and adhesives will also position us as a key player in the evolving home-building landscape in the future.

Pursue inorganic growth opportunities

According to the Technopak Report, the Indian tile industry is fragmented, creating consolidation opportunities for established brands. Moreover, large, organized players do acquire smaller, unbranded manufacturers, allowing larger companies to expand their market share, streamline operations and gain access to established distribution networks (*Source: Technopak Report*). By consolidating smaller players, these companies can enhance economies of scale, improve product quality and strengthen their position in both domestic and international markets (*Source: Technopak Report*). Moving forward, the organised segment is projected to increase from 57.0% in Fiscal 2025 to 66.0% of the flooring market by Fiscal 2029, growing at a CAGR of 9.4% as compared to the 0.6% growth of unorganized segment (*Source: Technopak Report*).

We intend to leverage these industry trends and place our focus on brownfield expansion through companies and businesses that offer access to untapped and complementary geographies including adjacent markets where we can leverage our distribution capabilities and brand recognition, larger customer base, enhanced distribution network, increased manufacturing capacity, advanced technological capabilities and differentiated product portfolio. For instance, in Fiscal 2023, we acquired a majority stake in Simola Tiles LLP ("**Simola**"), which manufactures high thickness and large outdoor slabs, in line with our business strategy to premiumize our product portfolio and enhance our global distribution. In addition to successfully integrating our operations with Simola, we leveraged our execution and operational capabilities to enhance Simola's operations and financial results, resulting in it becoming profitable, within a short timeframe.

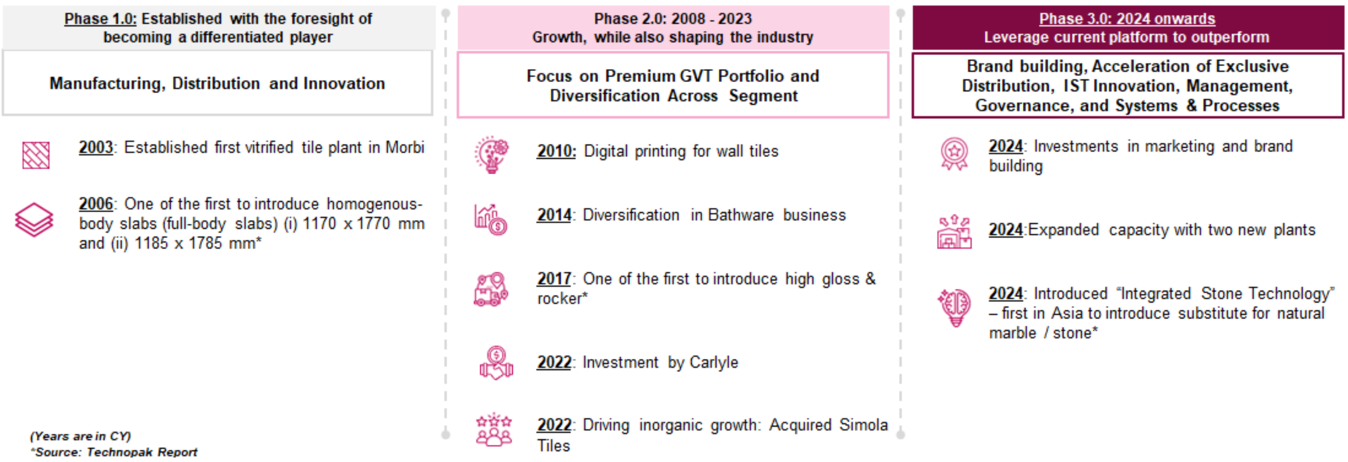
In particular, we prioritize targeting companies with strong brand recognition and high customer recall, ensuring they possess leadership in certain SKUs. Additionally, we aim to acquire businesses in adjacent segments such as bathware and adhesives, which complement our existing product lines. Further, we aim to expand our footprint by acquiring players with established distribution networks, specifically in the southern and eastern regions of India. We will continue to leverage our wide experience to focus on further identifying suitable strategic targets to expand our operations while our dedicated team will ensure seamless integration and use synergies in our businesses to optimize overall costs.

Continued focus on ESG and adoption of enhanced sustainable practices

We are committed to continuously focusing on enhancing our ESG and sustainability practices. Lead by our dedicated ESG head and in-house ESG team, we strive to continuously implement environmentally friendly practices and promote a safety culture of accountability and responsibility in our operations. Our key focus remains on reducing water, waste and energy consumption as well reducing emissions by setting intensity targets. We leverage our technological capabilities to ensure lower energy intensiveness of our products. Further, we intend to increase renewable energy consumption in our manufacturing processes over the next few years. In particular, as part of our proposed greenfield ceramic tiles manufacturing facility in Tezpur, Assam, India we also plan to incorporate an additional 3.50 MW of solar power capacity.

We also seek to increase our collaboration with local authorities such as public works department, local municipalities and state housing boards, and participation in sustainability summits and conferences as well as undertake regular community engagement to maintain our sustainability goals. We believe these initiatives will help sustain and further foster a culture of sustainability within our organization.

EVOLUTION OF OUR COMPANY



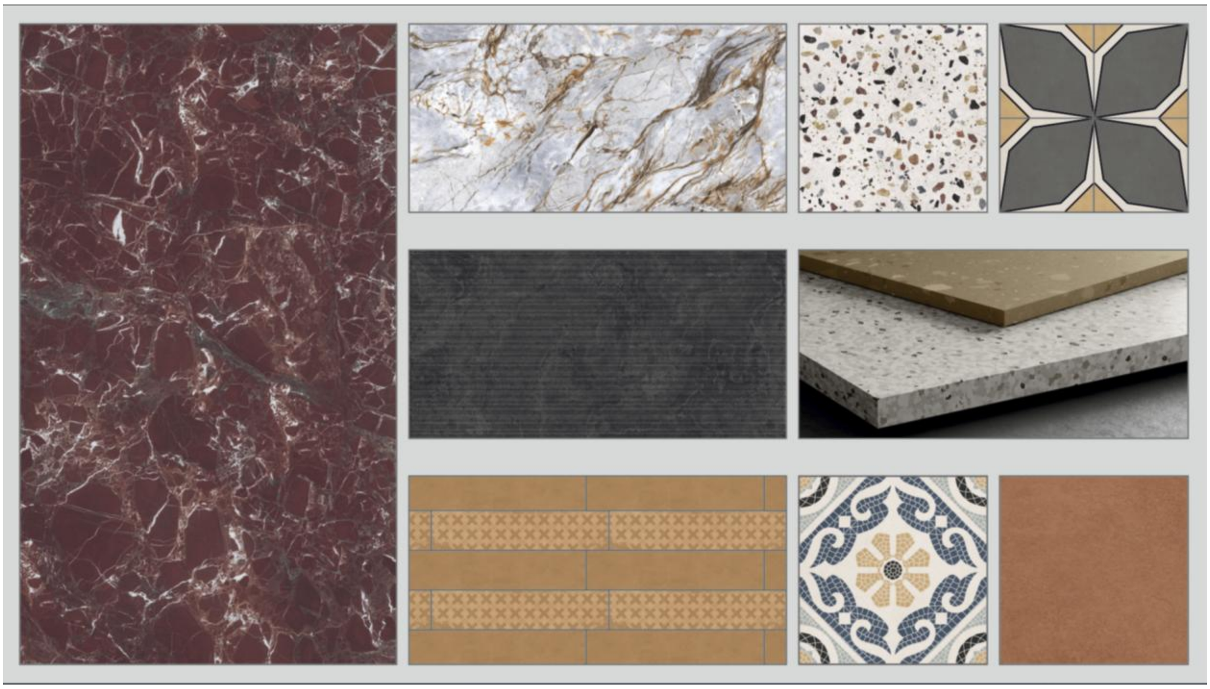
DESCRIPTION OF OUR BUSINESS

Products

Our product portfolio comprises a wide range of tiles and bathware as well as tile adhesives and other application equipment accessories.

<u>Tiles</u>

We offer over 3,500 SKUs across tiles including GVT, PVT and ceramic tiles, as of March 31, 2025. Set out below is a graphic illustration of some of key SKUs of tiles:



Set out below are details of our sales volume from our different types of tiles for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Sales volume (million square meter)	% of total sales volume	Sales volume (million square meter)	% of total sales volume	Sales volume (million square meter)	% of total sales volume
GVT	26.63	69.90%	23.89	66.15%	20.16	60.33%
PVT	5.76	15.11%	6.44	17.84%	6.57	19.65%
Ceramic tiles	5.71	14.99%	5.78	16.01%	6.69	20.02%
Total	**38.10**	**100.00%**	**36.12**	**100.00%**	**33.42**	**100.00%**

GVT (Glazed Vitrified Tiles)

As of March 31, 2025, we offer over 3,000 GVT SKUs. Our GVT is produced using a blend of silica, clay and quartz, which are subjected to high temperatures to form a dense, non-porous surface. By applying a glazed layer, we achieve various finishes, such as matte, glossy, and textured surfaces. We offer GVT in an extensive variety of designs and patterns, including prints. The production process involves advanced glazing techniques and digital printing, followed by high-temperature firing.

Polished Vitrified Tiles (PVT)

As of March 31, 2025, we offer over 45 PVT SKUs. Our PVT is manufactured from a mixture of silica, clay and minerals, which are fired at high temperatures to create a dense, non-porous surface. This process results in a highly polished and glossy finish. PVT require high temperature firing along with polishing equipment for strength and polish.

Ceramic Tiles

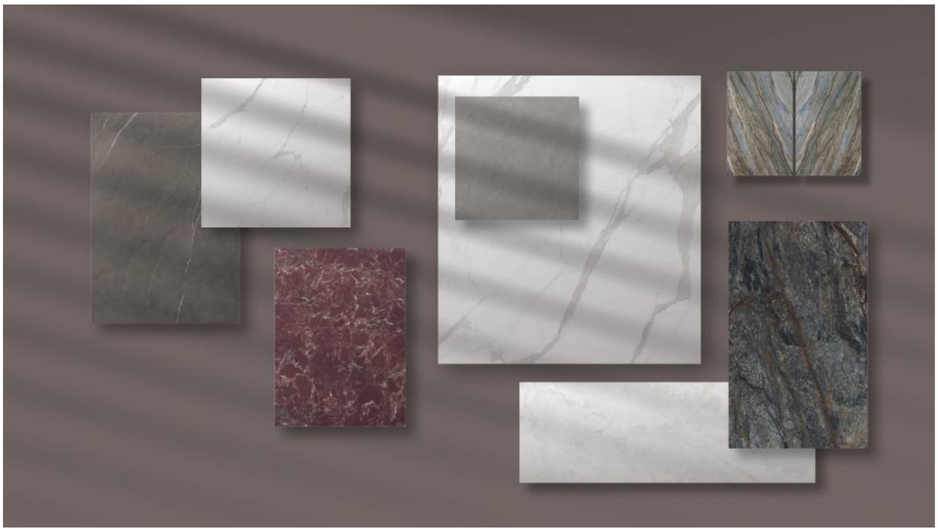
As of March 31, 2025, we offer over 500 ceramic tiles SKUs. Our ceramic tiles are manufactured from a blend of natural clay, sand, minerals and water, which are then fired in a kiln to achieve their final form. This traditional method of production results in versatile material that can be used in various residential settings. The firing process allows for a range of finishes, including matte, glossy and textured surfaces.

For further information on the key differences between ceramics, PVT and GVT tiles, see "*Industry Overview – Tiles Market in India – Sub-Segment: Product Categories*" on page 171.

Integrated stone technology ("IST")

We launched IST in 2024 at our manufacturing facility, Varmora Unit 2 in Morbi, Gujarat, that produces marble-like products with body veins, which offers a superior alternative to traditional marble. According to the Technopak Report, IST is a method of manufacturing stone-like products, often leveraged in construction and interior design, where natural stone is combined with advanced processes to improve performance and durability. This technology is used in the production of engineered stone products, such as stone tiles, which are designed to provide the aesthetic appeal of natural stone while improving functionality (*Source: Technopak Report*).

Our IST facility is equipped with "V-NATURE BLOCK Technology & Machine" from SACMI, which, according to the Technopak Report, is an innovative technology that enables the production of high-quality artificial stone products that mimic the appearance and properties of natural stone and replace natural marble, stone and granite as well as engineering products such as quartz and corian. The graphic below showcases the different types of surfaces that we produce through our IST:



According to the Technopak Report, some key aspects of IST include combination of natural and engineered materials, advanced manufacturing process, emphasis on sustainability and customisation options. IST products, such as engineered stones, offer durability, resistance to cracking and staining, and are low maintenance, making them suitable for high-traffic and high-performance environments (*Source: Technopak Report*). Moreover, applications of IST include kitchen countertops and backsplashes, reception tables, centre and coffee tables, staircase, dining table tops and work tops, vanity tops and basin and television walls (*Source: Technopak Report*).

Bathware

Faucets. As of March 31, 2025, we offer over 120 SKUs of bathroom fittings including faucets, showers and other bath accessories and allied items**.**

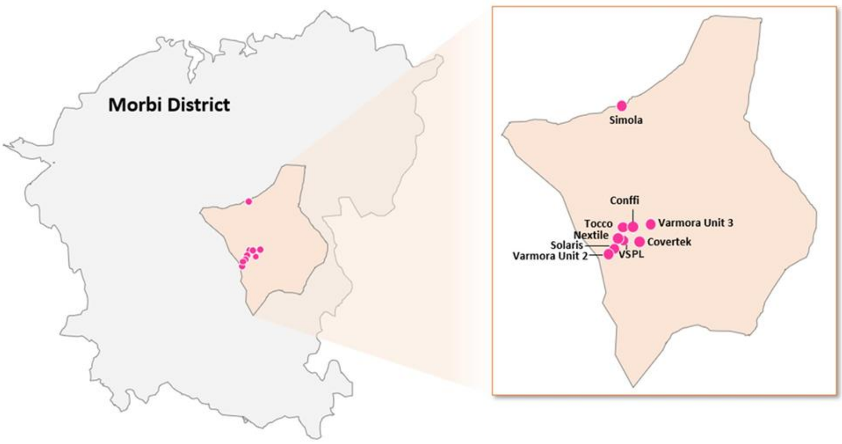
Sanitary ware. As of March 31, 2025, we offer over 380 SKUs of sanitary ware including wash basin, water closets, pans and urinals

<u>Adhesives</u>

We offer various types of adhesives, including wood and steel adhesive, glass and mosaic adhesive, block fix adhesive, craftite and mortar set, as well as grout and hardener, waterproofing, sealant and application equipment, such as suction cup, rubber mallet, grout floater and cutter, trowel, tiles spacer, tiles equalizer and tiles care.

Manufacturing Facilities

As of the date of this Draft Red Herring Prospectus, we operate a total of nine manufacturing facilities in the Morbi regions of Gujarat, India. Our in-house manufacturing facilities maintain end-to-end control of our value chain and ensure high-quality and stringent production standards.



Note: Map not to scale

Set out below are certain images of our manufacturing facilities:

Installed Capacity and Capacity Utilization

The following table sets forth certain information relating to our installed capacity and capacity utilization for our tile manufacturing facilities as of and for the years indicated:

Particulars (The following tables set forth the annual installed capacity[1], actual production volumes and capacity utilization of the manufacturing facilities for the periods indicated)	Units	As of and for the financial year ended March 31,		
		2025	**2024**	**2023**
Varmora – Unit Nextile *(year of establishment – 2017)*				
Installed capacity (1)*	million square meters	5.50	5.50	5.50
Actual production volumes*	million square meters	3.41	3.12	2.76
Capacity utilization (2)*	(%)	**62.00%**	**56.72%**	**50.18%**
Varmora – Unit Solaris *(year of establishment – 2009)*				
Installed capacity (1)*	million square meters	5.10	5.10	5.10
Actual production volumes*	million square meters	5.38	4.56	5.17
Capacity utilization (2)*	(%)	**105.49%**	**89.41%**	**101.37%**
Varmora – Unit Tocco *(year of establishment – 2011)*				
Installed capacity (1)*	million square meters	4.84	4.84	4.84
Actual production volumes*	million square meters	3.86	3.53	3.23
Capacity utilization (2)*	(%)	**79.55%**	**72.93%**	**66.73%**
Varmora – Unit 2 (3) *(year of establishment – 2024)*				
Installed capacity (1)*	million square meters	3.96	-	-
Actual production volumes*	million square meters	2.40	-	-
Capacity utilization (2)*	(%)	**60.60%**	**-**	**-**
Varmora – Unit 3 (4) *(year of establishment – 2024)*				
Installed capacity (1)*	million square meters	13.80	2.05	-
Actual production volumes*	million square meters	12.04	1.13	-
Capacity utilization (2)*	(%)	**87.25%**	**55.15**	**-**
Covertek Ceramica Private Limited *(year of establishment – 2020)*				
Installed capacity (1)*	million square meters	6.01	6.01	6.01
Actual production volumes*	million square meters	4.16	6.17	5.50
Capacity utilization (2)*	(%)	**69.22%**	**102.66%**	**91.51%**
Simola Tiles LLP (5) *(year of establishment – 2016)*				
Installed capacity (1)*	million square meters	4.56	4.56	2.65
Actual production volumes*	million square meters	2.98	2.29	1.62
Capacity utilization (2)*	(%)	**65.35%**	**50.21%**	**60.88%**
Varmora – Unit Nokia (6) *(year of establishment – 2008)*				
Installed capacity (1)*	million square meters	0.03	**2.62**	**2.62**
Actual production volumes*	million square meters	0.02	1.22	1.43
Capacity utilization (2)*	(%)	**47.12%**	**46.56%**	**54.58%**
Unit Varmora (7) *(year of establishment – 2003)*				
Installed capacity (1)*	million square meters	-	8.07	8.07
Actual production volumes*	million square meters	-	5.77	6.72
Capacity utilization (2)*	(%)	-	**71.50%**	**83.27%**
Total tiles installed capacity (1)	**million square meters**	**43.80**	**38.67**	**34.80**
Total actual tiles production volumes	**million square meters**	**34.25**	**27.79**	**26.42**
Total tiles capacity utilization (2)	**(%)**	**78.20%**	**71.86%**	**75.92%**

**As certified by Nimesh Sureshchandra Upadhyay, Chartered Engineer, by certificate dated August 7, 2025.*

Notes:

1) *The installed capacity is an average value that considers various sizes and surfaces. The actual capacity can exceed the specified installed capacity, sometimes reaching up to 120% of the original specification.*
2) *For tile manufacturing, the installed capacity and actual production volumes are in million square metres.*

3) *Varmora - Unit 2 commenced production on April 1, 2024 and therefore, the installed capacity and production volume details are not available for Fiscals 2023 and 2024.*
4) *Varmora - Unit 3 commenced production on February 7, 2024 and therefore, the installed capacity and actual production volume details are not available for Fiscal 2023. The installed capacity for Fiscal 2024 has been derived considering 49 operational days beginning February 7, 2024 and per day capacity of 0.04 million square metres.*
5) *Simola Tiles LLP was acquired on August 5, 2022, and this unit commenced production on September 1, 2022. The installed capacity for Fiscal 2023 has been derived considering 192 operational days beginning September 1, 2022, and per day capacity of 0.01 million square metres*
6) *Varmora - Unit Nokia was dismantled on April 5, 2024, and is no longer operational. The installed capacity for Fiscal 2025 has been derived considering 4 operational days between April 1, 2024 and April 5, 2024, and per day capacity of 0.01 million square metres.*
7) *Unit Varmora was dismantled on March 31, 2024, and is no longer operational and therefore the installed capacity and actual production volume details are not available for Fiscal 2025.*

Additionally, we have entered into a term sheet to acquire a 51% equity shareholding in Allemby, pursuant to which we aim to establish a greenfield ceramic tiles manufacturing facility in Assam. The facility is proposed to have an installed production capacity of approximately 6.40 million square meters of ceramic tiles, per annum. Further, while the Unit Varmora facility was dismantled on March 31, 2024, and is no longer operational, our Company owns the land and building where Unit Varmora was situated, as on the date of this Draft Red Herring Prospectus.

The following table sets forth certain information relating to our installed capacity and capacity utilization for our sanitaryware manufacturing facility as of and for the years indicated:

Particulars (The following tables set forth the annual installed capacity[1], actual production volumes and capacity utilization of the manufacturing facilities for the periods indicated)	**Units**	**As of and for the financial year ended March 31, 2025**	**2024**	**2023**
Varmora – Unit Conffi Sanitarywares[(2)] *(year of establishment – 2014)*				
Installed capacity	thousands pieces	858.60	858.60	858.60
Actual production volumes	thousands pieces	744.35	755.78	829.79
Capacity utilization	**(%)**	**86.69%**	**88.02%**	**99.64%**

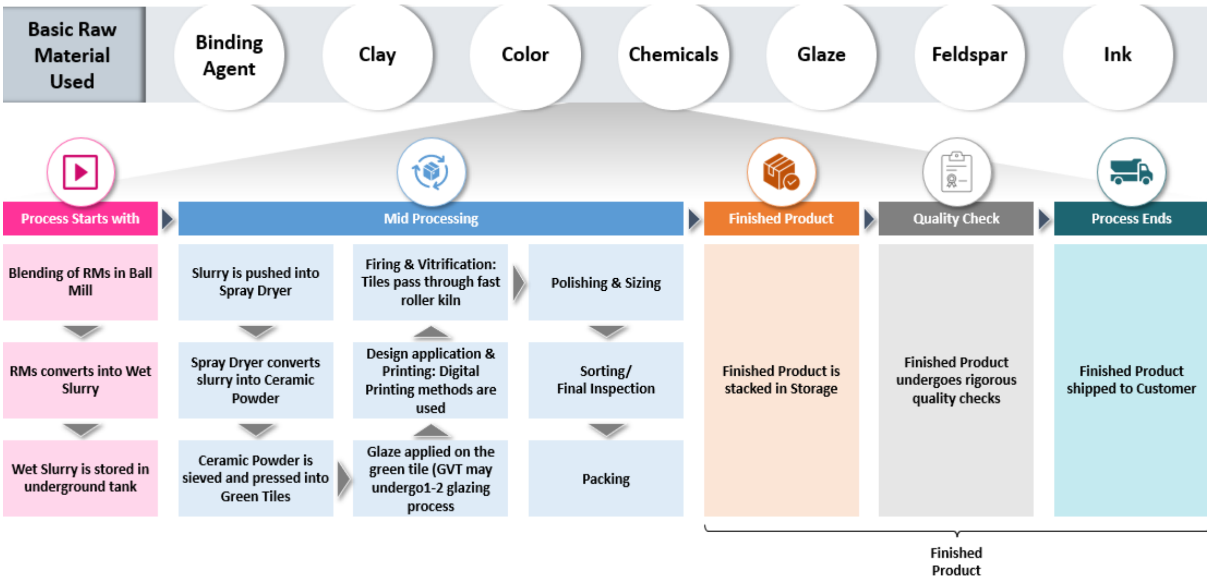
**As certified by Nimesh Sureshchandra Upadhyay, Chartered Engineer, by certificate dated August 7, 2025.*
Notes:
1) *The installed capacity is an average value that considers various sizes and surfaces. The actual capacity can exceed the specified installed capacity, sometimes reaching up to 120% of the original specification.*
2) *Varmora – Unit Conffi Sanitaryware produces sanitary ware products and the installed capacity and actual production volumes are in number of pieces produced in thousands.*

The following table sets forth certain information relating to our installed capacity and capacity utilization for our manufacturing facility that produces ceramic clay (an intermediate product) as of and for the years indicated:

Particulars (The following tables set forth the annual installed capacity[1], actual production volumes and capacity utilization of the manufacturing facilities for the periods indicated)	**Units**	**As of and for the financial year ended March 31, 2025**	**2024**	**2023**
Varmora Sanitarywares Private Limited [(2)] *(year of establishment – 2022)*				
Installed capacity	Thousand metric tonnes	118.80	118.80	118.80
Actual production volumes	Thousand metric tonnes	80.80	76.25	73.25
Capacity utilization	**(%)**	**68.01%**	**64.18%**	**61.66%**

**As certified by Nimesh Sureshchandra Upadhyay, Chartered Engineer, by certificate dated August 7, 2025.*
Notes:
1) *The installed capacity is an average value that considers various sizes and surfaces. The actual capacity can exceed the specified installed capacity, sometimes reaching up to 120% of the original specification.*
2) *Varmora Sanitarywares Private Limited manufactures ceramic clay, which is provided to Varmora – Unit Nextile, where it is used for tile production.*

Manufacturing Process



Raw Material Preparation. A blend of raw materials, including clays, feldspar, quartz, sand, pigments and ceramic colorants, is prepared to form a charge. This charge is then wet ground in a ball mill to create a semi-liquid slurry. The slurry is stored in clean underground tanks to maintain homogeneity, with a constant agitator to ensure the material does not spoil. Before being transferred to a spray dryer, the slurry is sieved to remove impurities.

Spray Drying and Powder Formation. The slurry is atomized within the spray dryer chamber, where it encounters hot air at temperatures between 500-600°C. This rapid evaporation of moisture results in the formation of a fine ceramic powder. The powder is collected in storage silos after adjusting the moisture content by controlling the spray dryer temperatures.

Tile Forming and Drying. The ceramic powder is sieved and fed into a hydraulic press, which molds the powder into green tiles with the desired shape and size. These green tiles are then dried in a horizontal roller dryer to remove excess moisture.

Glazing. Depending on the tile type, a layer or multiple layers of glaze are applied to the tiles after firing and polishing to achieve the desired surface finish and shine. Only GVT tiles undergo this process.

Design Application and Printing. Depending on the tile type, such as matt or glossy, designs may be applied using digital printing techniques.

Firing and Vitrification. Digitally printed tiles are conveyed through a fast roller kiln with varying temperature zones ranging from 500-1400°C. This high-temperature firing process leads to the vitrification of the tile body, providing strength to the tile.

Polishing and Sizing. The tile then undergoes a polishing process to achieve the desired surface smoothness, ensuring the tile surface is clean, smooth, and free of chipping. All three types of tiles undergo this process. After polishing, the tile goes through cutters to achieve the desired sizes, such as 600x600 mm or 600x1200 mm.

Quality Control, Sorting and Packaging. Tiles undergo rigorous quality checks, with defective tiles being segregated. Sorted tiles are then packed into appropriate boxes according to grade. Finally, the packed tiles are prepared for dispatch.

Innovation

We are committed to driving innovation within the tile industry. We believe that continuous innovation is crucial for maintaining a competitive edge and meeting the evolving demands of our customers. Our focus on innovation encompasses several key areas:

Product Development

Advanced Digital Printing Technology. We utilize advanced digital printing technology to replicate the intricate details and textures of natural materials such as marble, wood and stone with notable realism. This technology allows for greater design flexibility and enables us to offer a wide range of unique and aesthetically appealing tile designs.

Development of High-Performance Tiles. We invest in research and development to create high-performance tiles with enhanced features, including: (i) increased durability and scratch resistance through advancements in glaze formulations and firing processes; (ii) improved stain and water resistance by utilizing innovative surface treatments and nanotechnologies; and (iii) enhanced hygiene and anti-microbial properties by incorporating innovative materials and coatings to inhibit the growth of bacteria and mold.

Process Optimization

Lean Manufacturing Principles We continuously strive to optimize our manufacturing processes by implementing lean manufacturing principles, such as waste reduction, process streamlining and automation. This enhances efficiency, reduces costs and improves overall productivity.

Sustainable Manufacturing Practices: We are committed to sustainable manufacturing practices, including: (i) energy-efficient production processes by utilizing energy-efficient kilns and adopting renewable energy sources such as solar and wind power; (ii) water conservation by implementing water reuse systems to minimize water consumption; and (iii) waste reduction and recycling by minimizing waste generation and implementing effective waste management programs.

Customer Focus

Understanding Customer Needs. We actively engage with our customers to understand their evolving needs and preferences. This customer-centric approach informs our product development and design decisions.

Providing Value-Added Services. We offer value-added services to our customers, such as design consultations, project support, and after-sales service, to enhance their overall experience.

Distribution Network

We have a multi-channel distribution network across India, enabling us to effectively reach our target customer base.

- **B2C**: We continue to drive growth through our retail strategy focused on EBOs and MBOs that operate on a franchisee-owned-franchisee-operated model. This dual-channel approach ensures extensive market reach, efficient distribution and high-quality customer experience.
    - ***EBOs***: Our EBOs (which are operated on a franchisee-owned-franchisee-operated model) provide an elevated in-store experience for our potential customers by strategically displaying our wide range of products in optimal locations and help in enhancing our brand loyalty. Our EBOs are designed to maximize benefits for our Dealers, taking into account factors such as real estate space, location, market preferences and product mix. This strategic approach has been effective in building long-term partnerships and enhancing brand equity. Notably, several MBOs have transitioned to EBOs after recognizing the business potential and growth associated with exclusivity, further validating the strength of our retail model. As of March 31, 2025, our products are sold through 286 EBOs in India spread across 232 cities.
    - ***MBOs***: With over 2,000 MBOs in India and outside India, as of March 31, 2025, we ensure product visibility and accessibility across a broad market. Many MBOs now dedicate exclusive sections to our collections, reinforcing our growing demand and brand presence. By carefully selecting our partners, we maintain efficient distribution and prompt service, fostering enduring customer relationships and excellence at every touchpoint.
- **B2B**: Our B2B distribution network comprises arrangements with various builders, contractors, developers and government agencies.
    - ***Project/builder network***: We supply a wide range of products to builders and contractors for various projects, ensuring that all their construction needs are met with high-quality materials. Our extensive product line caters to both residential and commercial projects. We follow a direct business approach for builders, either selling goods directly to them or through dealers who facilitate the business.
    - ***Government empanelment***: We participate in various government empanelment programs and list our products with them. When a government project is assigned to a contractor on a turnkey basis, these contractors often reach out to empanelled suppliers, including us, to request quotations. In this competitive environment, we strive to offer the best combination of price and quality to secure these projects. Once a project is awarded, we supply the necessary goods directly to the turnkey contractors, thereby playing a crucial role in the successful execution of government initiatives.

Our multi-channel distribution network is supported by:

Dealer Network. We have a network of over 2,286 Dealers strategically located across key markets spread across 949 cities in India, as of March 31, 2025. Our dealers play a crucial role in reaching end-customers, including builders, contractors, architects, and retail customers, ensuring that our products are accessible to a wide audience.

Direct Sales. We employ a dedicated direct sales team of 347 members, as of March 31, 2025, that focuses on key accounts, such as large-scale construction projects and government tenders. This direct approach allows us to cater to the specific needs of significant clients and secure significant contracts.

Warehousing. We have set up warehouses at strategic locations, which ensures timely and efficient delivery of our products to the customers. As of March 31, 2025, we have three warehouses located in Bengaluru, Faridabad and Mumbai.

Exports

As of March 31, 2025, our products were exported to over 100 countries, which are managed by a dedicated team comprising 47 individuals as of the same date. Our manufacturing facilities are located in Morbi which are in close proximity to the Mundra and Kandla ports, which according to the Technopak Report, enables efficient export logistics and this proximity enables to swiftly and cost-effectively transport products to international markets, greatly enhancing export capabilities.

Set out below is the disaggregation of our revenue from contracts with customers by geographical markets for the years indicated:

	Fiscal					
	2025		**2024**		**2023**	
	(₹ million)	**% of Sale of products**	**(₹ million)**	**% of Sale of products**	**(₹ million)**	**% of Sale of products**
Geographical markets						
India	11,286.35	78.69%	10,800.68	75.99%	10,592.74	80.01%
Outside India	3,056.27	21.31%	3,413.21	24.01%	2,646.34	19.99%
Sale of Products	**14,342.62**	**100.00%**	**14,213.89**	**100.00%**	**13,239.08**	**100.00%**

Marketing

We employ various sales and marketing initiatives to increase our brand recognition. We undertake differentiated ATL and BTL marketing strategies and multimedia and digital campaigns and advertise our products across various medium including social media, news channels, cinema, TV platforms and outdoor advertisement. Further, we have chosen not to engage any brand ambassador to promote our brand. Instead, we concentrate on showcasing the functional attributes of our products through our diverse marketing initiatives. We believe our product's quality and features are compelling enough to stand on their own, removing the need for a brand ambassador.

ATL Activities

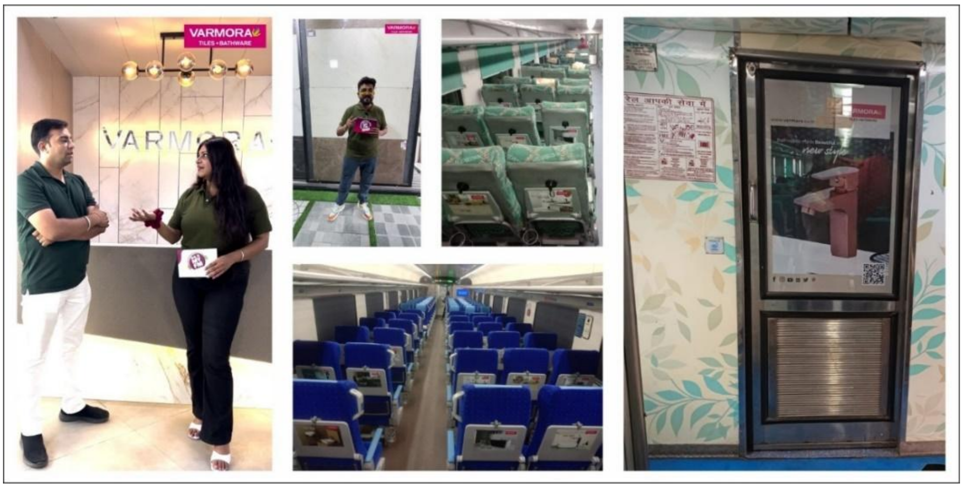
Television commercials. We also launched our first television commercial in January 2023. Our TV commercials highlight our brand's story, superior product quality and design aesthetics. These commercials are aired on targeted channels with high viewership in relevant demographic segments to maximize reach and impact. Set out below are certain images of our TV commercials:

Radio advertising. We utilize strategically placed radio spots to build brand awareness and effectively convey key messages. We collaborate with radio jockeys at our retail outlets to enhance localized engagement and customer interaction.

Train advertising. Since January 2024, we have conducted branding campaigns on over 14 trains, as of March 31, 2025, ensuring high visibility and reach among daily commuters.

Cinema branding. Since January 2024, we have advertised our products on over 4,000 cinema screens across India, as of March 31, 2025.

Airport Branding. Our branding initiatives are placed across Mumbai international and domestic airport, including at automatic tray return system (ATRS) machines and island medians, ensuring visibility in high-traffic areas. At Ahmedabad domestic airport, we have installed a product display kiosk, allowing travellers to directly experience our product range.



Social media influencer campaigns. We have collaborated with influencers, particularly architects, interior designers, builders, contractors, masons and plumbers to reinforce brand positioning and engage target audiences through authentic content.

Digital advertising. We undertake digital advertising through (i) search engine marketing: we launch targeted advertisements on search engines to capture the interest of potential investors and consumers searching for relevant information; (ii) social media marketing: we actively engage with audiences on various platforms and share educational content, brand updates and engaged in two-way communication with followers; and (iii) display advertising: we strategically design advertisements and placed them on relevant online platforms and websites visited by target audiences.

BTL Activities

Public relations. We regularly issue press releases to media outlets, industry publications and business dailies to announce milestones, achievements and growth opportunities.

Product launch events and conferences. We regularly organize product launch events to showcase our latest innovations, technology advancements and product offerings. These events provide an opportunity for us to connect with current and potential Dealers while narrating our brand's growth story. In addition, we regularly participate in industry exhibitions and conferences to enhance brand visibility and network with industry professionals. Set out below are certain images of our product launch event:

Digital marketing (other than social media). We have and continue to undertake various other digital marketing initiatives such as: (i) website optimization: we have enhanced our website with relevant keywords and user-friendly content to improve search engine rankings and increase organic traffic; and (ii) content marketing: we have developed, published and distributed blog posts, articles and videos that are informative and industry-relevant, with the aim of positioning our Company and brand as a thought leader.

Influencer network

As of March 31, 2025, we had a network of over 10,000 influencers including ABCs. We strengthen our influencer network by collaborating with recognised builder networks such as CREDAI, a group of private real estate developers in India, which provides a platform to engage with numerous other builders.

Technology

We leverage advanced technology throughout our manufacturing process, business operations and branding initiatives to enhance efficiency, quality and innovation. We employ advanced technologies sourced from SACMI, an Italian equipment manufacturer in our manufacturing processes, such as the "V-NATURE BLOCK Technology & Machine" also known as IST. Key technological features include efficient grinding and drying systems, digital printing, advanced glazing techniques, and high-efficiency kilns. These technologies enable us to produce high-quality products while optimizing resource use and minimizing waste. Additionally, we employ real-time data collection and analysis to monitor and improve our processes continuously.

We are also committed to continuous technological advancements to maintain a competitive edge. We regularly invest in research and development to explore and implement new technologies. For instance, we utilize artificial intelligence through our *Hybrid Varmora* platform to streamline operations and improve decision-making. We also use various enterprise resource planning systems to enhance our end-to-end supply chain, i.e., from design to delivery, such as business central, sales force automation and digital platforms for employee stock ownership plans and *Keka*, a human resource management system, which further enhances operational efficiency and employee management.

Hybrid Varmora

We have recently launched *Hybrid Varmora*, a proprietary augmented reality platform designed to transform the product discovery and selection process for our Dealers and their customers. With *Hybrid Varmora*, our Dealers can virtually preview and offer our full range of SKUs in customizable digital layouts to customers. *Hybrid Varmora* leverages advanced marketing technology, including augmented reality and 3D visualization, to enable our Dealers to virtually showcase and offer our portfolio in an interactive and customizable digital environment. Certain key features of *Hybrid Varmora* include:

- *iPanel*: A digital interface that allows customers to browse our product range. Customers can view detailed product information, see real-world applications in both residential and commercial settings, and access 3D visual renderings to better understand how products may look in various spaces.

- *iMockup*: A tool that enables customers to place selected tiles into a variety of predefined room layouts, such as living rooms, kitchens, and offices. This feature allows for quick previews of different tile combinations and layouts, helping users visualize options before making a decision.

- *iMeta*: A virtual walkthrough of select product collections, including IST. Customers can explore a digitally rendered showroom, interact with surfaces and change tile combinations in real time.

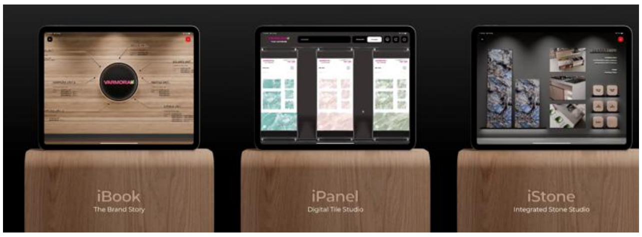
- *iStone and iCollection*: Digital galleries focused on stone slabs, large formats and premium series, providing images, videos and 3D previews to help customers assess finish, texture and detail.

- *Comprehensive tile views*: The platform offers multiple viewing options, including random patterns, 3D previews, 360-degree views, and real tile images, all in one place.

- *Room visualization*: Customers can see how tile designs would appear in different types of rooms, such as bathrooms, bedrooms, living areas, and commercial spaces.

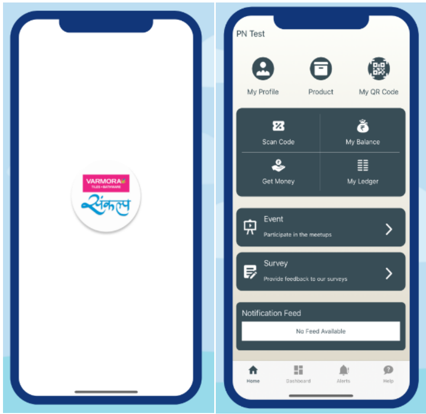
- *Tile selection and shortlisting*: The platform allows customers to easily select and save their preferred tile designs for further consideration.

Set out below are certain images of our *Hybrid Varmora*:



Varmora Sankalp

We have also implemented *Varmora Sankalp*, a digital rewards and incentives application to increase our network of masons and plumbers. Set out below are certain images of our *Varmora Sankalp*:



Suppliers and Raw Materials

As of March 31, 2025, we had a wide network of over 500 suppliers, including raw material manufacturers, original equipment manufacturers, packing materials providers and tools and spares makers. Our suppliers located in India include DLT Technology Co. Ltd., Modena Technology (Hongkong) Limited, SACMI Imola S.C., Sicer India Pvt. Ltd., System Ceramics S.p.A., Torrecid India Pvt. Ltd and Vidres India Ceramics Private Limited.

Set out below are details of raw materials, packaging materials and machinery and equipment that we source from these suppliers:

- *Raw materials*: Our raw materials include several types of clays, glaze, ink, feldspar, frit and bentonite.
- *Packaging materials:* Our packaging materials include wooden pallet (for export material), box/ cartons, corners, strapping roll and paper sheet.
- *Machinery and equipment*: We import our machinery from Italy. We source advanced equipment, auxiliaries, utilities and corresponding spares and consumables.

We procure these supplies on the basis of short-term arrangements typically through purchase orders. For more details, see "*Risk Factors — Internal Risks — 6. Our operations are subject to volatility in the supply and pricing of raw materials and packing materials. We are also dependent on our top suppliers for the supply for certain raw materials (top 10 suppliers contributed to 11.83% of our total expenses in Fiscal 2025). Any loss of suppliers or interruptions in the timely delivery of supplies or price escalations could have an adverse impact on our business, financial condition, cash flows and results of operations*." on page 42.

Supply chain diversification is critical to our business as the impact of any disruption in the value chain can significantly impact our operations. Accordingly, we constantly work towards maintaining our large network of suppliers and managing the supply chain considering price, commodity, and other risks to factor in climate impact as well. We have also implemented stringent inventory management practices to alleviate any shortages in our supplies while ensuring cost and process efficiency.

Quality Assurance and Quality Control

We prioritize the quality of our products through stringent quality control measures integrated into every phase of production. This encompasses adherence to industry regulations, rigorous testing protocols, and constant monitoring of manufacturing processes to detect and rectify potential quality issues. We leverage our advanced technology and equipment to uphold elevated standards of safety and quality. Further, our manufacturing facilities have obtained various certifications including ISO.

Repair and Maintenance

We have an internal team of technicians that handle regular repairs and maintenance. We maintain a disciplined maintenance and repair schedule for our manufacturing facilities to ensure efficient production and to reduce the risk of unplanned operational interruptions. Additionally, we plan routine shutdowns for comprehensive maintenance. Our teams are prompt in addressing both regular maintenance needs and repairs, focusing on the upkeep of our equipment.

Human Resources

As of March 31, 2025, we had a total of 1,156 permanent employees. The following table provides a breakdown of our employees by function as of March 31, 2025:

Employee function	Number of employees
Accounts and finance	43
Branding and marketing	54
Other office staff	35
Function heads	12
Customer care and quality control	47
IT/Legal	7
Export team	47
Human resource and administration	30
Logistic and billing	40
Sales	347
Sales support	164
Production staff	330
Total	**1,156**

We believe in the continuous training and professional development of our employees. We provide comprehensive training programs, mentorship opportunities, and skill enhancement initiatives. By investing in our employees' growth, we foster a culture of learning, innovation, and career advancement, ensuring their long-term success and contributing to our organizational excellence. In addition to compensation that includes salary and allowances, our employee welfare initiatives also include an ESOP Plan for certain of our employees, fostering a sense of ownership amongst key employees.

Further, we have implemented a code of business conduct for our employees, which among others, sets out the fair dealing processes by our employees with our customers, suppliers and other third parties. We also engage contract workers in our manufacturing facilities. The number of contract workers engaged by us vary from time to time based on the nature and extent of work involved in our on-going projects. As of March 31, 2025, we had a total of 1,939 contract workers. Further, none of our employees were associated with any labor union as of the same date.

Intellectual Property

As of the date of this Draft Red Herring Prospectus, we have obtained 18 registered trademarks under the Trade Marks Act, 1999. Further, our Company has also applied for one trademark application. For a list of intellectual property owned and registered by us, see "*Government and Other Approvals - Intellectual property related approvals*" on page 434.

Our Company has entered into separate trademark license agreements with Varmora Furnitures Private Limited and Varmora Plastech Private Limited, both dated June 18, 2022. Under these agreements, our Company has granted the license to use the 'Varmora' trademark on a revocable basis, subject to the payment of an annual royalty fee of ₹ 1 each, including the right to sub-license, as per the terms outlined in the agreements. The license is valid for a period of five years from the date of execution and will automatically renew for an additional five years on the same terms and conditions.

We cannot be certain that the steps we have taken will prevent unauthorized use of our intellectual property. See "*Risk Factors — Internal Riks — 35. We may be unable to adequately obtain, maintain, protect and enforce our intellectual property rights. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations*" on page 56.

Insurance

We maintain insurance policies for our business which are customary for our industry. These include policies in relation to standard fire and allied perils insurance, burglary insurance, marine cargo insurance, workman's compensation insurance, vehicle insurance, directors' & officers' liability insurance, transit of raw material and finished goods insurance and consequential loss (fire) of profit policy. For risks related to our insurance coverage, see "*Risk Factors — Internal Risks — 39. Our insurance coverage may not be sufficient or may not adequately protect us against risks and unexpected events, which may adversely affect our business, financial condition, cash flows and results of operations*" on page 58.

Competition

We face competition from large, organized and branded players. We also compete with smaller, regional and unbranded players in the market that may have more flexibility in responding to changing business and economic conditions than us. For further information, see "*Industry Overview – Operational Benchmarking*" on page 185. For risks related to competition, see "*Risk Factors — Internal Risks — 29. We operate in highly competitive markets in each of our product categories and an inability to compete effectively may adversely affect our business, financial condition, cash flows and results of operations*" on page 154.

Corporate Social Responsibility

In accordance with the Companies Act, 2013 and the rules thereunder, we have adopted a Corporate Social Responsibility ("**CSR**") policy. CSR is a large part of our overall sustainability policy encompassing social, economic and environmental actions. Our CSR policy is aimed at demonstrating care for the community through our focus on, amongst other, education, healthcare, rural development, women empowerment, community development projects and programs and supplementing the efforts of the local institutions/ non-government organisations in these fields to meet priority needs of the marginalized and underserved communities with the aim to help them to be become self-reliant. Our CSR activities are typically undertaken in the local areas and areas around our facilities. Key recent highlight of our CSR initiatives include providing financial support and gifts, amongst others, to various non-government organisations.

Property

Our registered office is located at 8-A, National Highway, Dhuva, Taluka Wankaner, District Rajkot, Gujarat - 363 641, India and our corporate office is located at 1004/5/6, South Tower, ONE42, Off. Iscon-Ambli Road, Ahmedabad – 380054, Gujarat, India. We also have offices located in Chennai, Bengaluru, Cochin, Hyderabad, Noida, Vijaywada, Kolkata, Mumbai, Bhubaneswar and Jaipur. All of our manufacturing facilities are located in the Morbi cluster in Gujarat. As of the date of this Draft Red Herring Prospectus, all of our manufacturing facilities (except two facilities held on a leasehold basis) and registered office are located on land owned by us, while our other offices, including corporate office are held on a leave-and-license or leasehold basis.

The following table sets forth the details of the properties leased/owned by us for our manufacturing units and plants, as on the date of this Draft Red Herring Prospectus:

S. No.	Facility Address	Leasehold / Freehold	Details of agreement	Duration / Period of lease	Name of related party or member of the Promoter Group, if party to the transaction	Purpose
1.	Sr. No. 154, 155, 156, Unit Conffi Sanitaryware, Nh 8A, Gram Panchayat, Ratavirda, Morbi – 363621, Gujarat	Leased/ Licensed	Collector Kacheri, District Seva Sadan, ordi extension, Morbi-2, Gujarat- 363642	50 years beginning from April 28, 2023	NA	Manufacturing unit
2.	Sr. No. 237/1P14, Unit Conffi Sanitaryware, Nh 8a, Gram Panchayat, Ratavirda, Morbi - 363621, Gujarat	Leased/ Licensed	Collector Kacheri, District Seva Sadan, ordi extension, Morbi-2, Gujarat- 363642	50 years beginning from April 28, 2023	NA	Manufacturing unit
3.	Survey No. 118, Mouje: Bamthiya, Jamjodhpur, Jamnagar, Gujarat	Sub-lease	Name of Sub-lessor: Golden Non-conventional Energy systems Pvt. Ltd. Date of the agreement: December 22, 2020	17 years 4 months beginning from December 22, 2020	NA	Wind plant
4.	Survey No. 266, (New Survey No. 686) situated Village-Dharagar, Taluka-Bhanvad, District Dev Bhumi Dwarka,	Sub-lease	Name of Lessor: Powerica Limited Date of the agreement: March 30, 2021	20 years beginning from June 24, 2013	NA	Wind plant

S. No.	Facility Address	Leasehold / Freehold	Details of agreement	Duration / Period of lease	Name of related party or member of the Promoter Group, if party to the transaction	Purpose
	Gandhinagar, Gujarat					
5.	Survey No. 831/p3/p1, situated at village - Verad, Taluka Bhanvad, Dist, Dev Bhumi Dwarka, Gujarat	Leased/ Licensed	Name of Lessor: Powerica Limited Date of the Agreement: March 30, 2021	20 years beginning from March 30, 2021	NA	Wind plant
6.	Survey No. 385 (Part), Sara, Taluka and District Surendranagar, Gujarat	Leased/ Licensed	Name of Lessor: Covertek Ceramica Private Limited Date of the agreement: July 22, 2024	28 years beginning from April 1, 2020	Ranjanben Vallabhdas Varmora	Solar plant
7.	Survey No. 385 (Part), Sara, Taluka And District Surendranagar, Gujarat	Leased/ Licensed	Name of Lessor: Ranjanben Vallabhas Patel Date of the agreement: February 25, 2020	28 years beginning from April 1, 2020	Ranjanben Vallabhdas Varmora	Solar plant
8.	Survey No. 385 (Part), Sara, Taluka And District Surendranagar, Gujarat	Leased/ Licensed	Name of Lessor: Ranjanben Vallabhas Patel Date of the agreement: February 25, 2020	28 years beginning from April 1, 2020	Ranjanben Vallabhdas Varmora	Solar plant
9.	Survey No. 385 (Part), Sara, Taluka and District Surendranagar, Gujarat	Leased/ Licensed	Name of Lessor: Ranjanben Vallabhas Patel Date of the agreement: February 25, 2020	28 years beginning from April 1, 2020	Ranjanben Vallabhdas Varmora	Solar plant
10.	Sr. No. 364/5, 364/6, Sara, Taluka Muli, District Surendranagar, Gujarat	Leased/ Licensed	Name of Lessor: Covertek Ceramica Private Limited Date of the Agreement: July 22, 2024	30 years beginning from July 22, 2024	Bhavnaben Ramanbhai Varmora	Solar plant
11.	Sr. No. 365, 366/1, 366/2, Sara, Taluka Muli, District Surendranagar, Gujarat	Leased/ Licensed	Name of Lessor: Covertek Ceramica Private Limited Date of the Agreement: March 6, 2024	30 years beginning from March 6, 2024	Bhavnaben Ramanbhai Varmora	Solar plant
12.	Sr. No. 385, Sara, Taluka Muli, District Surendranagar, Gujarat	Leased/ Licensed	Covertek Ceramica Private Limited Date of Agreement: July 22, 2024	30 years beginning from July 22, 2024	Ranjanben Vallabhdas Varmora	Solar plant
13.	Survey No 35P1, Ratavirda, Gram Panchayat, Ratavirda, Morbi, Gujarat, 363621	Freehold	-	-	NA	Manufacturing unit
14.	Survey No 35P2, Ratavirda, Gram Panchayat, Ratavirda, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
15.	Survey No 35P3, Ratavirda, Gram Panchayat, Ratavirda, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
16.	Survey No 36, Ratavirda, Gram Panchayat, Ratavirda, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
17.	Survey No 37, Ratavirda, Gram Panchayat, Ratavirda, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
18.	Survey No. 147/1P9, Sartanpar, Gram Panchayat, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
19.	Survey No. 147/1P10, Sartanpar, Gram Panchayat, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
20.	Survey No. 147/1P11, Sartanpar, Gram Panchayat,	Freehold	-	-	NA	Manufacturing unit

S. No.	Facility Address	Leasehold / Freehold	Details of agreement	Duration / Period of lease	Name of related party or member of the Promoter Group, if party to the transaction	Purpose
	Sartanpar, Morbi - 363621, Gujarat					
21.	Survey No. 147/1P17, Sartanpar, Gram Panchayat, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
22.	Survey No. 145 & 146, 8a, National Highway Dhuva, Taluka Wankaner, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
23.	Survey No. 148 & 149, 8a, National Highway Dhuva, Taluka Wankaner, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
24.	Sr No. 123p1, 123p1/P1, 122/P1, Unit Solaris, Sartanpar Road, Sense Granite, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
25.	Sr No. 147/1 P16/P1, Unit Solaris, Sartanpar Road, Sense Granite, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
26.	148/P1, Unit Tocco, Sartanpar Road, Akshada Ceramic, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
27.	148/P2, Unit Tocco, Sartanpar Road, Akshada Ceramic, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
28.	Sr. No. 177/1P1, Unit Conffi Sanitaryware, Nh 8a, Gram Panchayat, Ratavirda, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
29.	Sr. No. 177/1P2, Unit Conffi Sanitaryware, Nh 8a, Gram Panchayat, Ratavirda, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
30.	Sr No 136/P1, 136/P2, 137, Unit Nextile, 8a National Highway, Gram Panchayat, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
31.	Sr No 138, 147/1 P4, Unit Nextile, 8a National Highway, Gram Panchayat, Sartanpar, Morbi - 363621, Gujarat	Freehold	-	-	NA	Manufacturing unit
32.	Revenue Survey No. 20P1, 8-A, National Highway, Sartanpar Road, Sartanpar, Wankaner, Rajkot, Morbi - 363621, Gujarat, India.	Freehold	-	-	NA	Manufacturing unit
33.	Revenue Survey No. 20P2, 8-A, National Highway, Sartanpar Road, Sartanpar, Wankaner, Rajkot, Morbi - 363621, Gujarat, India.	Freehold	-	-	NA	Manufacturing unit
34.	Revenue Survey No. 22/1, 8-A, National Highway, Sartanpar Road, Sartanpar, Wankaner, Rajkot, Morbi - 363621, Gujarat, India.	Freehold	-	-	NA	Manufacturing unit

S. No.	Facility Address	Leasehold / Freehold	Details of agreement	Duration / Period of lease	Name of related party or member of the Promoter Group, if party to the transaction	Purpose
35.	Revenue Survey No. 22/2, 8-A, National Highway, Sartanpar Road, Sartanpar, Wankaner, Rajkot, Morbi - 363621, Gujarat, India.	Freehold	-	-	NA	Manufacturing unit
36.	S. No. 147/2, At Sartanpar, Dist. Morbi, Wankaner, Rajkot, Wankaner - 363621, Gujarat, India	Freehold	-	-	NA	Manufacturing unit
37.	Survey No 228 1, Pakli 1, Halvad Road, Unchi Mandal, Unchi Mandal, Rajkot, Morbi - 363642, Gujarat, India	Freehold	-	-	NA	Manufacturing unit
38.	Syrvey No 228 1 Palki 2, Halvad Road, Unchi Mandal, Unchi Mandal, Rajkot, Morbi - 363642, Gujarat, India	Freehold	-	-	NA	Manufacturing unit
39.	Survey No 228 2, Halvad Road, Unchi Mandal, Unchi Mandal, Rajkot, Morbi - 363642, Gujarat, India	Freehold	-	-	NA	Manufacturing unit
40.	Survey No 228 3, Halvad Road, Unchi Mandal, Unchi Mandal, Rajkot, Morbi - 363642, Gujarat, India	Freehold	-	-	NA	Manufacturing unit
41.	Survey No 77 2 1, Halvad Road, Unchi Mandal, Unchi Mandal, Rajkot, Morbi - 363642, Gujarat, India	Freehold	-	-	NA	Manufacturing unit
42.	Survey No 78 P, Halvad Road,Unchi Mandal, Unchi Mandal, Rajkot, Morbi - 363642, Gujarat, India	Freehold	-	-	NA	Manufacturing unit

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key regulations, statutes, circulars, directions and policies which are applicable to our Company, our Subsidiaries and our business operations in India.

The information detailed in this chapter has been obtained from publications available in the public domain. Further, the information detailed in this chapter is based on the provisions of statutes, bills, regulations, notifications, memorandum, circulars and policies] which are subject to amendment, modification and/or change by subsequent legislative, regulatory, administrative or judicial decisions. The descriptions of the applicable statutes, regulations, circulars, directions and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Taxation statutes such as the Income-tax Act, 1961, the Customs Act, 1962, professional tax legislations, wherever applicable and the relevant goods and service tax legislation apply to us as they do to any Indian company.

Under the provisions of various Central Government and State Government statutes and legislations, our Company and Subsidiaries are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details of the material government approvals obtained by our Company, see "Government and Other Approvals" on page 433.

The Electricity Act, 2003 (the "Electricity Act") read with the Electricity Rules, 2005 (the "Electricity Rules")

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission ("**CERC**"), the State Electricity Regulatory Commissions ("**SERCs**") or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

The generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines. Further, the generating company may supply electricity to any licensee or even directly to consumers and have a right to open access, for the purpose of carrying electricity subject to availability of adequate transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the appropriate electricity regulatory commission. In terms of the Electricity Act, 'open' access means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system, by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the appropriate electricity regulatory commission.

Under the Electricity Act, the appropriate commission shall specify the terms and conditions for the determination of tariff. Pursuant to the powers granted under the Electricity Act, various regulations and guidelines have been framed by the CERC and the SERCs for determination of tariff for thermal producers and generation, distribution, transmission, allowing open access, among others.

The Electricity Rules, 2005 along with subsequent amendments inter alia provides for: (a) minimum fifty–one percent off take of energy generated in the captive power plant by the captive user; (b) minimum of twenty–six percent ownership of the captive user(s); (c) accounting of subsidy provided to certain consumers; (d) compliance with directions by transmission licensee; e) surcharge payable by consumers seeking open access; (f) energy storage systems; (g) development of hydro power; and h) implementation of uniform renewable energy tariff for central pool. The Ministry of Power ("**MoP**") released additional amendments to the Electricity Rules, 2005 ("**Amendment Rules**"). To clarify certain changes brought by the Amendment Rules, the MoP in 2023, which inter-alia, permitted the consumption of electricity by the subsidiary company or the holding company of captive user from the Captive Generating Plant ("**CGP**"), to also be included while determining the captive consumption of such captive user.

The Electricity (Amendment) Bill, 2022 was introduced to amend certain provisions of the Electricity Act.

Additionally, the following state-level regulations issued by the Gujarat Electricity Regulatory Commission ("**GERC**") are now also applicable to the Company in respect of its renewable energy operations in Gujarat:

- **GERC (Open Access) Regulations, 2011**: These regulations govern the framework for availing open access to the intra-state transmission and distribution networks in Gujarat, repealed or superseded by the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024. Open access enables generators and consumers to buy and sell electricity directly, bypassing the local distribution licensee. The provisions further govern eligibility, procedure for application, scheduling, charges (such as wheeling and cross-subsidy charges), and other conditions for accessing the grid.

- **GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024**: These regulations provide a specific regulatory framework for open access in relation to green energy sources such as solar and wind. They aim to facilitate non-discriminatory access to the transmission and distribution network for renewable energy developers and consumers. The regulations address key aspects including eligibility criteria, banking of power, metering, scheduling, settlement, and applicable charges.

- **GERC (Gujarat Electricity Grid Code) Regulations, 2013**: These regulations set out the technical and operational standards for the state electricity grid. They are applicable to all grid participants including generating companies, transmission licensees, and distribution licensees. The grid code ensures secure, reliable, and efficient operation of the power system in Gujarat.

- **GERC (Multi-Year Tariff) Regulations, 2024**: These regulations provide the framework for the determination of tariffs over a multi-year control period, promoting regulatory certainty and long-term planning. They cover tariff determination for generation, transmission, and distribution utilities, and include performance-based incentives and disincentives.

These state-level regulations supplement the central legal and regulatory framework established under the Electricity Act, 2003 and the regulations issued by the Central Electricity Regulatory Commission ("CERC"). Accordingly, the Company is required to ensure compliance with both central and applicable state-level regulations in relation to its renewable energy assets and operations in Gujarat.

Bureau of Indian Standards Act, 2016 ("BIS Act") and Bureau of Indian Standards Rules, 2018 ("BIS Rules")

This BIS Act provides for establishment of a national standards body for the harmonious development of activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems, and services whether partly or wholly processed or manufactured in India. The BIS Act seeks to establish and publish Indian standards in relation to any goods, articles, process, systems, or services. Furthermore, the central government is empowered to direct compulsory use of standard mark and impose penalties in the form of pecuniary fines or imprisonment for contravention of the same.

The BIS Rules have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IVA of the said rules relating to registration of the articles notified by the central government, and in supersession of the Bureau of Indian Standards Rules, 2017. The BIS Rules seek to establish Indian standards in relation to any goods, article, process, system, or service and shall reaffirm, amend, revise, or withdraw Indian standards so established as may be necessary.

The Explosives Act, 1884 ("Explosives Act")

The Explosives Act, 1884, applicable throughout India, regulates the manufacture, possession, use, sale, transport, import, and export of explosives. It empowers the Central Government to restrict or prohibit particularly dangerous explosives to ensure public safety.

The Explosives Rules, 2008 provide the operational framework for granting approvals and licenses for activities involving explosives, including their manufacture, storage, transport, import, export, and packaging. These rules emphasize safety and compliance in handling explosives across various sectors.

Unlawful or malicious use of explosive substances that endangers life or causes significant property damage is punishable with life imprisonment or up to 10 years' imprisonment, with the possibility of fines. Suspended or revoked licenses must be promptly surrendered to the designated authority, as specified in the revocation order, ensuring accountability and adherence to safety standards.

The Industries (Development and Regulation) Act, 1951, as amended ("IDR Act")

The IDR Act provides for the development and regulation of certain industries such as the manufacturing industry. The owner of the industrial undertaking is required to register and have a valid registration certificate and must have a prior license for producing or manufacturing new articles. An industrial undertaking means any such manufacturing process which is being carried on with the aid of power having 50 or more workers or without the aid of power having 100 or more workers (on any day of the preceding 12 months). Furthermore, the IDR Act empowers the Central Government to revoke the registration when the registration was obtained upon misrepresentation of an essential fact, or the undertaking has ceased to be registrable by the reason of any exemption granted under this act or the registration has become ineffective. In the case, if a particular activity falls within the exempted category, then an Industrial Entrepreneur Memorandum needs to be filed for undertaking manufacturing of such exempted articles as provided in the notification issued by the Ministry of Commerce and Industry, Government of India having notification number 477(E) dated July 25, 1991. Upon contravention, the IDR Act imposes penalties in the form of pecuniary fines or imprisonment.

Remission of Duties and Taxes on Exported Products Scheme ("RoDTEP Scheme")

The RoDTEP Scheme has been with effect from January 1, 2021. The aim of the RoDTEP Scheme was to reimburse all exporters for previously non-reimbursable taxes and duties. This provides new benefits to exporters for exporting products outside of India and encourages global trade. Under the RoDTEP Scheme, support will be provided to eligible exporters at a notified rate as a percentage of Freight on Board value. Mandi tax, VAT, coal cess, central excise duty on fuel etc. is refunded. The refund is issued in the form of transferable electronic scrips. These duty credits will be maintained and tracked through an electronic ledger. Certain categories, which would not avail the benefits include export goods that are subject to minimum export price, restricted and prohibited items, deemed exports, supplies of goods manufactured by domestic tariff area units to Special Economic Zones ("**SEZs**"), and products manufactured or exported by units situated in SEZs.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules"), as amended

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, appointment of government-approved test centres for verification of weights and measures used and lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases. The Packaged Commodity Rules define "pre-packaged commodity" as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The Packaged Commodity Rules prescribes the regulations for imports, pre-packing and the sale of commodities in a packaged form intended for retail sale, wholesale and for export and import, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations to be made on every package, the size of label and/or importers and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, inter alia, the name and address of the manufacturer, the dimensions of the commodity, the maximum retail price, generic name of the product and the country of origin, in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers especially relating to e-commerce entities. Pursuant to the amendments, the inventory e-commerce entity itself will be made liable and punishable for failure to make relevant declarations on its platform as required under the LM Act and the Packaged Commodity Rules.

Intellectual property laws

The Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

Designs Act, 2000 ("Designs Act")

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or colour or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, trademarks and copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trademarks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act serves to create property rights for certain kinds of intellectual property, generally called works of authorship. The intellectual property protected under the Copyright Act includes copyrights subsisting in artistic works, original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programs, tables and compilations including computer databases. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and may help expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire and issuing of copies to the public, among others, without consent of the owner of the copyright are acts which expressly amount to an infringement of copyright.

Labour law legislations

Factories Act, 1948 (the "Factories Act")

The term "factory" as defined under the Factories Act includes any premises which employs or had employed 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are or were employed on any day of the preceding 12 months, and where a manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. If there is a contravention of any of the provisions of the Factories Act or rules framed thereunder, the manager and occupier of the factory may be punished with imprisonment or with a fine or with both.

Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")

The CLRA regulates the employment of contract labour in certain establishments. The CLRA requires every establishment employing 20 or more contract labourers on any day of the preceding twelve months to be registered and prescribes certain obligations with respect to welfare and health of contract labourers.

In addition to the Factories Act and the CLRA, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of various other labour laws which may be applicable to our Company due to the nature of our business activities:

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Employees' State Insurance Act, 1948
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Maternity Benefit Act, 1961
- Industrial Disputes Act, 1947
- Industrial Disputes (Central) Rules, 1957
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Employees Compensation Act, 1923
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Child Labour (Prohibition and Regulation) Rules, 1988
- The Equal Remuneration Act, 1976

- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996
- Industrial Employment (Standing Order), Act, 1946
- The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001
- The Code on Wages, 2019*
- The Occupational Safety, Health and Working Conditions Code, 2020**
- The Industrial Relations Code, 2020***
- The Code on Social Security, 2020****

* *The GoI enacted The Code on Wages, 2019 which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Gol brought into force sections 42(1), 42(2).42(3), 42(10), 42(11), 67(00(x). 67(1)(10) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7. 9 (to the extent that they relate to the Gol) and 8 of the Minimum Wages Act, 1948)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

** *The Gol enacted The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The Gol enacted The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

**** *The Gol enacted The Code on Social Security, 2020 which received the assent of the President of India on September 28. 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees State Insurance Act, 1948, the Employees Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers Social Security Act, 2008.*

Environment protection laws

Environment Protection Act, 1986 ("EPA") and the Environment (Protection) Rules, 1986 ("Environment Rules") and the Draft Environmental Impact Assessment Notification, 2020 ("Draft EIA")

The EPA, the Environment Rules, and the Draft EIA are key legal frameworks aimed at environmental protection in India. The Environment Act was enacted to protect and improve the environment and to address related matters. It serves as an umbrella legislation designed to provide a framework for the Central Government to coordinate the activities of various state and central authorities established under previous environmental laws. The Act specifies that no person engaging in any industry, operation, or process shall discharge or emit pollutants in excess of prescribed standards. Additionally, it grants the Central Government the authority to issue written directions to any individual, officer, or authority for the purposes of the Act, including directing the closure, prohibition, or regulation of any industry or process.

The Environment Act also empowers the Central Government to make rules for various purposes, including prescribing (i) air, water, and soil quality standards for different areas, (ii) the maximum allowable concentrations of environmental pollutants in different areas, and (iii) procedures and safeguards to prevent accidents that could cause environmental pollution, along with remedial measures. The Environment Rules establish specific provisions concerning emission or discharge standards for pollutants and prohibit certain industrial activities in designated geographic locations. In accordance with the Environment Rules, every person operating an industry, process, or activity that requires consent under the Water (Prevention and Control of Pollution) Act, 1974, or the Air (Prevention and Control of Pollution) Act, 1981, must submit an environmental statement for the relevant financial year to the concerned Pollution Control Board (PCB).

Further, the Ministry of Environment, Forest and Climate Change has issued the Draft EIA, which aims to replace the Environment Impact Assessment Notification of 2006. The Draft EIA outlines two types of approvals: (i) prior environmental clearance with the approval of expert committees, and (ii) prior environmental permission from the regulatory authority, without the approval of expert committees. Certain projects, such as clay and sand extraction, digging wells or building foundations, solar thermal power plants, and common effluent treatment plants, are exempt from these approvals. However, the Draft EIA has not yet been finalized and notified.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules, read with the Environment Protection Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of processes and their respective hazardous wastes, and waste constituents with respective concentration limits has been provided in the schedules of the Hazardous Waste Rules. The Hazardous Wastes Rules require every occupier engaged in the generation, handling, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of hazardous wastes to obtain authorisation from the concerned state pollution control board, as applicable.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") and the Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. The Air Act requires any person establishing or operating any industrial plant in an air pollution control area to obtain prior consent from the concerned state pollution control board. Further, it prohibits any person operating any industrial plant in an air pollution control area from causing or permitting to be discharged the emission of any air pollutant in excess of prescribed standards. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country and ensure that domestic and industrial pollutants are not discharged into water bodies without adequate treatment. Both these Acts have been enacted to also provide for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of air and water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. Any violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment, as applicable.

E-Waste (Management), 2022 ("E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must register with the state pollution control board and also submit annual returns to the same authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

Public Liability Insurance Act, 1991 (the "Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the GoI by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Other applicable laws

Foreign Investment and Trade Related Laws

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the Consolidated FDI Policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**FDI Policy**"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019, which regulate mode of payment and remittance of sale proceeds, among others. 100% foreign investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the manufacturing sector. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company. In terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity

Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

Foreign Trade (Development and Regulation) Act, 1992 (the "FTDRA") and the Foreign Trade (Regulation) Rules, 1993 (the "FTRR") and the Foreign Trade Policy 2023 ("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 authorised 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 on April 1, 2023, 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 promotion capital goods scheme and duty exemption/remission schemes.

The Foreign Trade Policy 2023 shall remain to be in operation unless otherwise specified or amended. The FTDRA read with the Foreign Trade Policy 2023 prohibits anybody from undertaking any import or export except under an IEC granted by the DGFT. Hence, every entity in India engaged in any activity involving import or export is required to obtain an IEC unless specifically exempted from doing so. IEC shall be valid until it is cancelled by the issuing authority. IEC allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain IEC shall attract penalty under the FTDRA.

The Consumer Protection Act, 2019

The Ministry of Consumer Affairs notified certain sections of the Consumer Protection Act, 2019 ("**COPRA**") by way of the notification dated July 15, 2020 (with effect from July 20, 2020), including sections regulating the formation and functioning of the Consumer Protection Council at the national, state and district levels, the formation and functioning of Consumer Dispute Redressal Commissions at the national, state and district levels, mediation of consumer disputes, product liability actions and punishment for manufacturing for sale or storing, selling or distributing or importing products containing adulterants and spurious goods. The COPRA has been enacted to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement.

The COPRA provides a mechanism for the consumer to file a complaint against a product manufacturer, seller, or service provider in cases of unfair contract or trade practices, restrictive trade practices, defected goods, goods which are hazardous or likely to be hazardous to life being sold in contravention to safety standards, deficiency in services and price charged being unlawful. It also places product liability on a manufacturer or product service provider or product seller, to compensate for any harm caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non- compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has, inter alia, also introduced a Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements, which are prejudicial to the interests of public and consumers and promote, protect, and enforce the rights of consumers. The COPRA has also brought e- commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online marketplaces and online auction sites.

The Ministry of Consumer Affairs issued the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") under the COPRA on July 23, 2020, which govern the online sale of goods, services, digital products by entities which own, operate, or manage digital or electronic facility or platform for electronic commerce ("**E-Commerce Entities**"), all models of e-commerce (including marketplace or inventory based), and all ecommerce sellers. The E-Commerce rules lay down the duties and liabilities of E-Commerce Entities and ecommerce sellers.

In addition to the above, our Company is also required to comply with the Companies Act, 2013 and rules framed thereunder, the Competition Act, 2002 and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Information Technology Act, 2000 ("IT Act") and the rules made thereunder

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by the means of electronic data interchange and other means of electronic communication, commonly referred to as electronic commerce, which involve the use of alternatives to paper-based methods of communication and storage of information. various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Amendment) Act, 2008, which amended the IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

Other applicable laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, the Indian Contract Act, 1872, the Specific Relief Act, 1963, the Transfer of Property Act, 1882, the Sale of Goods Act, 1930, the Arbitration and Conciliation Act, 1996, each as amended, and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as "*Varmora Granito Private Limited*" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated November 18, 2003, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of our Company was subsequently changed to "*Varmora Granito Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated April 25, 2025, and a shareholders' resolution dated April 30, 2025. A fresh certificate of incorporation was issued on May 14, 2025, by the Registrar of Companies, Gujarat at Ahmedabad.

Changes in our Registered Office

Our Registered Office is situated at 8-A, National Highway, Dhuva, Taluka Wankaner, Rajkot - 363 641, Gujarat, India. There has been no change in the Registered Office of our Company since its incorporation.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

"To carry on in India or elsewhere the business to manufacture, produce, treat, process, design, develop, build, convert, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, jobwork, mix, modify, market, operate, prepare, and to act as brokers, agents, stockiests, consignors, franchisers, distributors, suppliers, promoters, wholesalers, retailers, and sales organizers, of all shapes, sizes, varieties, specifications, descriptions, applications and uses of tiles, including ceramic tiles, glazed tiles, mosaics tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, porcelain tiles, roofing tiles, china tiles, Ceramic Products and byproducts thereof, sanitary wares, wash basins, ceramics wares, earth wares, crokckeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain ware, bathroom, accessories, pipes, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixture including fitting, part~, accessories, consumable, components & buy-products thereof etc."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution	Particulars
August 22, 2017	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of the Company from ₹ 87,000,000 consisting of 8,700,000 Equity Shares of face value of ₹ 10 each to ₹ 270,000,000 consisting of 15,000,000 Equity Shares of face value of ₹10 each and 12,000,000 redeemable preference shares of face value of ₹10 each.
March 15, 2021	Clause V of the Memorandum of Association was amended to reflect the cancellation of unissued equity shares and re-classification of the authorized equity share into preference share capital of the Company from 15,000,000 Equity Shares of face value of ₹10 each and 12,000,000 preference shares of face value of ₹10 each to 10,000,000 Equity Shares of face value of ₹10 each and 17,000,000 preference shares of face value of ₹10 each.
June 6, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of the Company from ₹ 270,000,000 consisting of 10,000,000 Equity Shares of face value of ₹10 each and 17,000,000 preference shares of face value of ₹10 each to ₹ 275,000,000 consisting of 10,500,000 Equity Shares of face value of ₹10 each and 17,000,000 preference shares of face value of ₹10 each.
July 15, 2022	Clause V of the Memorandum of Association was amended to reflect the cancellation of unissued preference shares and re-classification of the authorized preference share capital into equity share capital of the Company from ₹ 275,000,000 consisting of 10,500,000 Equity Shares of face value of ₹10 each and 17,000,000 preference shares of face value of ₹10 each to ₹ 275,000,000 consisting of 27,500,000 Equity Shares of face value of ₹10 each.
August 24, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 275,000,000 consisting of 27,500,000 Equity Shares of face value of ₹10 each to ₹ 3,795,500,000 consisting of

Date of Shareholders' resolution	Particulars
	27,500,000 Equity Shares having face value of ₹10/- each, 352,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 each with differential voting rights.
June 7, 2023	Clause V of the Memorandum of Association was amended to reflect the re-classification of the authorized equity share and preference share capital of the Company from 27,500,000 Equity Shares having face value of ₹10/- each, 352,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 each with differential voting rights to 329,500,000 Equity Shares of face value of ₹10 each, 50,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 each with differential voting rights.
	Clause V of the Memorandum of Association was amended to reflect the sub-division of the existing authorized equity share capital from 329,500,000 Equity Shares of face value of ₹10 each, 50,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 with differential voting rights each to 659,000,000 Equity Shares of face value of ₹5 each, 50,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 each with differential voting rights.
October 12, 2023	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital pursuant to a scheme of amalgamation between our Company and Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited on effective date April 1, 2023, from ₹ 3,795,500,000 comprising of 659,000,000 Equity Shares of face value of ₹5 each, 50,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹10 each with differential voting rights to ₹ 4,521,505,000 comprising of 804,201,000 Equity Shares of face value of ₹5 each, 50,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 each with differential voting rights.*
December 11, 2024	Clause V of the Memorandum of Association was amended to reflect the sub-division of the existing authorized equity share capital from 804,201,000 Equity Shares of face value of ₹5 each, 50,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 with differential voting rights each to 2,010,502,500 Equity Shares of face value of ₹2 each, 50,000,000 compulsorily convertible cumulative and participating preference shares of ₹10 each and 50,000 equity shares of ₹ 10 with differential voting rights each.
April 30, 2025	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from '*Varmora Granito Private Limited*' to '*Varmora Granito Limited*', pursuant to conversion of our Company to a public limited company.

* *The authorized and issued share capital of Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited of 7,500,000 equity shares of Rs. 10 each, 7,000,000 equity shares of Rs. 10 each, 2,000,000 equity shares of Rs. 10 each, 20,100,500 equity shares of Rs. 10 each and 36,000,000 equity shares of Rs. 10 each respectively, were added to the authorised and issued share capital of our Company pursuant the scheme of amalgamation. For further details, see "-Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years" on page 247.*

Major events and milestones of our Company

The table below sets forth some of the major events and milestones in our Company:

Calendar Year	Milestone
2004	Introduced 605 x 605 mm size of vitrified tiles
2006	One of the first in the industry to introduce homogenous-body slabs (full-body slabs) (i) 1170 x 1770 mm and (ii) 1185 x 1785 mm (*Source: Technopak Report*)
2010	First to launch digitally printed wall tiles (*Source: Technopak Report*)
2012	Commenced production of double charge tiles in 800 x 800 mm
2012	One of the first in the industry to introduce double charge tiles (*Source: Technopak Report*)
2014	Launched our sanitaryware business
2017	One of the first in the industry to introduce high gloss & rocker (*Source: Technopak Report*)
2020	One of the first in the industry to introduce kitchen slabs (80 x 260 mm) (*Source: Technopak Report*)

Calendar Year	Milestone
2024	Set-up two (2) greenfield plants to boost in-house manufacturing capabilities in Morbi.
2024	First to commercialize integrated stone technology in India (*Source: Technopak Report*)

Key awards, accreditations and recognition

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards, accreditations and recognition
2025	Won the '*Best Realty Brand*' award in the building material category at the Best Realty Brands Awards, 2025

Significant financial and strategic partnerships

Our Company does not have any significant financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects

In Fiscal 2024, we experienced a delay of approximately six to nine months in the commencement of operations for our two new manufacturing units, i.e., Varmora – Unit 2 and Varmora Unit – 3 on account of supply chain disruptions attributable to macro-economic developments. For further details see "*Risk Factors – 17. We face risks such as cost overruns and delays in expanding and commissioning new manufacturing facilities. Failure to manage these risks could delay the commissioning of our upcoming manufacturing facilities and adversely impact our business, prospects, results of operations, cash flows and financial condition*" on page 49.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There has been no instance of defaults or rescheduling/restructuring of our borrowings availed from financial institutions/ banks in respect of our borrowings from lenders.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of plants

For details of key products offered by our Company and Subsidiaries, entry into new geographies or exit from existing markets or capacity/facility creation, location of plants, see "*Our Business*" on page 203.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as disclosed below, our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamation and any revaluation of assets in the last 10 years:

1. ***Scheme of amalgamation between our Company ("Transferee"), Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("Erstwhile Subsidiaries") ("Scheme")***

   Pursuant to a confirmation order dated October 12, 2023, issued by the Regional Director North-Western Region of the Ministry of Corporate Affairs, the Scheme presented under Section 233 of the Companies Act read with Rule 16 of the CAA Rules, was approved and made effective from April 1, 2023 ("**Effective Date**"). The Scheme resulted in transfer as a going concern of the entire business, including all the assets and properties, liabilities, agreements, rights, contracts, employees, and intellectual property of the Erstwhile Subsidiaries to the Transferee. Pursuant to the Scheme, the Erstwhile Subsidiaries ceased to be the wholly-owned subsidiaries of the Transferee. The rationale for entering into the Scheme was, *inter alia*, to effect consolidation of like business and simplification of corporate structure of the Varmora Group, avoidance of duplication of efforts and reduction in administrative and running costs, a stronger balance sheet resulting in improved allocation of capital, broader access to capital markets and lower cost of capital.

   Prior to the Scheme, the entire issued, subscribed and paid-up equity share capital of the Erstwhile Subsidiaries was held by the Transferee and the Erstwhile Subsidiaries were wholly owned subsidiaries of the Transferee. Accordingly, no consideration was paid by the Transferee to the Erstwhile Subsidiaries, their respective shareholders or any third parties, nor was any valuation report obtained in this regard. From the Effective Date, the entire equity share capital of the Erstwhile Subsidiaries held by the Transferee, along with the nominee shareholder(s) was cancelled and extinguished and the authorised share capital and issued, subscribed and paid-up share capital of the Erstwhile Subsidiaries was added to the authorized share capital and issued, subscribed and paid-up share capital of the Transferee. Further, pursuant to the Scheme, the Erstwhile Subsidiaries ceased to be the subsidiaries of the Transferee and were dissolved without following the process of winding up, in accordance with Section 233(8) of the Companies Act. For further details, see "*Material Contracts and Documents for Inspection*" on page 567.

2. ***Investment agreement entered into between our Company ("Investor 1"), Nextile Marbosys Private Limited ("Investor 2", together with our Company, "the Acquirers"), Kamalshil Harishbhai Shirvi, Rajeshkumar Naranbhai Shirvi ("Partners") and Simola Tiles LLP ("Simola") dated August 25, 2022 ("Investment Agreement"), read with the amendment agreement to the investment agreement entered into between the Acquirers, the Partners and the LLP dated January 28, 2023 ("Amendment Agreement")***

   Our Company, together with its former subsidiary, Nextile Marbosys Private Limited, entered into an investment agreement with Simola Tiles LLP and its partners, Kamalshil Harishbhai Shirvi and Rajeshkumar Naranbhai Shirvi, to acquire a partnership interest in Simola, with a total capital contribution aggregating to ₹643.80 million and ₹11.10 million, collectively representing 59% of Simola's total partnership interest, effective as on August 5, 2022. The investment was undertaken with the objective of expanding our Company's product portfolio and diversifying our SKUs. No valuation report was obtained for the acquisition of such partnership interest. None of the directors or promoters of our Company are related to the Partners in any manner.

   Pursuant to the Amendment Agreement, the Acquirers are granted the right to acquire, in full, the partnership interest held by the Partners at fair market value, as determined by a chartered accountant appointed by the Acquirers, after 30 months from the completion date. This valuation is to be based on the higher of (a) either a fixed price of ₹ 1,110.00 million or (b) a multiple of 5.5 times Simola's EBITDA, minus net debt, with the transaction to be executed through a direct purchase or other legally permissible mechanisms, as determined by the Acquirers. Furthermore, pursuant to the acquisition of Nextile's partnership interest in Simola under the scheme of arrangement, our Company now holds a 59% partnership interest in Simola. Accordingly, Simola has become a Subsidiary of our Company.

3. ***Share purchase agreement entered into between our Company ("Acquirer"), Lataben Pramodbhai Patel, Parsotambhai Jivrajbhai Patel, Pramodkumar Parsotambhai Patel, Savitaben Parsotambhai Patel, Bharatbhai Vallabhdas Varmora, Bhavesh Vallabhdas Varmora, Hetal Bharatbhai Varmora, Manishkumar Vallabhbhai Varmora, Meera Manishbhai Varmora, Ranjanben Vallabhbhai Varmora, Vaishali Bhavesh Varmora, Vallabhbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Hiren R. Varmora, Nidhi Bharatkumar Zalariya, Ramanbhai Jivrajbhai Varmora, Rutvi Hiren Varmora, Ashokbhai Naranbhai Patel, Naranbhai Hansraj Varmora, Rashilaben Harilal Patel, Renukaben Ashokbhai Patel ("Fiorenza Selling Shareholders") and Fiorenza Granito Private Limited ("Fiorenza") dated March 21, 2017***

   Our Company entered into a share purchase agreement with the Fiorenza Selling Shareholders and Fiorenza for the purchase of 4,800,000 equity shares of Fiorenza, from the Fiorenza Selling Shareholders for an aggregate consideration of ₹ 46.79 million, effective as at March 21, 2017. Consequent to the transaction, Fiorenza became an Associate of our Company. No valuation report was obtained for this transaction. Except for Bhavesh Vallabhdas Varmora, Pramodkumar Parsotambhai Patel and Hiren R. Varmora, who are also the Promoters of our Company, and Lataben Pramodbhai Patel, Parsotambhai Jivrajbhai Patel, Savitaben Parsotambhai Patel, Bharatbhai Vallabhdas Varmora, Manishkumar Vallabhbhai Varmora, Ranjanben Vallabhbhai Varmora, Vaishali Bhavesh Varmora, Bhaunaben Ramanbhai Patel, Nidhi Bharatkumar Zalariya, Rutvi Hiren Varmora and Vallabhbhai Jibrajbhai Varmora, who form part of the Promoter Group of our Company, none of the Fiorenza Selling Shareholders are related to our Promoters or Directors in any manner.

4. ***Share purchase agreement entered into between our Company ("Acquirer"), Covertek Ceramica Private Limited ("Covertek") with Savjibhai Devshibhai Baraiya dated August 25, 2023, and share purchase agreements entered between our Company and Covertek with Rameshbhai Devshibhai Baraiya, Pravinbhai Devsibhai Baraiya, Nimeshkumar Savjibhai Baraiya and Harshil Snehalbhai Shah, each dated September 12, 2023 (collectively with Savjibhai Devshibhai Baraiya, the "Covertek Selling Shareholders") and, (such share purchase agreements, collectively the "Covertek SPAs")***

   Our Company entered into the Covertek SPAs with Covertek and the Covertek Selling Shareholders for the purchase of 495,000 equity shares each of Covertek from each of the Covertek Selling Shareholders at a price of Rs. 58.97 per equity share of Covertek, aggregating to 2,475,000 equity shares of Covertek, collectively amounting to 25% of the total paid-up shareholding of Covertek, for an aggregate consideration of ₹ 145.95 million, effective as at the respective execution dates of the Covertek SPAs. Consequent to the transaction, Covertek became an Associate of our Company. No valuation report was obtained for this transaction. None of the Directors or Promoters of our Company are related to the Covertek Selling Shareholders in any manner. Covertek is a wholly owned subsidiary of our Company, as on the date of this Draft Red Herring Prospectus.

5. ***Share purchase agreement entered into between our Company ("Acquirer") and Sentosa Granito Private Limited ("Sentosa") with Pramodkumar Parsotambhai Patel, Parsotambhai Jivrajbhai Patel, Vanitaben Prafulbhai Varmora,***

Lataben Pramodbhai Patel, Ektaben Prakashbhai Patel, Prakash P Varmora, Praful Parsotambhai Varmora, Bharatbhai Vallabhdas Varmora, Bhavesh Vallabhdas Varmora, Vallabhbhai Jivrajbhai Varmora, Manishkumar Vallabhbhai Varmora, Meeraben Manishkumar Varmora, Ranjanben Vallabhbhai Varmora, Hetalben Bharatbhai Varmora, Ramanbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Hiren R Varmora, Ashokbhai Naranbhai Patel, Naranbhai Hansrajbhai Patel and Rashilaben Hiralal Patel ("Sentosa Selling Shareholders") dated March 21, 2017 ("Sentosa SPA")

Our Company entered into a share purchase agreement with the Sentosa Selling Shareholders and Sentosa for the purchase of 2,850,000 equity shares of Sentosa, from the Sentosa Selling Shareholders at a price of ₹ 20.45 per equity share, for an aggregate consideration of ₹ 58.30 million, effective as at March 21, 2017. Consequent to the transaction, Sentosa became an Associate of our Company. No valuation report was obtained for this transaction. Except for Bhavesh Vallabhdas Varmora, Pramodkumar Parsotambhai Patel and Hiren R. Varmora, who are also the Promoters of our Company, and Lataben Pramodbhai Patel, Parsotambhai Jivrajbhai Patel, Bharatbhai Vallabhdas Varmora, Manishkumar Vallabhbhai Varmora, Prakash P Varmora, Praful Parsotambhai Varmora, Ranjanben Vallabhbhai Varmora, Ramanbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel and Vallabhbhai Jibrajbhai Varmora, who form part of the Promoter Group of our Company, none of the Sentosa Selling Shareholders are related to our Promoters or Directors in any manner.

6. ***Acquisition of Conffi Sanitaryware Private Limited***

Pursuant to a transfer of equity shares effective as at March 18, 2017, our Company acquired 3,756,780 equity shares of Conffi Sanitaryware Private Limited ("**Conffi**") from its existing shareholders, at a price of ₹ 13.06 per equity share. The transaction consisted of a transfer of 358,750 equity shares by Parsotambhai Jivrajbhai Patel, 13,100 equity shares by Lataben Pramodbhai Patel, 320,000 equity shares by Pramodkumar Parsotambhai Patel, 28,600 equity shares by Savitaben Parsotambhai Patel, 490,250 equity shares by Bhavesh Vallabhdas Varmora, 344,200 equity shares by Manishkumar Vallabhbhai Varmora, 167,770 equity shares by Bharatbhai Vallabhdas Varmora, 34,000 equity shares by Hetalben Bharatbhai Varmora, 55,000 equity shares by Meera Manishbhai Varmora, 85,000 equity shares by Ranjanben Vallabhbhai Varmora, 23,300 equity shares by Vaishali Bhavesh Varmora, 611,465 equity shares by Vallabhbhai Jivrajbhai Varmora, 240,400 equity shares by Hiren R. Varmora, 77,815 equity shares by Bhaunaben Ramanbhai Patel, 62,130 equity shares by Ramanbhai Jivrajbhai Varmora, 250,000 equity shares by Nidhi Bharatkumar Zalariya, 80,000 equity shares by Naranbhai Hansrajbhai Patel, 15,000 equity shares by Ashokkumar Naranbhai Patel and 500,000 equity shares by Pravinbhai Virjibhai Patel to our Company (collectively, the transferors of the equity shares of Conffi are referred to as the "**Conffi Selling Shareholders**"). Consequent to the transfers, Conffi became a subsidiary of our Company. No valuation report was obtained for the purposes of this transaction. Except for Bhavesh Vallabhdas Varmora, Pramodkumar Parsotambhai Patel and Hiren R Varmora, who are also the Promoters of our Company, and Parsotambhai Jivrajbhai Patel, Lataben Pramodbhai Patel, Savitaben Parsotambhai Patel, Manishkumar Vallabhbhai Varmora, Bharatbhai Vallabhdas Varmora, Ranjanben Vallabhbhai Varmora, Vaishali Bhavesh Varmora, Vallabhbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Ramanbhai Jivrajbhai Varmora, Nidhi Bharatkumar Zalariya, who form part of the Promoter Group of our Company, none of the Conffi Selling Shareholders are related to our Promoters or Directors in any manner.

Consequently, pursuant to a confirmation order dated October 12, 2023, issued by the Regional Director North-Western Region of the Ministry of Corporate Affairs, Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited were amalgamated into our Company with effect from April 1, 2023. For further details, please see "– *Scheme of amalgamation between our Company ("Transferee"), Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("Erstwhile Subsidiaries") ("Scheme")*" on page 247.

7. ***Acquisition of Tocco Ceramics Private Limited***

Pursuant to a transfer of equity shares effective as at March 23, 2017, our Company acquired 2,969,800 equity shares of Tocco Ceramics Private Limited ("**Tocco**") from its existing shareholders, at a price of ₹ 33.47 per equity share. The transaction consisted of a transfer of 231,750 equity shares by Pramodkumar Parsotambhai Patel, 43,500 equity shares by Lataben Pramodbhai Patel, 57,500 equity shares by Ektaben Prakashbhai Varmora, 34,000 equity shares by Praful Parsotambhai Varmora, 65,000 equity shares by Prakash P. Varmora, 175,000 equity shares by Parsotambhai Jivrajbhai Patel, 28,250 equity shares by Vanitaben Prafulbhai Varmora, 315,000 equity shares by Bhavesh Vallabhdas Varmora, 307,300 equity shares by Bharatbhai Vallabhdas Varmora, 175,000 equity shares by Ranjanben Vallabhbhai Varmora, 12,500 equity shares by Hetalben Bharatbhai Varmora, 17,400 equity shares by Manishkumar Vallabhbhai Varmora, 347,600 equity shares by Vallabhbhai Jivrajbhai Varmora, 195,000 equity shares by Hiren R Varmora, 300,000 equity shares by Bhaunaben Ramanbhai Patel, 290,000 equity shares by Ramanbhai Jivrajbhai Varmora, 32,000 equity shares by Renukaben Ashokbhai Patel, 134,500 equity shares by Ashokbhai Naranbhai Patel, 13,750 equity shares by Kanchanben N. Patel, 183,500 equity shares by Naranbhai Hansrajbhai Patel and 11,250 equity shares by Rashilaben Harilal Patel to our Company (collectively, the transferors of the equity shares of Tocco are referred to as the "**Tocco Selling Shareholders**"). Consequent to the transfers, Tocco became a subsidiary of our Company. No valuation report was obtained for the purposes of this transaction. Except for Bhavesh Vallabhdas Varmora, Pramodkumar Parsotambhai Patel and Hiren R Varmora, who are also the Promoters of our Company, and Lataben Pramodbhai Patel, Praful Parsotambhai Varmora, Prakash P. Varmora, Parsotambhai Jivrajbhai Patel, Bharatbhai Vallabhdas Varmora, Ranjanben Vallabhbhai Varmora, Manishkumar Vallabhbhai Varmora, Vallabhbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Ramanbhai Jivrajbhai Varmora, Rashilaben Harilal Patel, who form part of the Promoter Group of our Company, none of the Tocco Selling Shareholders are related to our Promoters or Directors in any manner.

Consequently, pursuant to a confirmation order dated October 12, 2023, issued by the Regional Director North-Western Region of the Ministry of Corporate Affairs, Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited were amalgamated into our Company with effect from April 1, 2023. For further details, please see "*– Scheme of amalgamation between our Company ("Transferee"), Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("Erstwhile Subsidiaries") ("Scheme")*" on page 247.

8. Acquisition of Varmora Ceramics Private Limited

Pursuant to a transfer of equity shares effective as at March 20, 2017, our Company acquired 2,000,000 equity shares of Varmora Ceramics Private Limited ("**Varmora Ceramics**") from its existing shareholders, at a price of ₹ 11.91 per equity share. The transaction consisted of a transfer of 267,550 equity shares by Vallabhbhai Jivrajbhai Varmora, 236,500 equity shares by Ranjanben Vallabhbhai Varmora, 13,000 equity shares by Vaishali Bhavesh Varmroa, 158,500 equity shares by Bhavesh Vallabhdas Varmora, 13,400 equity shares by Heltalben P. Patel, 282,725 equity shares by Ramanbhai Jivrajbhai Varmora, 120,500 equity shares by Bharatbhai Vallabhdas Varmora, 123,900 equity shares by Bhaunaben Ramanbhai Patel, 24,000 equity shares by Manishkumar Vallabhbhai Varmora, 266,325 equity shares by Parsotambhai Jivrajbhai Patel, 51,500 equity shares by Vanitaben P. Patel, 95,000 equity shares by Praful Parsotambhai Varmora, 4,900 equity shares by Lataben Pramodbhai Patel, 169,000 equity shares by Ashokbhai N. Patel, 79,900 equity shares by Naranbhai Patel, 43,300 equity shares by Prakash P. Varmora, 30,000 equity shares by Ektaben P. Patel and 20,000 equity shares by Pramodkumar Parsotambhai Patel (collectively, the transferors of the equity shares of Varmora Ceramics are referred to as the "**Varmora Ceramics Selling Shareholders**"). Consequent to the transfers, Varmora Ceramics became a subsidiary of our Company. No valuation report was obtained for the purposes of this transaction. Except for Bhavesh Vallabhdas Varmora and Pramodkumar Parsotambhai Patel, who are also the Promoters of our Company, and Vallabhbhai Jivrajbhai Varmora, Ranjanben Vallabhbhai Varmora, Vaishali Bhavesh Varmora, Ramanbhai Jivrajbhai Varmora, Bharatbhai Vallabhdas Varmora, Bhaunaben Ramanbhai Patel, Manishkumar Vallabhbhai Varmora, Parsotambhai Jivrajbhai Patel, Praful Parsotambhai Varmora, Lataben Pramodbhai Patel, Prakash P. Varmora, who form part of the Promoter Group of our Company, none of the Varmora Ceramics Selling Shareholders are related to our Promoters or Directors in any manner.

Consequently, pursuant to a confirmation order dated October 12, 2023, issued by the Regional Director North-Western Region of the Ministry of Corporate Affairs, Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited were amalgamated into our Company with effect from April 1, 2023. For further details, please see "*– Scheme of amalgamation between our Company ("Transferee"), Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("Erstwhile Subsidiaries") ("Scheme")*" on page 247.

9. Acquisition of Solaris Ceramics Private Limited

Pursuant to a transfer of equity shares effective as at March 20, 2017, our Company acquired 6,677,200 equity shares of Solaris Ceramics Private Limited ("**Solaris Ceramics**") by its existing shareholders, at a price of ₹ 17.50 per equity share. The transaction consisted of a transfer of 535,250 equity shares by Parshottambhai Jivrajbhai Patel, 526,000 equity shares by Bhaunaben Ramanbhai Patel, 477,200 equity shares by Manishkumar Vallabhbhai Varmora, 424,600 equity shares by Ashokkumar Narnabhai Patel, 823,500 equity shares by Vallabhbhai Jivrajbhai Varmora, 253,000 equity shares by Bharatbhai Vallabhdas Varmora, 380,700 equity shares by Ranjanben Vallabhbhai Varmora, 405,000 equity shares by Bhavesh Vallabhdas Varmora, 36,000 equity shares by Vaishali Bhavesh Varmora, 215,000 equity shares by Hetalben B. Patel, 220,000 equity shares by Meeraben M. Patel, 1,044,750 equity shares by Ramanbhai Jivrajbhai Varmora, 130,000 equity shares by Hiren R. Varmora, 370,000 equity shares by Pramodkumar Parsotambhai Patel, 146,600 equity shares by Savitaben Parsotambhai Patel, 50,000 equity shares by Ektaben P. Patel, 63,000 equity shares by Lataben Pramodbhai Patel, 100,500 equity shares by Praful Parsotambhai Varmora, 15,000 equity shares by Vanitaben P. Patel, 339,100 equity shares by Naranbhai H. Patel, 37,000 equity shares by Kanchanben N. Patel and 85,000 equity shares by Adarsh H. Patel,(collectively, the transferors of the equity shares of Solaris, are referred to as the "**Solaris Selling Shareholders**"). No valuation report was obtained for the purposes of this transaction. Except for Bhavesh Vallabhdas Varmora, Pramodkumar Parsotambhai Patel and Hiren R. Varmora, who are also the Promoters of our Company, and Parsotambhai Jivrajbhai. Patel, Bhaunaben Ramanbhai Patel, Manishkumar Vallabhbhai Varmora, Vallabhbhai Jivrajbhai Varmora, Bharatbhai Vallabhdas Varmora, Ranjanben Vallabhbhai Varmora, Vaishali Bhavesh Varmora, Ramanbhai Jivrajbhai

Varmora, Savitaben Parsotambhai Patel, Lataben Pramodbhai Patel and Praful Parsotambhai Varmora, who form part of the Promoter Group of our Company, none of the Solaris Selling Shareholders are related to our Promoters or Directors in any manner.

Consequently, pursuant to a confirmation order dated October 12, 2023, issued by the Regional Director North-Western Region of the Ministry of Corporate Affairs, Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited were amalgamated into our Company with effect from April 1, 2023. For further details, please see "*– Scheme of amalgamation between our Company ("Transferee"), Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("Erstwhile Subsidiaries") ("Scheme")*" on page 247.

10. Acquisition of Renite Vitrified LLP ("Renite")

Our Company invested a sum of ₹ 54.00 million as fixed capital and ₹ 22.53 million as current capital towards 30% of the partnership interest in Renite on June 16, 2022, thus acquiring 30% of its total partnership interest. For further details, please see "*Other material agreements – Limited liability agreement entered into between our Company, Renite Vitrified LLP ("Renite"), Dhirajlal Kanjibhai Surani, Shailesh Parsotambhai Surani, Sandip Dhirajlal Kavathiya, Dhirajlal Babulal Kavathia, Paras Dhirajlal Kavathia, Piyush Dhirajlal Surani, Rajani Parsotambhai Surani, Sanjaybhai Jerambhai Viramgama, Abhishek Jagdishbhai Viramgama, Vipinkumar Yograj Arora, Patel Hargovind Prabhubhai and Teotia Bhagwantsingh Amarsingh (collectively, the "Continuing Partners") dated July 28, 2022 ("Renite Limited Liability Agreement")*" on page 254 below. No valuation report was obtained for this transaction. None of the Directors or Promoters of our Company are related to Renite.

11. Acquisition of Avalta Granito Private Limited ("Avalta")

Our Company subscribed to 5,000,000 equity shares of Avalta aggregating to ₹ 50.00 million on November 11, 2020, thus acquiring 25% of the total shareholding of Avalta. For further details, please see "*Other Material Agreements – Joint venture agreement entered into between our Company, Avalta Granito Private Limited ("Avalta"), Santoshkumar Narshibhai Sherashiya, Ashwinbhai Narshibhai Sherasiya, Mamtaben Ashwinbhai Sherasiya, Mansukhlal Narshibhai Sherasiya, Mayurkumar Mansukhbhai Sherasiya, Nipaben Ashishbhai Sherasiya, Ranjanben Mansukhbhai Sherasiya, Shital Mayurkumar Sherasiya, Alinta Granito Private Limited, Bhagavanjibhai Vaghjibhai Chikani, Dilipbhai Bhagavanjibhai Chikani, Chiragbhai Harjibhai Fefar, Hetal Chirag Fefar, Dipakkumar Prabhulal Detroja, Hareshbhai Vinodbhai Patel, Kamlesh Tahkarshibhai Rupala, Jay Narendrabhai Koringa, Jitendra Ratilal Aghara, Kishorbhai Laxmanbhai Vidja, Kishorbhai Manjibhai Patel, Kuldip Chamanlal Detroja, Raj Anilkumar Vidja, Rameshbhai Limbabhai Patel, Vanitaben Rameshbhai Patel, Ashishkumar Mansukhbhai Sherasiya, Sanjay Harakhji Sherasia and Upal Santoshkumar Shershiya (collectively, the "Avalta Selling Shareholders") dated July 19, 2022 ("Avalta Joint Venture Agreement")*" on page 254. No valuation report was undertaken for this transaction. None of the Directors or Promoters of our Company are related to Avalta.

Guarantees provided to third parties by our Promoter offering their Equity Shares in the Offer for Sale

None of our Promoters are offering their Equity Shares in the Offer for Sale.

Details of shareholders' agreements

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements entered into amongst the Shareholders with our Company:

1. Share Subscription and Purchase Agreement dated June 2, 2022, entered by and amongst our Company, Bhavesh Vallabhdas Varmora, Vallabhbhai Jivrajbhai Varmora, Pramodkumar Parsotambhai Patel, Bharatbhai Vallabhdas Varmora, Ranjanben Vallabhbhai Varmora, Ramanbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Vaishali Bhavesh Varmora, Hetal Bharatbhai Varmora, Manishkumar Vallabhbhai Varmora, Nidhi Bharatkumar Zalariya, Parsotambhai Jivrajbhai Patel, Savitaben Parsotambhai Patel, Prakash P Varmora, Ekta Prakashbhai Patel, Lataben Pramodbhai Patel, Praful Parsotambhai Varmora, Vanitaben Prafulbhai Varmora, Naranbhai Hansrajbhai Patel, Ashokkumar Naranbhai Patel, Renukaben Ashokbhai Patel, Rasilaben Hitendrakumar Maksana, Adarsh Harilal Patel, Hiren R Varmora, Meeraben Manishkumar Varmora, Rutvi Hiren Varmora (the "Individuals") and Katsura Investments ("the Investor") ("SSPA I"), as amended pursuant to the amendment agreements dated August 29, 2022, and March 21, 2023

Our Company entered into a share subscription and purchase agreement ("**SSPA I**") dated June 2, 2022, with the Individuals and the Investor pursuant to which our Company issued and allotted 351,517,320 fully-paid up compulsorily convertible preference shares having face value of ₹ 10 each ("**CCPS**") equivalent to USD 44.00 million (i.e., ₹ 3,515.17 million) and 30,000 equity shares with differential voting rights having face value of ₹ 10 each at a premium of ₹ 290 each ("**DVR Shares**") for an aggregate consideration of ₹ 9.00 million. Further, the Investor purchased 2,519,660 equity shares of the Company having face value of ₹ 10 each ("**Sale Shares**") from certain persons identified in the SSPA I for a purchase consideration of ₹ 2,876.05 million. The SSPA I entitled the CCPS holders to a cumulative dividend at a rate of 0.001% per annum and right to participate in dividends on an as-if-converted basis after the payment of the CCPS Dividend and Enhanced CCPS Dividend *(as defined in the SSPA I)*. The SSPA I further provided for mandatory conversion of the CCPS upon completion of 10 years from the completion of the transactions laid out in the SSPA I.

Subsequently, pursuant to the first amendment agreement to the SSPA I dated August 29, 2022 ("**SSPA II**"), the share premium of the DVR Shares was increased from ₹ 290.00 each to ₹ 400.00 each and consequently the aggregate consideration paid for subscription to such DVR Shares was increased from ₹ 9.00 million to ₹ 12.30 million. Further, the SSPA II read in conjunction with the second amendment to the SSPA I dated March 21, 2023 ("**SSPA III**") provided the revised conversion price of the CCPS.

2. ***Shareholders' agreement dated June 2, 2022, entered into by and amongst our Company, Vallabhbhai Jivrajbhai Varmora, Pramodkumar Parsotambhai Patel, Bharatbhai Vallabhdas Varmora, Ranjanben Vallabhbhai Varmora, Ramanbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Bhavesh Vallabhdas Varmora, Vaishali Bhavesh Varmora, Hetal Bharatbhai Varmora, Manishkumar Vallabhbhai Varmora, Nidhi Bharatkumar Zalariya, Parsotambhai Jivrajbhai Patel, Savitaben Parsotambhai Patel, Prakash P Varmora, Ekta Prakashbhai Patel, Lataben Pramodbhai Patel, Praful Parsotambhai Varmora, Vanitaben Prafulbhai Varmora, Naranbhai Hansrajbhai Patel, Ashokkumar Naranbhai Patel, Renukaben Ashokbhai Patel, Rasilaben Hitendrakumar Maksana, Adarsh Harilal Patel, Hiren R Varmora, Meeraben Manishkumar Varmora, Rutvi Hiren Varmora (the "Individuals") and Katsura Investments (the "Investor"), as amended pursuant to the amendment agreement dated March 21, 2023 (collectively with the shareholders' agreement dated June 2, 2022, referred to as the "Shareholders' Agreement") and the waiver cum amendment agreement dated July 28, 2025 (collectively with the Shareholders' Agreement, referred to as the "SHA")***

Our Company entered into the Shareholders' Agreement with the Individuals and the Investor, to set out the mutual rights and obligations and terms and conditions governing inter-se rights and obligations of the Investor and the Individuals including our Promoters *(as defined in the SHA).* Such rights include: (i) the Investor's right to nominate up to two Directors *(as defined in the SHA)* to the Board *(as defined in the SHA)*, and for the Promoters to nominate up to three Directors to the Board, (ii) upon occurrence of certain Identified Events *(as defined in the SHA),* the Investor's right to nominate up to three Directors and for the Promoters to nominate up to two Directors on to the Board; (iii) the right of the Investor and the Promoters to each nominate one Director to the Audit Committee *(as defined in the SHA)*; (iv) the right of the Investor and the Promoters to nominate an equal number of Directors to the IPO Committee *(as defined in the SHA)*; (v) the right of the Investor and the Promoters to nominate Directors to any other committee of the Board on a pro rata basis, subject to the Investor having the right to nominate at least one Director on such committee; (vi) restriction on the board and shareholders to pass a resolution on any Reserved Matter *(as defined in the SHA)* without Investor's consent (vii) the Investor's information and inspection rights in relation to certain matters of the Company and its Subsidiaries including the right to receive audited and quarterly financial statements, annual reports, minutes of board, committees and shareholders meetings etc.; (viii) right of attendance of certain shareholders (or the directors nominated by them) to constitute quorum for meetings of the shareholders, board of directors, and committees of the board (ix) pre-emptive rights to subscribe to new equity securities issued by the Company; (x) certain share transfer restrictions such as right of first offer, tag and along right, in case of transfer of equity securities by the persons named in the SHA, provided that such pre-emptive rights and share transfer restrictions as mentioned in sub-paragraphs (ix) and (x) above, respectively, would not be applicable in case of an IPO *(as defined in the SHA)*; and (xi) alternative exit option, in case of failure of consummation of the IPO in terms of the timelines stipulated in the SHA (which do not include any rights of buyback of securities). Further, pursuant to the terms of the SHA, as revised, the consent of the Investor is required for the Company to undertake any pre-IPO placement.

Specifically, pursuant to the waiver cum amendment agreement dated July 28, 2025 ("**Waiver cum Amendment Agreement**"), certain provisions of the Shareholders' Agreement have been amended to facilitate the Offer and listing of Equity Shares of the Company such as (i) waivers of certain provisions of the Shareholders' Agreement have been provided by the relevant parties with effect from the filing of this DRHP till earlier of the Listing Date (*as defined below*) or Long Stop Date (*as defined below*) for clauses pertaining to *inter alia* reappointment of nominee directors, if required to retire by rotation, directors nomination rights upon occurrence of Identified Events *(as defined in the SHA)*, CEO appointment rights, restriction on creation of encumbrance on the Investor's Equity Shares for the purposes of creation of statutory lock-in, pre-emptive rights, restrictions on other selling shareholders participating in the offer; and (ii) consents pertaining to reserved matters.

The SHA shall remain valid until it is automatically terminated upon listing of Equity Shares of our Company pursuant to the Offer. Further, the Waiver cum Amendment Agreement will stand automatically terminated in its entirety on the earlier of: (a) one year from the date of filing the DRHP with SEBI and the Stock Exchanges *(as defined in the SHA)*; or (b) the termination of the Offer Agreement *(as defined in the SHA)*; or (c) the date on which the IPO Committee decides to withdraw the Offer; (the "**Long Stop Date**") or (d) listing of the Equity Shares pursuant to the Offer. The Parties can extend such Long Stop Date, with mutual agreement in writing.

Additionally, in order to ensure that the SHA is enforceable against the Company, the SHA has been incorporated in the Articles of Association. The Articles of Association consists of two parts, Part A and Part B, where the SHA is incorporated in its entirety in Part B. Part A and Part B of the Articles of Association shall, unless the context otherwise requires, co-exist with each other until the date of the listing of the Equity Shares in connection with Offer ("**Listing Date**"). In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall over-ride and prevail and be applicable until the Listing Date. Together with the automatic termination of the SHA on and from the Listing Date, Part B of the Articles of Association will also terminate on and from the Listing Date or such earlier date as prescribed by SEBI, without any further action from and by the Parties or any corporate action by our Company and our Shareholders.

However, notwithstanding the termination of the SHA, including the Waiver cum Amendment Agreement, on and from the Listing Date and subject to any direction or observation by the SEBI and/or the Stock Exchanges, an obligation on the Company shall survive to take necessary steps to include in the agenda of the first general meeting to be held after the Listing Date, a proposal to seek approval of the Shareholders for amendment of our Articles of Association to grant the Investor a right to nominate up to two directors and our Promoters a right to jointly nominate up to three directors on our Board or such other number of directors as may be agreed between them, subject to and in accordance with applicable law.

Key terms of other subsisting material agreements

Except as disclosed in "*-Details of shareholders' agreements*" and "*-Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on pages 251 and 247, there are no agreements/ arrangements and clauses/ covenants which are material and have a bearing on the investment decision made by an investor. Our Company has not entered into any other subsisting material agreements, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

Inter-se agreements between Shareholders

Except as disclosed in "*-Details of shareholders' agreements*" on page 251, as on the date of this Draft Red Herring Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements/ arrangements and clauses/ covenants which are material in nature and that there are no other clauses/ covenants which are adverse/ pre-judicial to the interests of the minority/ public shareholders. Further, except as disclosed in "*-Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247, there are no other agreements, deed of assignments, acquisition agreements, shareholders' agreement, inter-se agreements or agreements of like nature.

Other material agreements

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Managerial Personnel or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third-party regarding compensation or profit sharing in connection with dealings in the securities of our Company.

Except as disclosed above in "*-Details of shareholders' agreements*" on page 251, as of the date of this Draft Red Herring Prospectus, there are no agreements with our Shareholders, our Promoters, members of our Promoter Group, our related parties, our Directors, our Key Managerial Personnel, our employees or the employees of our Subsidiaries, Associates and Joint Ventures, entered into among themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restriction or create any liability upon our Company, irrespective of whether our Company is a party to such agreement.

Except as disclosed above and as set forth below, there are no other agreements/arrangements entered into by our Company or clauses/covenants applicable to our Company which are material, not in the ordinary course of business and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer:

1. ***Limited liability agreement entered into between our Company, Renite Vitrified LLP ("Renite"), Dhirajlal Kanjibhai Surani, Shailesh Parsotambhai Surani, Sandip Dhirajlal Kavathiya, Dhirajlal Babulal Kavathia, Paras Dhirajlal Kavathia, Piyush Dhirajlal Surani, Rajani Parsotambhai Surani, Sanjaybhai Jerambhai Viramgama, Abhishek Jagdishbhai Viramgama, Vipinkumar Yograj Arora, Patel Hargovind Prabhubhai and Teotia Bhagwantsingh Amarsingh (collectively, the "Continuing Partners") dated July 28, 2022 ("Renite Limited Liability Agreement")***

   Our Company, Renite, and the Continuing Partners entered into the Renite Limited Liability Agreement, consequent to which Renite agreed to manufacture on behalf of the Company and to supply to the Company from time to time, ceramics and/or vitrified tiles and/or such other products manufactured by Renite and mutually agreed to be supplied to our Company, on a preferred basis. Additionally, the Renite Limited Liability Agreement also conferred upon our Company and the Continuing Partners certain mutual rights and obligations in respect to the governance of Renite, including: (i) rights of appointment of designated partners; (ii) reserved matter rights and partnership interest; and (iii) pre-emptive rights and transfer restrictions (including the right of first refusal and tag-along rights). Consequent to this agreement, and the rights and obligations granted thereunder, Renite was categorised as a joint venture of the Company.

2. ***Joint venture agreement entered into between our Company, Avalta Granito Private Limited ("Avalta"), Santoshkumar Narshibhai Sherashiya, Ashwinbhai Narshibhai Sherasiya, Mamtaben Ashwinbhai Sherasiya, Mansukhlal Narshibhai Sherasiya, Mayurkumar Mansukhbhai Sherasiya, Nipaben Ashishbhai Sherasiya, Ranjanben Mansukhbhai Sherasiya, Shital Mayurkumar Sherasiya, Alinta Granito Private Limited, Bhagavanjibhai Vaghjibhai Chikani, Dilipbhai Bhagavanjibhai Chikani, Chiragbhai Harjibhai Fefar, Hetal Chirag Fefar, Dipakkumar Prabhulal Detroja, Hareshbhai Vinodbhai Patel, Kamlesh Tahkarshibhai Rupala, Jay Narendrabhai Koringa, Jitendra Ratilal Aghara, Kishorbhai Laxmanbhai Vidja, Kishorbhai Manjibhai Patel, Kuldip Chamanlal Detroja, Raj Anilkumar Vidja, Rameshbhai Limbabhai Patel, Vanitaben Rameshbhai Patel, Ashishkumar Mansukhbhai Sherasiya, Sanjay Harakhji Sherasia and Upal Santoshkumar Shershiya (collectively, the "Avalta Selling Shareholders") dated July 19, 2022 ("Avalta Joint Venture Agreement")***

Our Company, Avalta, and the Avalta Selling Shareholders entered into the Avalta Joint Venture Agreement, pursuant to which Avalta agreed to manufacture on behalf of the Company and to supply to the Company from time to time, ceramics and/or vitrified tiles and/or such other products manufactured by Avalta and mutually agreed to be supplied to our Company, on a preferred basis. Additionally, the Avalta Joint Venture Agreement also conferred upon our Company and the Avalta Selling Shareholders certain mutual rights and obligations in respect to the governance of Avalta, including: (i) rights of appointment of directors on the board of Avalta; (ii) reserved matter rights; and (iii) pre-emptive rights and share transfer restrictions (including the right of first refusal and tag-along rights). Consequent to this agreement, and the rights and obligations granted thereunder, Avalta was categorised as a joint venture of the Company.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has three subsidiaries, details of which have been provided below. Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited were also subsidiaries of our Company. Pursuant to a confirmation order dated October 12, 2023, issued by the Regional Director North-Western Region of the Ministry of Corporate Affairs, the Erstwhile Subsidiaries were amalgamated into our Company with effect from April 1, 2023. For details, see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247.

1. ***Covertek Ceramica Private Limited ("Covertek")***

Corporate Information

Covertek was incorporated as a private limited company under the Companies Act on October 12, 2020. Its corporate identification number is U26999GJ2020PTC117215. It has its registered office at Revenue Survey No. 20P1, 20P2, 22/1 and 22/2, 8/A National Highway, Sartanpar Road, Sartanpar. Wankaner, Rajkot, Morbi, Gujarat - 363 621 India.

Nature of Business

Covertek is engaged in the business of manufacturing, producing, treating, processing, designing, developing, building, converting, curing, crushing, distributing, displaying, exchanging, bartering, exploring, extracting, excavating, finishing, formulating, grinding, handling, fabricating, importing, exporting, purchasing, selling, jobworking, mixing, modifying, marketing, operating, preparing and acting as brokers, agents, stockiest, consignors, franchisers, distributors, suppliers, promoters, wholesalers, retailer and sales organizers of all shapes, sizes, varieties, specifications, descriptions, applications and uses of tiles, including ceramic tiles, glazed tiles, mosaics tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, porcelain tiles, roofing tiles, china tiles, ceramic products and byproducts thereof, sanitary wares, wash basins, ceramics wares, earth wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain ware, bathroom accessories, pipes, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixture including fitting parts, accessories, consumable, components & byproducts thereof etc as authorized by its memorandum of association.

Capital Structure

The authorized share capital of Covertek is ₹ 99.00 million divided into 9,900,000 shares of ₹ 10 each and its issued, subscribed and equity paid up share capital is ₹ 99.00 million divided into 99,00,000 equity shares of ₹ 10 each.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of Covertek is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Varmora Granito Limited	8,999,999	99.99%
Ramanbhai Jivrajbhai Varmora (*on behalf of Varmora Granito Limited*)	1	0.01%
Total	**99,00,000**	**100.00%**

Financial information

(in ₹ million, unless otherwise specified)

Sr. No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity share capital	99.00	99.00	99.00
2.	Net Worth	150.51	140.70	99.19
3.	Revenue from operations	921.65	1,464.85	1,419.96
4.	Profit after tax for the year	9.63	41.29	30.41
5.	Basic EPS	0.97	4.17	3.50
6.	Diluted EPS	0.97	4.17	3.50
7.	Total borrowings (including lease liabilities)	611.39	531.89	549.09

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Covertek, which are not accounted for by our Company.

2. ***Simola Tiles LLP ("Simola")***

Corporate Information

Simola was incorporated as a limited liability partnership under the LLP Act on July 25, 2016. Its LLP identification number is AAH-0031. It has its registered office at Survey No. 228 3, Survey No. 228 1 Palki 2, Survey No. 228 1, Pakli 1 228 2, Survey No. 78 P Survey No. 77 2 1, Halvad Road, Unchi Mandal, Rajkot, Morbi, Gujarat – 363 642 India.

Nature of Business

Simola is engaged in the business of manufacturing and trading of ceramic tiles, as authorised by its charter documents.

Capital Contribution

The total capital contribution of Simola is ₹ 200.00 million.

Name of the partner	Capital contribution (in ₹ million)	Percentage of the total capital(%)
Varmora Granito Limited	118.00	59.00%
Kamalshil Shirvi	32.00	16.00%
Rajeshkumar Shirvi	50.00	25.00%
Total	**200.00**	**100.00%**

Financial information

(in ₹ million, unless otherwise specified)

Sr. No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Partner's fixed capital	200.00	200.00	200.00
2.	Net Worth	259.97	249.13	254.82
3.	Revenue from operations	1,250.58	1,413.16	886.19
4.	Profit/ (loss) after tax for the year	12.78	(5.92)	78.71
5.	Basic EPS	NA	NA	NA
6.	Diluted EPS	NA	NA	NA

Sr. No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
7.	Total borrowings (including lease liabilities)	613.69	635.29	725.01

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Simola, which are not accounted for by our Company.

3. ***Varmora Sanitarywares Private Limited (formerly, Varmora Sanitarywares LLP) ("Varmora Sanitarywares")***

Corporate Information

Varmora Sanitarywares was incorporated as a partnership firm under the Indian Partnership Act, 1932 on January 19, 2017 and was converted into a limited liability partnership under the LLP Act on August 30, 2022. Consequently, pursuant to certificate of incorporation dated May 21, 2025 issued by the Registrar of Companies, Gujarat at Ahmedabad, it has been converted into a private limited company under the Companies Act, 2013. It has its registered office at Survey No. 147/2N, Sartanpar, Wankaner, Morbi, Rajkot, Gujarat – 363 621, India.

Nature of Business

Varmora Sanitarywares is engaged in the business of manufacturing, producing, trading, dealing, treating, processing, designing, developing, building, converting, curing, crushing, distributing, displaying, exchanging, bartering, exploring, extracting, excavating, finishing, formulating, grinding, handling, fabricating, importing, exporting, purchasing, selling, jobworking, mixing, modifying, marketing, operating, preparing and acting as brokers, agents, stockiest, consignors, franchisers, distributors, suppliers, promoters, concessionaries, consultants, C&F agent, wholesalers, retailers and sales organizers of all shapes, sizes, varieties, specifications, descriptions, applications and uses of tiles, including ceramic tiles, wall glazed tiles, floor tiles, marble tiles, wall tiles, granite tiles, porcelain tiles, roofing tiles, china tiles, ceramic products, ceramic raw materials and byproducts thereof, sanitary wares, ceramics wares, earthen wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain ware, glass, bathroom fittings and accessories, pipes, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixture including fittings, parts accessories, consumable, components and byproducts thereof etc, as authorised by its charter documents.

Capital Structure

The authorised share capital of Varmora Sanitarywares is ₹ 0.10 million divided into 10,000 equity shares of ₹ 10 each and its issued, subscribed and paid-up equity share capital is ₹ 0.10 million divided into 10,000 equity shares of ₹ 10 each.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of Varmora Sanitarywares is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Varmora Granito Limited	9,999	99.99%
Hiren R Varmora (*on behalf of Varmora Granito Limited*)	1	0.01%
Total	**10,000**	**100.00%**

Financial information

(in ₹ million, unless otherwise specified)

Sr. No.	Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
1.	Equity share capital*	20.00	20.00	20.00
2.	Net Worth	57.86	54.16	48.32
3.	Revenue from operations	321.08	345.16	407.72
4.	Profit/ (loss) after tax for the year	3.70	5.46	4.70
5.	Basic EPS*	NA	NA	NA
6.	Diluted EPS*	NA	NA	NA
7.	Total borrowings (including lease liabilities)	23.03	29.55	39.88

**Pursuant to certificate of incorporation dated May 21, 2025 issued by the Registrar of Companies, Gujarat at Ahmedabad, Varmora Sanitarywares has been converted into a private limited company under the Companies Act, 2013*

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Varmora Sanitarywares, which are not accounted for by our Company.

Our Associates

As on the date of this Draft Red Herring Prospectus, our Company has two associates, details of which have been provided below:

1. ***Fiorenza Granito Private Limited ("Fiorenza")***

Corporate Information

Fiorenza was incorporated as a private limited company under the Companies Act on June 9, 2015. Its corporate identification number is U26960GJ2015PTC083471. It has its registered office at Survey No. 139P1/P1, 139P2 and 139P3 at Ratavirada, Wankaner, Morbi, Rajkot, Gujarat - 363 621 India.

Nature of Business

Fiorenza is engaged in the business of manufacturing, producing, trading, dealing, treating, processing, designing, developing, building, converting, curing, crushing, distributing, displaying, exchanging, bartering, exploring, extracting, excavating, finishing, formulating, grinding, handling, fabricating, importing, exporting, purchasing, selling, job working, mixing, modifying, marketing, operating, preparing, and acting as brokers, agents, stockiest, consignors, franchises, collaborators, distributors, suppliers, promoters, concessionaries, consultants, C&F agent, wholesaler, retailers, and sales organizers, of all shapes, sizes, varieties, specifications, descriptions, applications and use of tiles, including ceramic tiles, glazed tiles, wall tiles including digital wall tiles, floor tiles including digital floor tiles, marbles tiles, artificial marbles tiles, granite tiles, vitrified tiles, double charge vitrified tiles, multi charge vitrified tiles, glaze vitrified tiles, digital vitrified tiles, polished glazed vitrified tiles, porcelain tiles, roofing tiles, china tiles, ceramic products, ceramic raw materials and byproducts thereof, sanitary wares, ceramics wares, earthen wares, crokckeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain wares, bathroom wares and accessories thereof as authorized by its memorandum of association.

Capital Structure

The authorised share capital of Fiorenza is ₹ 180.00 million divided into 16,000,000 equity shares of ₹10 each and its issued, subscribed and paid-up equity share capital is ₹ 160.00 million divided into 16,000,000 equity shares of ₹10 each.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of Fiorenza is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Ashvinbhai Chandubhai Patel	1,450,000	9.06%
Chandulal Dayabhai Patel	2,169,900	13.56%
Jitendra Chandulal Patel	1,500,000	9.38%
Ravindra Maganbhai Patel	1,600,000	10.00%
Ishvarbhai Shamjibhai Makasana	422,000	2.64%
Lalitbhai Ishwarbhai Makasana	251,000	1.57%
Maheshbhai Ishwarbhai Makasana	322,000	2.01%
Vinodbhai Ishwarlal Makasana	285,000	1.78%
Laxmanbhai Bhanjibhai Dalasaniya	615,000	3.84%
Manilal Bhanjibhai Dalasaniya	55,000	0.34%
Rajnikant Talsibhai Patel	550,000	3.44%
Vinodbhai Laxmanbhai Patel	60,000	0.38%
Alpeshbhai Kantibhai Patel	235,000	1.47%
Kiritkumar Laljibhai	216,000	1.35%
Laljibhai Dharamshibhai Patel	360,000	2.25%
Manishbhai Laljibhai Patel	184,000	1.15%
Harjivanbhai Jadavjibhai Kaila	165,000	1.03%
Kaushikbhai Harjivanbhai Kaila	475,000	2.97%
Girishkumar P. Gadhiya	100	0.00%
Varmora Granito Private Limited	4,800,000	30.00%
Nitinkumar Kantilal Patel	285,000	1.78%

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Total	**1,60,00,000**	**100.00%**

2. Sentosa Granito Private Limited ("Sentosa")

Corporate Information

Sentosa Granito Private Limited was initially incorporated as a partnership firm as 'Sentosa Granito' under the Indian Partnership Act, 1932 on June 15, 2011. Consequently, pursuant to a certificate of incorporation dated June 30, 2011, issued by the Registrar of Companies, Gujarat at Dadra and Nagar Havelli, it has been converted into a private limited company under the Companies Act, 1956, and received its certificate for commencement of business on June 30, 2011. Its corporate identification number is U26933GJ2011PTC066114. Its registered office is situated at Survey No. 168 p1 and 169, Tal. Wankaner, Lakaddhar – 363622, Gujarat, India.

Nature of Business

Sentosa is engaged in the business of carrying on in India or elsewhere the business to manufacture, produce, trade, deal, treat, process, design, develop, build, convert, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, job work, mix, modify, market, operate, prepare, and to act as brokers, agents, stockiest, consignors, franchises, collaborators, distributors, suppliers, promoters, concessionaries, consultants, C&F agent, wholesaler, retailers, and sales organizers, of all shapes, sizes, varieties, specifications, descriptions, applications and use of tiles, including ceramic tiles, wall glazed tiles, floor tiles, marbles tiles, wall tiles, granite tiles, vitrified tiles, porcelain tiles, roofing tiles, china tiles, ceramic products, ceramic raw materials and by-products thereof, sanitary wares, ceramics wares, earthen wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain wares, bathroom wares and accessories thereof.

Capital Structure

The authorised share capital of Sentosa is ₹ 95.00 million divided into 9,500,000 equity shares of ₹10/- each and its issued, subscribed and paid-up equity share capital is ₹ 95.00 million divided into 9,500,000 equity shares of ₹10/- each.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of Sentosa is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Varmora Granito Private Limited	2,850,000	30.00%
Kirit Shamjibhai Rangpadiiya	3,990,000	42.00%
Krunal Mansukhlal Rangpadiya	570,000	6.00%
Ketanbhai Dilipbhai Saradava	190,000	2.00%
Gaurang Dharamshibhai Rangpadiya	142,500	1.50%
Jaydeep Dharamshibhai Rangpadiya	142,500	1.50%
Amitaben Kiritbhai Rangpadiya	475,000	5.00%
Vipulbhai Samjibhai Kanani	380,000	4.00%
Bhaveshbhai Mansukhbhai Aghara	142,500	1.50%
Manojbhai Mansukhbhai Aghara	142,500	1.50%
Muktaben Kacharabhai Ambani	475,000	5.00%
Total	**9,500,000**	**100.00%**

Our Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company has two joint ventures, details of which are provided below.

1. Avalta Granito Private Limited ("Avalta")

Corporate Information

Avalta was incorporated as a private limited company under the Companies Act on August 21, 2020. Its corporate identification number is U26999GJ2020PTC115705. It has its registered office at Survey No. 159 at Ratavirda, Sartanpur Road, Wankaner, Rajkot, Morbi, Gujarat - 363 621 India.

Nature of Business

Avalta is engaged in the business of carrying out in India or elsewhere the business to manufacture, produce, trade, deal, treat, process, design, develop, build, convert, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, job work, mix, modify, market, operate, prepare, and to act as brokers, agents, stockiest, consignors, franchises, collaborators, distributors, suppliers, promoters, concessionaries, consultants, C&F agent, wholesaler, retailers, and sales organizers, of all shapes, sizes, varieties, specifications, descriptions, applications and use of tiles, including ceramic tiles, glazed tiles, wall tiles including digital wall tiles, floor tiles including digital floor tiles, marbles tiles, artificial marbles tiles, granite tiles, vitrified tiles, double charge vitrified tiles, multi charge vitrified tiles, glaze vitrified tiles, digital vitrified tiles, polished glazed vitrified tiles, porcelain tiles, roofing tiles, china tiles, ceramic products, ceramic raw materials and byproducts thereof, sanitary wares, ceramics wares, earthen wares, crokckeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain wares, bathroom wares and accessories thereof.

Capital Structure

The authorised share capital of Avalta is ₹ 200.00 million divided into 20,000,000 equity shares of ₹10/- each and its issued, subscribed and paid-up share equity capital is ₹ 200.00 million divided into 20,000,000 equity shares of ₹10/- each.

Shareholding

As of the date of this Draft Red Herring Prospectus, the shareholding pattern of Avalta is as follows:

Name of the shareholder	Number of equity shares held	Percentage of the total equity shareholding (%)
Varmora Granito Private Limited	5,000,000	25.00
Santoshkumar Narshibhai Sherashiya	2,000,000	10.00
Alinta Granito Private Limited	1,600,000	8.00
Ashwinbhai Narshibhai Sherasiya	1,400,000	7.00
Chiragbhai Haribhai Fefar	1,000,000	5.00
Kishorbhai Laxmanbhai Vidja	1,000,000	5.00
Rameshbhai L. Patel	1,000,000	5.00
Vanitaben Rameshbhai Patel	1,000,000	5.00
Mansukhbhai Narshibhai Sherasiya	800,000	4.00
Kishorbhai Manjibhai Patel	600,000	3.00
Mayurbhai Mansukhbhai Sherasiya	400,000	2.00
Nipaben Ashishbhai Sherasiya	400,000	2.00
Ranjanben Mansukhbhai Sherasiya	400,000	2.00
Hetalben Chiragbhai Fefar	400,000	2.00
Dipakkumar Prabhulal Detroja	400,000	2.00
Hareshbhai Vinodbhai Patel	400,000	2.00
Kamleshbhai Thakarshibhai Rupala	400,000	2.00
Raj Anilkumar Vidja	400,000	2.00
Ashishkumar Mansukhbhai Sherasiya	400,000	2.00
Kuldip Chamanlal Detroja	200,000	1.00
Sanjay Harakhji Sherasia	200,000	1.00
Upal Santoshkumar Sherashiya	200,000	1.00
Mamtaben Ashwinbhai Sherasiya	100,000	0.50
Shital Mayurkumar Sherasiya	100,000	0.50
Bhagvanjibhai Vaghjibhai Chikani	100,000	0.50
Dilipbhai Bhagvanjibhai Chikani	100,000	0.50
Total	**20,000,000**	**100.00**

2. ***Renite Vitrified LLP***

Corporate Information

Renite Vitrified LLP was incorporated on February 3, 2016, as a Limited Liability Partnership under the Limited Liability Partnership Act, 2008. Its LLP Identification Number is AAF-6195, and its registered office is situated at Sr. No. 76P6, Bhimgudana Marg, Tal. Wankaner, Ratavirda, Gujarat 363 621, India.

Nature of Business

Renite Vitrified LLP is currently engaged in the business of manufacturing, trading and dealing in all ways in all types, styles and natures of Ceramic Products such as all types of tiles, vitrified tiles, floor tiles, wall tiles, etc. as authorized by its LLP agreement.

Capital Structure

The total capital contribution of Renite Vitrified LLP is ₹ 180.00 million.

The capital contribution and percentage of capital contribution in Renite Vitrified LLP as on the date of this Draft Red Herring Prospectus is set out below:

Name of the Partner	Capital Contribution (in ₹)	Percentage of capital contribution (%)
Abhishek Jagdishbhai Viramgama	7,200,000	4.00%
Kavathiya Dhirajlal Babubhai	12,600,000	7.00%
Kavathiya Jentilal Babubhai	12,600,000	7.00%
Kavathiya Parasbhai Dhirajlal	20,700,000	11.50%
Kavathiya Sandip Dhirajlal	20,700,000	11.50%
Sanjaybhai Jerambhai Viramgama	5,400,000	3.00%
Surani Dhirajlal Kanjibhai	12,600,000	7.00%
Surani Piyush Dhirajlal	10,800,000	6.00%
Surani Rajani Parsotambhai	12,600,000	7.00%
Surani Shaileshkumar Parsotumbhai	10,800,000	6.00%
Varmora Granito Private Limited	54,000,000	30.00%
Total	**180,000,000**	**100.00%**

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Other confirmations

Common Pursuits

All of our Subsidiaries are engaged in the similar line of business as that of our Company, thereby resulting in certain common pursuits with our Company. However, there is no conflict of interest between our Subsidiaries and our Company. We shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

All of our Associates and Joint Ventures are engaged in the similar line of business as that of our Company, thereby resulting in certain common pursuits with our Company. However, as on the date of this Draft Red Herring Prospectus there is no conflict of interest between our Associates and Joint Ventures and our Company. We shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

Business interest between our Company and our Subsidiaries

Except as stated in "*Restated Consolidated Financial Information – Note 50 Related Party Disclosure*" on page 355, our Subsidiaries do not have any other business interest in our Company.

None of our Subsidiaries, Associates or Joint Ventures are listed on any stock exchange in India or abroad.

None of our Subsidiaries, Associates or Joint Ventures been refused listing in the last ten years by any stock exchange in India or abroad, nor have they failed to meet the listing requirements of any stock exchange in India or abroad.

Conflicts of Interest

There are no conflicts of interest between our Subsidiary (including their respective directors) and any lessors/ owners of immovable properties of our Company (who are crucial for operations of our Company).

There are no conflict of interest between our Subsidiary (including their respective directors) and any suppliers of raw materials and third party service providers of our Company (who are crucial for operations of our Company).

OUR MANAGEMENT

Board of Directors

In accordance with the Companies Act and our Articles of Association, our Company is required to have not less than three and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board comprises of 10 Directors, of which 3 are Executive Directors, including 1 Managing Director, 2 are Non-Executive Nominee Directors and 5 are Independent Directors including 1 woman Independent Director.

Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus.

Name, DIN, designation, address, occupation, term, period of directorship and date of birth	Age (years)	Other directorships
Bhavesh Vallabhdas Varmora ***DIN:*** 02718600 ***Designation:*** Chairman and Managing Director ***Date of birth***: July 9, 1979 ***Address***: 19, Jayraj Park, Ravapar Road Morvi, Rajkot – 363 641, Gujarat, India ***Occupation*****:** Business ***Term:*** For a period of five years with effect from December 11, 2024 ***Period of directorship*****:** Director since May 27, 2022	46	**Indian Companies:** 1. Covertek Ceramica Private Limited 2. Varmora Plastech Private Limited 3. Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*) **Foreign Companies:** Nil
Pramodkumar Parsotambhai Patel ***DIN***: 01935197 ***Designation***: Executive Director ***Date of birth:*** July 1, 1975 ***Address:*** Lalkrupa, Anupam Society, Street of Kadam Medical, Ravapar Road, Morvi, Morbi – 363 641, Gujarat, India ***Term:*** Liable to retire by rotation ***Occupation*****:** Business ***Period of Directorship***: Director since May 27, 2022	50	**Indian Companies:** 1. Sunshine Fasteners Private Limited 2. Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*) **Foreign Companies:** Nil
Hiren R Varmora ***DIN:*** 05162353 ***Designation:*** Executive Director ***Date of birth:*** June 26, 1990 ***Address:*** 301, Rudraksha Apartments, Dr. Pandit Dindayal Marg, Mayur Nagar, Rajkot – 360005, Gujarat, India ***Term:*** Liable to retire by rotation ***Occupation*****:** Business ***Period of directorship:*** Director since May 27, 2022	35	**Indian Companies:** Nil **Foreign Companies:** Nil

Name, DIN, designation, address, occupation, term, period of directorship and date of birth	Age (years)	Other directorships
Aamir Zeb* ***DIN:*** 09813777 ***Designation:*** Non-Executive Nominee Director ***Date of birth:*** July 8, 1990 ***Address:*** 1001, Z-16, 16th Road, Bandra West, Mumbai, Mumbai Suburban – 400 050, Maharashtra, India ***Occupation*:** Salaried ***Term:*** Not liable to retire by rotation ***Period of directorship:*** Director since March 19, 2024	35	**Indian Companies:** 1. Happily Unmarried Marketing Private Limited ***2.*** VLCC Limited 3. Strata Geosystems (India) Private Limited ***4.*** Strata Geotech Services Private Limited **Foreign Companies:** Nil
Amit Jain* ***DIN:*** 06917608 ***Designation:*** Non-Executive Nominee Director ***Date of birth:*** May 4, 1981 ***Address:*** A-902 Lodha Bellissimo, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi East, Mumbai, Mumbai City – 400 011, Maharashtra, India ***Occupation*:** Service ***Term:*** Not liable to retire by rotation ***Period of directorship:*** Director since August 30, 2022	44	**Indian Companies:** 1. Highway Roop Precision Technologies Limited 2. Strata Geosystems (India) Private Limited 3. Piramal Pharma Limited 4. Viyash Life Sciences Private Limited 5. VLCC Personal Care Limited 6. VLCC Limited 7. VLCC Online Services Private Limited 8. Carlyle India Advisors Private Limited **Foreign Companies:** 1. Quest Global Services Pte. Ltd.
Suryanarayanan Sivaramakrishnan ***DIN:*** 00444230 ***Designation:*** Independent Director ***Date of birth:*** May 4, 1958 ***Address:*** 52/ 53, Sagar Tarang 81/ 83 Bhulabhai Desai Road, Cumballa Hill, Mumbai – 400 026, Maharashtra, India ***Occupation*:** Service ***Term:*** Five years from June 7, 2023 ***Period of directorship:*** Director since June 7, 2023	67	**Indian Companies:** 1. BDS Projects India Private Limited 2. I-3PL (India) Private Limited 3. N S Guzder and Company Private Limited 4. Quikjet Cargo Airlines Private Limited **Foreign Companies:** Nil
Chandubhai Virani ***DIN:*** 00524980 ***Designation***: Independent Director ***Date of birth:*** January 31, 1957 ***Address:*** Arjun Park Society, Amin Marg, Balaji, Rajkot – 360 001, Gujarat, India	68	**Indian Companies:** 1. Balaji Wafers Private Limited **Foreign Companies:** Nil

Name, DIN, designation, address, occupation, term, period of directorship and date of birth	Age (years)	Other directorships
Occupation: Business ***Term:*** Five years from September 10, 2024 ***Period of directorship:*** Director since September 10, 2024		
Sandhya Maulik Patel ***DIN:*** 02215022 ***Designation:*** Independent Director ***Date of birth:*** June 10, 1982 ***Address:*** Satyagrah Chhavni Society 359, Lane-18, Satellite Road, Ahmedabad City, Ahmedabad – 380 015, Gujarat, India ***Occupation:*** Business ***Term:*** Five years from September 10, 2024 ***Period of directorship:*** Director since September 10, 2024	43	**Indian Companies:** 1. Hester Biosciences Limited 2. Atvantic Finechem Private Limited **Foreign Companies:** Nil
Vivek Vikram Singh ***DIN:*** 07698495 ***Designation:*** Independent Director ***Date of birth:*** July 24, 1979 ***Address:*** Villa no. 71, the Palm Springs, Golf Course Road, opposite Hotel IBIS, Sector 54, Gurgaon – 122 001, Haryana, India ***Occupation:*** Business ***Term:*** Five years from January 30, 2025 ***Period of directorship:*** Director since January 30, 2025	46	**Indian Companies:** 1. Sona BLW Precision Forgings Limited **Foreign Companies:** 1. Ionesco Cayman Investment Limited 2. Ionesco Cayman Limited
Shital Bharatkumar Badshah ***DIN:*** 10039677 ***Designation:*** Independent Director ***Date of birth:*** October 3, 1979 ***Address:*** K-102, Binori Sonnet, Nr. Sarkari Tubewell Bopal, Daskroi, Bopal, Ahmedabad - 380058, Gujarat, India ***Occupation:*** Professional ***Term:*** Two years from August 4, 2025 ***Period of directorship:*** Director since August 4, 2025	45	**Indian Companies:** 1. Rajoo Engineers Limited 2. Essen Speciality Films Limited **Foreign Companies:** Nil

** Appointed as a Nominee Director representing Katsura Investments.*

Brief biographies of our Directors

Bhavesh Vallabhdas Varmora, aged 46 years, is the Chairman and Managing Director of our Company Previously, he also served on the Board of our Company for a period from July 1, 2009 to June 30, 2013. Further, he was appointed as a Non-Executive Director of our Company on May 27, 2022 and subsequently re-designated as a Managing Director on December 11, 2024. He has passed the secondary school certificate exam from Gujarat Secondary Education Board, Gandhinagar. He has been associated with our Company since 2003. He has served as manager-sales from 2003 to 2011, followed by head of domestic sales from 2011 to 2022, and has more than 19 years of experience in sales and marketing. Currently, he is also a director of Covertek Ceramica Private Limited, Varmora Plastech Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*).

Pramodkumar Parsotambhai Patel, aged 50 years, is an Executive Director of our Company. Previously, he also served on the Board of our Company for a period from November 18, 2003 to April 30, 2012. Further, he was appointed as a Non-Executive Director of our Company on May 27, 2022 and was subsequently re-designated as an Executive Director on September 10, 2024. He has passed the secondary school certificate exam from Gujarat Secondary Education Board, Gandhinagar. He has been associated with our Company since 2003. He has 19 years of experience in production and procurement of materials. Currently, he is also a director of Sunshine Fasteners Private Limited and Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*).

Hiren R Varmora, aged 35 years, is an Executive Director of our Company. He has been on the Board of our Company since May 27, 2022. He has passed the secondary exam from ICSE Board of S.N. Kansagra School, Rajkot. He also holds IFS level 3 certification in financial studies issued by IFS School of Finance. He has been associated with our Company since 2011. He joined the sales department of our Company and served as manager-sales for bath ware and exports division from 2014 to 2022. He has more than 13 years of experience in sales and marketing in the export business.

Aamir Zeb, aged 35 years, is a Non-Executive Nominee Director of our Company. He has been on the Board of our Company since March 19, 2024. He holds a bachelor's and master's degree in technology in chemical engineering from Indian Institute of Technology, Delhi. He has more than 12 years of professional experience and was previously associated with Advent International plc, CVC Advisers (India) Private Limited and Bain & Company India Private Limited and is currently the principal in the Asia Buyout Group at Carlyle India Advisors Private Limited.

Amit Jain, aged 44 years, is a Non-Executive Nominee Director of our Company. He has been on the Board of our Company since August 30, 2022. He holds a bachelor's degree in technology (honors) in mechanical engineering from Indian Institute of Technology, Kharagpur and has completed a post-graduate programme in management from Indian School of Business, Hyderabad. He has more than 20 years of experience in private equity. He was previously associated with Hindustan Lever Limited, Mckinsey & Company, Inc. and Blackstone Advisors India Private Limited, and is currently a managing director – partner of Asia Buyout Group and head at Carlyle India Advisors Private Limited.

Suryanarayanan Sivaramakrishnan, aged 67 years, is an Independent Director of our Company. He has been on the Board of our Company since June 7, 2023. He holds a bachelor's degree in science from Bangalore University and is admitted as an associate with the Institute of Chartered Accountants of India. He has more than 39 years of experience in the field of sales, procurement, finance and general administration. He was previously associated with Allcargo Logistics Limited as group chief strategy and financial officer. Currently, he is a partner of Bharat Traders and director of BDS Projects India Private Limited, Quikjet Cargo Airlines Private Limited, N S Guzder and Company Private Limited and I-3PL (India) Private Limited.

Chandubhai Virani, aged 68 years, is an Independent Director of our Company. He has been on the Board of our Company since September 10, 2024. He has not received any formal education. He has more than 29 years of experience in production, distribution and dealer management. Currently, he is a director of Balaji Wafers Private Limited.

Sandhya Maulik Patel, aged 43 years, is an Independent Director of our Company. She has been on the Board of our Company since September 10, 2024. She holds a bachelor's degree in science (electrical engineering) from California State University, Fullerton and post graduate diploma in business administration from Symbiosis Centre for Distance Learning. She has more than 14 years of experience in key operational areas of business, including finance, purchase, sales, project implementation and marketing. Currently, she is the executive director – management of Meghmani LLP.

Vivek Vikram Singh, aged 46 years, is an Independent Director of our Company. He has been on the Board of our Company since January 30, 2025. He holds a bachelor's degree in technology (computer science and engineering) from Chhatrapati Shahu Ji Maharaj University, Kanpur and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 16 years of experience, including more than nine years of experience in the automotive industry. He has been recognised as one of the India's 40 under forty business leaders by the Economic Times in 2019 and received 'EY Entrepreneur of the Year' award in 2021. Currently, he is the chief executive officer and managing director of Sona BLW Precision Forgings Limited.

Shital Bharatkumar Badshah, aged 45, is an Independent Director of our Company. He has been on the Board of our Company since August 4, 2025. He holds a bachelor's degree in engineering from L.D. Engineering College, Gujarat University and a post graduate diploma in business management from Som-Lalit Institute of Management Studies. Additionally, he also holds a degree of doctor of philosophy (management) from Ganpat University. He has participated in Senior Leadership Coaching: Coaching for Performance an Executive Education Programme conducted by Indian Institute of Management Bangalore. He was previously associated with the institutes such as Indus Institute of Technology and Engineering and V.M. Patel Institute of Management (Ganpat University). In addition, he was also associated with companies such as Asea Brown Boveri Limited, Masibus Process Instruments Private Limited and Centre for Monitoring Indian Economy Private Limited. He has more than 19 years of experience in education sector. Currently, he is a director of Rajoo Engineers Limited and Essen Speciality Films Limited. Currently, he is the proprietor of Growth Catalyst.

Relationship among Directors, Key Managerial Personnel and Senior Management

None of our Directors, Key Managerial Personnel, and Senior Management are relatives (as defined under the SEBI ICDR Regulations). However, Bhavesh Vallabhdas Varmora, Pramodkumar Parsotambhai Patel, Hiren R Varmora, and Ashokkumar Naranbhai Patel are cousins. Additionally, our Senior Management namely, Amit Doshi and Hardik Nalinbhai Doshi are also cousins.

Terms of appointment of our Chairman and Managing Director

Bhavesh Vallabhdas Varmora

Our Shareholders, at their meeting held on December 11, 2024 approved the appointment of Bhavesh Vallabhdas Varmora as the Managing Director of our Company. Subsequently, our Board at their meeting held on April 25, 2025, appointed Bhavesh Vallabhdas Varmora as the Chairman of our Company. Our Company has entered into an agreement dated July 15, 2022, as amended on July 30, 2025**.** with Bhavesh Vallabhdas Varmora setting out the details of the remuneration and other terms of his employment. The following table sets forth the details of the remuneration and other terms of his employment are applicable as on the date of this Draft Red Herring Prospectus:

Remuneration	₹ 0.30 million per month
Reimbursement of expenses	Actual basis
Health insurance	Actual basis
KMP insurance	Actual basis

Terms of appointment of our other Executive Directors

Pramodkumar Parsotambhai Patel

Our Board, at their meeting held on August 7, 2024, approved the change in designation of Pramodkumar Parsotambhai Patel as an Executive Director of our Company. Our Shareholders approved such change in designation at their meeting held on September 10, 2024 with immediate effect. Our Company has entered into an agreement dated July 15, 2022, as amended on July 30, 2025 with Pramodkumar Parsotambhai Patel setting out the details of the remuneration and other terms of his employment. The following table sets forth the details of the remuneration and other terms of his employment are applicable as on the date of this Draft Red Herring Prospectus:

Remuneration	0.30 million per month
Reimbursement of expenses	Actual basis
Health insurance	Actual basis
KMP insurance	Actual basis

Hiren R Varmora

Our Board at their meeting held on August 7, 2024 approved the change in designation of Hiren R Varmora as an Executive Director of our Company. Our Shareholders approved such change in designation at their meeting held on September 10, 2024 with immediate effect. Our Company has entered into an agreement dated July 15, 2022, as amended on July 30, 2025with Hiren R Varmora setting out the details of the remuneration and other terms of his employment. The following table sets forth the details of the remuneration and other terms of his employment are applicable as on the date of this Draft Red Herring Prospectus:

Remuneration	₹ 0.30 million per month
Reimbursement of expenses	Actual basis
Health insurance	Actual basis
KMP insurance	Actual basis

Terms of appointment of our Non-Executive Directors

As on the date of this Draft Red Herring Prospectus, none of our Non-Executive Directors are entitled to any sitting fees for attending a meeting of our Board of Directors or any committee meetings. However, Suryanarayanan Sivaramkrishnan is entitled to receive commission as per the appointment letter dated June 7, 2023 entered into by and between the Company and Suryanarayanan Sivaramkrishnan.

Payment or benefits to Directors

Except as disclosed in "– *Terms of appointment of our Chairman and Managing Director*", "– *Terms of appointment of our other Executive Directors*" and "-*Terms of appointment of our Non-Executive Directors*" on page 266, our Company has not entered into any contract for appointing, or fixing the remuneration of, any Director in the two years preceding the date of this Draft Red Herring Prospectus.

In Fiscal 2025, our Company has not paid any compensation or granted any benefit in kind on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration as disclosed under "– *Terms of appointment of our Chairman and Managing Director*", "– *Terms of appointment of our other Executive Directors*" and "-*Terms of appointment of our Non-Executive Directors*" on page 266. Our Company has paid the following remuneration to our Directors in Fiscal 2025:

1. Managing Director and other Executive Directors

The details of the remuneration paid to our Chairman and Managing Director and other Executive Directors in Fiscal 2025 is set out below:

(in ₹ million)

Name of the Director	Designation	Remuneration (per annum)[@]
Bhavesh Vallabhdas Varmora[*]	Chairman and Managing Director	3.53
Pramodkumar Parsotambhai Patel[#]	Executive Director	3.53
Hiren R Varmora[#]	Executive Director	3.53

[*] Prior to being redesignated as the Managing Director of our Company on December 11, 2024, Bhavesh Vallabhdas Varmora was a Non-Executive Director of our Company and was appointed as an Executive Director of our Company on September 10, 2024. Accordingly, he has received a part of the remuneration, as afore-stated, in his capacity as a Non-Executive Director, and subsequently, as an Executive Director, of our Company, prior to his appointment as the Managing Director.

[#] Prior to being redesignated as the Executive Directors on September 10, 2024, Pramodkumar Parsotambhai Patel and Hiren R Varmora were the Non-Executive Directors of our Company. Accordingly, they have received a part of the remuneration, as afore-stated, in their capacity as the Non-Executive Directors of our Company.

[@] The total compensation paid to the Directors excludes tax deducted as source.

2. Non-Executive Directors

The details of the total compensation, including commission paid to our Non-Executive Directors in Fiscal 2025 is set out below:

(in ₹ million)

Name of Director	Total compensation (per annum)
Aamir Zeb	Nil
Suryanarayanan Sivaramakrishnan	4.13[#]
Amit Jain[*]	Nil
Chandubhai Virani	Nil
Sandhya Maulik Patel	Nil
Vivek Vikram Singh	Nil
Shital Bharatkumar Badshah	Nil

[*] Prior to being redesignated as a Non-Executive Nominee Director of our Company on January 27, 2025, Amit Jain was an Executive Nominee Director of our Company.

#Comprises of commission amounting to ₹ 4.13 million.

Contingent and deferred compensation payable to Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to any of our Directors, which does not form a part of their remuneration.

Remuneration paid or payable to our Directors from our Subsidiaries or Associates

As on the date of this Draft Red Herring Prospectus, none of our Directors have been paid any remuneration, including any contingent or deferred compensation accrued for the year and payable at a later date, from our Subsidiaries or Associates in Fiscal 2025.

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Director	Total number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)	Number of Equity Shares held on a fully diluted basis*	Percentage of the paid-up Equity Share capital on a fully diluted basis*
1.	Bhavesh Vallabhdas Varmora	19,351,425	9.60	19,351,425	9.56
2.	Hiren R Varmora	19,117,155	9.48	19,117,155	9.44
3.	Pramodkumar Parsotambhai Patel	13,416,450	6.65	13,416,450	6.63

**Includes vested options under ESOP 2023. For further details, please see, "Capital Structure – Employee Stock Option Plan" on page 108.*

For details in relation to the build-up of their equity shareholding in our Company, see "*Capital Structure — Build-up of our Promoters' shareholding in our Company*" on page 110.

Bonus or profit-sharing plan for our Directors

As on the date of this Draft Red Herring Prospectus, our Company does not have any bonus or profit-sharing plan for our Directors.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is or was a director of any company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

No consideration, either in cash or shares or any other form, has been paid, or agreed to be paid, to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations or Fugitive Offenders.

Arrangement or understanding with major shareholders, customers, suppliers or others

Except for Aamir Zeb and Amit Jain, who are nominees of Katsura Investments, pursuant to the shareholders' agreement dated June 2, 2022, as amended pursuant to the amendment agreement dated March 21, 2023, and Waiver cum Amendment Agreement dated July 28, 2025, none of our Directors have been appointed on our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others. For further details, see "*History and Certain Corporate Matters – Details of shareholders' agreements*" on page 251.

Except as disclosed under "*– Terms of appointment of our Chairman and Managing Director*", "*– Terms of Appointment of our other Executive Directors*" and "*-Terms of appointment of our Non-Executive Directors*" on page 266, respectively, there are no contracts appointing or fixing the remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus.

Service contracts with Directors

None of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of their employment.

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them as well as any commission payable to them. For further details, see "*– Terms of appointment of our Chairman and Managing Director*", "*-Terms of appointment of our Non-Executive Directors*" and "*– Terms of appointment of our other Executive Directors*" on page 266, respectively. Our Directors are also interested in our Company to the extent that: (i) either they, or any of their relatives, hold any direct or indirect shareholding or other securities in our Company, and any dividends or any other distributions payable in respect thereof; (ii) any directorships/ partnership interest that they may hold in our Company or our Subsidiaries and to the extent of any remuneration payable to them in this regard. For details of our Directors' shareholding in our Company, see "*— Shareholding of our Directors in our Company*" on page 267.

Certain of our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business, including for purchase/ sale of goods and/or services. For further details, please see "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" on page 355.

There are no conflicts of interest between our Directors and any lessors/ owners of immovable properties of our Company (who are crucial for operations of our Company)

There are no conflicts of interest between our Directors and any suppliers of raw materials and third party service providers of our Company (who are crucial for operations of our Company).

Interest in land and property, acquisition of land, construction of building or supply of machinery, etc.

None of our Directors are interested in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired by it.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc. in the three years preceding the date of this Draft Red Herring Prospectus.

Interest in promotion of our Company

Except for Bhavesh Vallabhdas Varmora, Hiren R Varmora and Pramodkumar Parsotambhai Patel, who are also the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company, as on the date of this Draft Red Herring Prospectus.

Business interest

Except as stated in "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" on page 355 and otherwise disclosed in this section, our Directors do not have any other business interest in our Company.

Changes in our Board during the last three years

Name	Date of Change	Reason
Amit Jain	August 30, 2022	Appointment as Executive Nominee Director
Rahul Mukim	August 30, 2022	Appointment as Executive Nominee Director
Ramanbhai Jivrajbhai Varmora	September 7, 2022	Resignation as Director
Ashokkumar Naranbhai Patel	September 7, 2022	Resignation as Director
Naranbhai Hansrajbhai Patel	September 7, 2022	Resignation as Director
Darshankumar Patel	December 13, 2022	Appointment as Independent Director
Rahul Mukim	December 13, 2022	Resignation as Non-Executive Nominee Director
Kapil Modi	December 13, 2022	Appointment as Non-Executive Nominee Director
Suryanarayanan Sivaramakrishnan	June 7, 2023	Appointment as Independent Director
Kapil Modi	February 20, 2024	Resignation as Non-Executive Nominee Director
Aamir Zeb	March 19, 2024	Appointment as Non-Executive Nominee Director
Chandubhai Virani	September 10, 2024	Appointment as Independent Director
Sandhya Maulik Patel	September 10, 2024	Appointment as Independent Director
Bhavesh Vallabhdas Varmora	September 10, 2024	Change in designation to Executive Director
Hiren R Varmora	September 10, 2024	Change in designation to Executive Director
Pramodkumar Parsotambhai Patel	September 10, 2024	Change in designation to Executive Director
Bhavesh Vallabhdas Varmora	December 11, 2024	Change in designation to Managing Director
Amit Jain	January 27, 2025	Change in designation to Non-Executive Nominee Director
Vivek Vikram Singh	January 30, 2025	Appointment as Independent Director
Darshankumar Patel	August 4, 2025	Resignation as Independent Director
Shital Bharatkumar Badshah	August 4, 2025	Appointment as Independent Director

Borrowing powers of our Board

Pursuant to the enabling provisions of our Memorandum of Association and our Articles of Association and the Shareholders' resolutions dated January 30, 2025, and in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, and subject to the approvals and permissions as may be required, our Board (which shall be deemed to include any committee thereof for the time being exercising such powers conferred on our Board) is authorised to borrow, from time to time, any sum or sums of monies (exclusive of interest and in one or more tranches) on such terms and conditions as may be determined, from any one or more of our Company's bankers and/or other banks, persons, firms, companies/ bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and/or any entity/ entities or authority/ authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures, commercial papers, long/ short term loans, suppliers' credit, securitized instruments, such as floating or fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institution, either in rupees and/or in such other foreign currencies, as may be permitted by law from time to time, and/or any other instruments/ securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of our Company's assets, licenses and properties, whether immovable or movable, and all or any of the undertaking of our Company, notwithstanding that the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of our Company's paid-up capital, free reserves and securities premium, i.e., reserves not set apart for any specific purpose, such that the total amount up to which the monies may be borrowed by our Company shall not exceed the sum of ₹ 10,000.00 million.

Corporate governance

In addition to the Companies Act, 2013, the provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the audit committee, stakeholder's relationship committee, nomination and remuneration committee and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Risk Management Committee;
5. Corporate Social Responsibility Committee; and
6. IPO Committee

Audit Committee

The members of our Audit Committee are:

(a) Suryanarayanan Sivaramakrishnan, Independent Director (*Chairman*);

(b) Bhavesh Vallabhdas Varmora, Chairman and Managing Director

(c) Sandhya Maulik Patel, Independent Director;

(d) Chandubhai Virani, Independent Director

Our Audit Committee was constituted by our Board pursuant to a resolution dated May 8, 2023 and the same was reconstituted pursuant to a Board resolution dated June 26, 2025. The revised terms of reference of the Audit Committee were approved by our Board pursuant to a resolution dated June 26, 2025.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as disclosed below:

a. overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b. recommending to the Board, the appointment, re-appointment, removal and replacement, remuneration and the terms of appointment of the auditors of the Company, including fixing the audit fees;

c. reviewing and monitoring the statutory auditors' independence and performance and the effectiveness of audit process;

d. approving payments to the statutory auditors for any other services rendered by statutory auditors;

e. reviewing with the management, the annual financial statements and the auditors' report thereon before submission to the Board for approval, with particular reference to:

   i) matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;

   ii) changes, if any, in accounting policies and practices and reasons for the same;

   iii) major accounting entries involving estimates based on the exercise of judgment by management;

   iv) significant adjustments made in the financial statements arising out of audit findings;

   v) compliance with listing and other legal requirements relating to financial statements;

   vi) disclosure of any related party transactions; and

   vii) qualifications and modified opinions in the draft audit report.

f. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

g. scrutinizing inter-corporate loans and investments;

h. undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;

i. evaluation of internal financial controls and risk management systems;

j. formulating a policy on related party transactions, which shall include materiality of related party transactions;

k. approving transactions of the Company with related parties, or any subsequent modification thereof and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

l. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

m. reviewing, along with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed initial public offer by the Company

n. establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

o. reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

p. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

q. discussing with internal auditors any significant findings and follow up thereon;

r. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

s. discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

t. looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

u. approving the appointment of the chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;

v. reviewing the functioning of the whistle blower mechanism;

w. ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

x. formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;

y. reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiaries exceeding Rs. 100.00 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

z. considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

aa. investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;

bb. reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;

cc. reviewing:

    i. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

    ii. Any material default in financial obligations by the Company;

    iii. Any significant or important matters affecting the business of the Company; and

dd. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act or other applicable law.

The Audit Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

(a) Vivek Vikram Singh, Independent Director (*Chairman*)

(b) Sandhya Maulik Patel, Independent Director; and

(c) Amit Jain, Non-Executive Nominee Director

The Nomination and Remuneration Committee was constituted by our Board pursuant to a resolution dated May 8, 2023 and the same was reconstituted pursuant to a Board resolution dated June 26, 2025. The revised terms of reference of the Nomination and Remuneration Committee were approved by our Board pursuant to a resolution dated June 26, 2025.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, Regulation 19 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

a. identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;

b. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;

c. while formulating the above policy, ensuring that:

   i. the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

d. formulating criteria for evaluating the performance of independent directors and the Board;

e. devising a policy on diversity of the Board;

f. evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director, for every appointment of an independent director. Ensuring that the person recommended to the Board for appointment as an independent director has the capabilities identified in such description. Further, for the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

   i. use the services of an external agencies, if required;

   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   iii. consider the time commitments of the candidates;

g. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance and specifying the manner for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviewing its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

h. determining 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;

i. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;

j. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

k. recommending to the Board, all remuneration, in whatever form, payable to senior management;

l. performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

m. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

n. analyzing, monitoring and reviewing various human resource and compensation matters;

o. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

p. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

   ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

iii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

q. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law.

The Nomination and Remuneration Committee shall meet at least once in a year.

Stakeholders Relationship Committee

The members of the Stakeholders' Relationship Committee are:

(a) Sandhya Maulik Patel, Independent Director (*Chairperson*)

(b) Bhavesh Vallabhdas Varmora, Chairman and Managing Director; and

(c) Pramodkumar Parsotambhai Patel, Executive Director

The Stakeholders' Relationship Committee was constituted by our Board pursuant to a resolution dated June 26, 2025 . The terms of reference of the Stakeholders' Relationship Committee were approved by our Board pursuant to a resolution dated June 26, 2025.

a. redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

b. reviewing measures taken for effective exercise of voting rights by the shareholders;

c. investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;

d. reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

e. reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

f. formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

g. approving, registering, refusing to register transfer or transmission of shares and other securities;

h. giving effect to dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;

i. issuing duplicate share or other security(ies) certificate(s) *in lieu* of the original share/security(ies) certificate(s) of the Company; and

j. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

Risk Management Committee

The members of the Risk Management Committee are:

(a) Bhavesh Vallabhdas Varmora, Chairman and Managing Director (*Chairman*);

(b) Pramodkumar Parsotambhai Patel, Executive Director;

(c) Vivek Vikram Singh, Independent Director; and

(d) Amit Doshi, Chief Strategy Officer.

The Risk Management Committee was constituted was constituted by our Board pursuant to a resolution dated June 26, 2025. The terms of reference of the Risk Management Committee were approved by our Board pursuant to a resolution dated June 26, 2025.

The Risk Management Committee is authorised to perform the following functions:

a. To formulate a detailed risk management policy which shall include:

    (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;

    (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and

    (iii) Business continuity plan.

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c. To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;

d. To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f. To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;

g. To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;

h. To review the status of the compliance, regulatory reviews and business practice reviews;

i. To review and recommend the Company's potential risk involved in any new business plans and processes;

j. To review the appointment, removal and terms of remuneration of the chief risk officer, if any; and

k. To perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

(a) Bhavesh Vallabhdas Varmora, Chairman and Managing Director (*Chairman*);

(b) Hiren R Varmora, Executive Director;

(c) Suryanarayanan Sivaramakrishnan, Independent Director; and

(d) Aamir Zeb, Non-Executive Nominee Director.

The Corporate Social Responsibility was constituted by our Board pursuant to a resolution dated July 22, 2016 and the same was reconstituted pursuant to a resolution dated May 8, 2023 and further, reconstituted on March 19, 2024 and June 26, 2025. The revised terms of reference of the Corporate Social Responsibility were approved by our Board pursuant to a resolution dated June 26, 2025.

The Corporate Social Responsibility is authorised to perform the following functions:

a. formulating and recommending to the Board, the policy on corporate social responsibility ("**CSR**", and such policy, the "**CSR Policy**"), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;

b. identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c. recommending the amount of expenditure to be incurred on the CSR activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d. formulating the annual action plan of the Company;

e. delegating responsibilities to the CSR team and supervising proper execution of all delegated responsibilities;

f. monitoring the CSR Policy and CSR programmes and their implementation by the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes; and

g. performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Corporate Social Responsibility Committee.

IPO Committee

The members of the IPO Committee are:

(a) Bhavesh Vallabhdas Varmora, Chairman and Managing Director (*Chairman*); and

(b) Aamir Zeb, Non-Executive Nominee Director.

The IPO Committee was constituted by our Board pursuant to a resolution dated December 6, 2024. The terms of reference of the IPO Committee were approved by our Board pursuant to a resolution dated June 26, 2025.

The IPO Committee is authorised to perform the following functions:

a. approving all actions and signing and/or modifying agreements or other documents required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "**CDSL**") and the National Securities Depository Limited (the "**NSDL**") and signing and/or modifying, as the case may be, agreements and/or such other documents as may be required with NSDL, CDSL, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorize one or more officers of the Company to execute all or any of the aforementioned documents;

b. finalizing, settling, approving and adopting the draft red herring prospectus (the "**DRHP**"), the red herring prospectus (the "**RHP**"), the prospectus (the "**Prospectus**"), the preliminary and final international wraps, and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereof (collectively, the "**Offer Documents**"), in consultation with the book running lead managers;

c. arranging for the submission, filing and/or withdrawal of the Offer Documents including incorporating such alterations, corrections or modifications as may be required by the Government of India, the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**"), the Registrar of Companies, Gujarat at Ahmedabad (the "**RoC**"), the stock exchanges where the Equity Shares are to proposed be listed (the "**Stock Exchanges**"), or any other relevant governmental, statutory, regulatory and/or any other competent authorities (collectively, the "**Regulatory Authorities**") or in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by any Regulatory Authorities (collectively, "**Applicable Laws**"), and taking all such actions as may be necessary for submission, withdrawal and filing of the Offer Documents;

d. taking all actions as may be necessary or authorized, in connection with the offer for sale by certain existing shareholders of the Company ("**Selling Shareholders**"), including taking on record the approval of the Selling Shareholders for offering their Equity Shares pursuant to the Offer, including the quantum in terms of number of Equity Shares/amount offered by the Selling Shareholders in the Offer, allowing revision of the offer for sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

e. approving and issuing notices and/or advertisements (other than price band advertisement) in relation to the Offer as it may deem fit and proper in accordance with Applicable Laws and in consultation with the relevant intermediaries appointed for the Offer;

f. approving the relevant restated consolidated financial statements to be issued in connection with the Offer;

g. approving any steps towards compliance with corporate governance requirements, policies or codes of conduct of the Board, officers and other employees of the Company that may be considered necessary by it or as may be required under Applicable Laws or the listing agreements to be entered into by the Company with the Stock Exchanges, including, without limitation, policies on insider trading, whistle-blower mechanism, risk management and any other policies as may be required to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by the SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

h. appointing and instructing the book running lead managers, syndicate members, bankers to the Offer, the registrar to the Offer, underwriters, escrow agents, monitoring agency, accountants, auditors, legal counsel, depositories, custodians, credit rating agencies, advertising agencies and all such persons, agencies or intermediaries as may be involved in or concerned with the Offer and whose appointment is required in relation to the Offer, to the extent relevant, including any successors or replacements thereof, by way of commission, brokerage, fees or the like, and negotiating, finalizing and settling the respective terms of their appointment and executing and delivering or arranging the delivery of, and if deemed fit, terminating the various agreements for such appointment, including any syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, agreement with registrar in relation to the Offer, and advertising agencies and any other intermediaries or parties in connection with the Offer;

i. opening, maintaining, operating and closing bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with the terms of any agreement entered into in this respect and subject to Applicable Laws;

j. opening and operating bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

k. authorizing and approving the incurring of expenditure, in consultation with the BRLMs and the payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer, in accordance with the terms of any agreement entered into in this respect and subject to Applicable Laws;

l. seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions (except for actions pertaining to pricing and allocation of Equity Shares) as may be necessary in connection with obtaining such listing, including, without limitation, entering into listing agreements with the Stock Exchanges;

m. seeking, if required, the consents, approvals and waivers of the Company's lenders, industry data providers, parties with whom the Company has entered into various commercial and other agreements, including without limitation, customers, suppliers, and other third parties and/or any/ all concerned Regulatory Authorities in India or outside India, and any other consents, approvals or waivers that may be required in connection with the Offer;

n. submitting undertakings/certificates or providing clarifications to the SEBI and the Stock Exchanges;

o. deciding in consultation with the book running lead managers the size and timing and all other terms and conditions, including any amendments thereto, of the Offer, including any reservation of Equity Shares for any category or categories of persons as permitted under Applicable Laws, if any,;

p. determining the utilization of proceeds of the fresh issue of Equity Shares by the Company and accepting and appropriating proceeds of the fresh issue in accordance with the Applicable Laws;

q. approving/taking on record the transfer of the Equity Shares pursuant to the offer for sale by the Selling Shareholders in the Offer;

r. taking all actions (except for pricing and allocation of Equity Shares) as may be necessary or authorized in connection with the Offer;

s. authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;

t. doing all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer (except for actions pertaining to pricing and allocation of Equity Shares), in consultation with the book running lead managers;

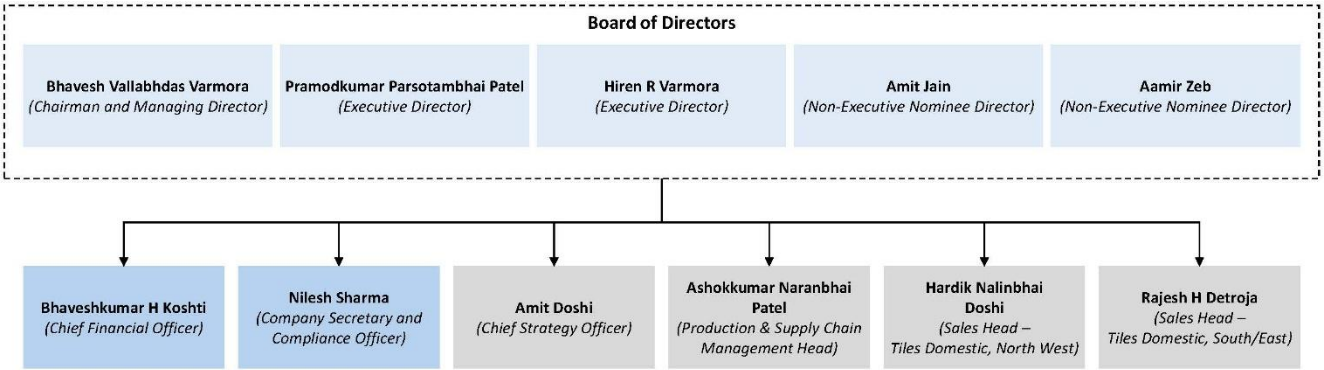
u. authorizing any officers (the "**Authorized Officers**"), for and on behalf of the Company, to negotiate, finalize, execute, deliver and terminate, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that any such Authorized Officer considers necessary, desirable or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements with the Stock Exchanges, the registrar's agreement, the depositories agreements, the offer agreement with the Selling Shareholders and the book running lead managers (and other entities as appropriate), the underwriting agreement, the share escrow agreement, the syndicate agreement, the cash escrow and sponsor bank agreement, the advertisement agency agreement, and any agreement or document in connection with any Pre-IPO Placement (including any placement agreement, escrow agreement and Offer documentation), with, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the book running lead managers, lead managers, syndicate members, placement agents, registrar to the Offer, bankers to the Offer, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, credit rating agencies, advertising agencies, monitoring agencies, and all such persons or agencies as may be involved in or concerned with the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

v. authorizing any Authorized Officer, for and on behalf of the Company, to severally take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Offer, including, without limitation, applications to, and clarifications or approvals from the Regulatory Authorities, any lenders to the Company, any party with whom the Company has entered into commercial and other agreements or any other third parties and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;

w. severally authorizing the Authorized Officers, for and on behalf of the Company, to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offer; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and

x. executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as it may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offer; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Management Organisation Structure



Key Managerial Personnel and Senior Management

A. Key Managerial Personnel

In addition to Bhavesh Vallabhdas Varmora, our Chairman and Managing Director, Hiren R Varmora and Pramodkumar Parsotambhai Patel our Executive Directors, whose details are provided in "— *Board of Directors*" on page 262, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus, are set out below.

Bhaveshkumar H Koshti is the Chief Financial Officer of our Company. He has been associated with our Company since November 14, 2022 as Group Chief Financial Officer and was appointed in his current role as the Chief Financial Officer of our Company on December 6, 2024. He holds a bachelor's and master's degree in commerce from Gujarat University. He was admitted as an associate of the Institute of Chartered Accountants of India in 2009. He has been previously associated with Gillette Diversified Operations Private Limited, Merck Limited, Piramal Pharmaceutical Development Services Private Limited, Strides Consumer Private Limited, Enercon (India) Limited and Intas Pharmaceuticals Limited. He has 16 years of experience in finance and related areas. He is responsible for the overall functioning of the finance department, providing strategic financial guidance and ensuring financial stability of our Company. In Fiscal 2025, he received an aggregate compensation of ₹ 8.47 million from our Company.

Nilesh Sharma is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since February 22, 2023. He was appointed as the company secretary of our Company with effect from September 1, 2023 and as compliance officer of our Company pursuant to a resolution of our Board dated December 6, 2024. He has qualified the final exam of bachelor's degree in commerce from Jai Narayan Vyas University, Jodhpur and of bachelor's degree in law from Gujarat University. He was admitted as an associate member of the Institute of Company Secretaries of India in 2013. He has been previously associated with Flourish PureFoods Private Limited, Valiant Glass Works Private Limited, Rouge Pipeline Services LLC and Italia Ceramics Private Limited. He has more than 9 years of experience in secretarial matters. He is responsible for secretarial compliances and governance under the corporate laws at our Company. In Fiscal 2025, he received an aggregate compensation of ₹ 1.92 million from our Company.

B. Senior Management

In addition to Bhaveshkumar H Koshti and Nilesh Sharma, whose details are disclosed under "— *Key Managerial Personnel and Senior Management – Key Managerial Personnel*" on page 280, the details of our other Senior Management as on the date of this Draft Red Herring Prospectus are set forth below.

Amit Doshi is the chief strategy officer of our Company. He has been associated with our Company since May 1, 2009. He has passed the final exam of bachelor's degree in commerce from Chhatrapati Shahu Ji Maharaj University, Kanpur. He has been associated with different departments of our Company. Currently, he is responsible for formulation and execution of overall growth strategy in our Company. He has over 16 years of experience in the tile manufacturing industry. In the Fiscal Year 2025, he received a remuneration of ₹ 3.53 million.

Hardik Nalinbhai Doshi is the sales head – tiles domestic, North/ West of our Company. He has been associated with our Company since April 1, 2009. He has passed the final exam of bachelor's degree in business administration from Gujarat University. He is responsible for overseeing sales activities for North and West region in our Company. He has more than 15 years of experience in the field of sales. In the Fiscal Year 2025, he received a remuneration of ₹ 3.53 million.

Rajesh Harjivanbhai Detroja is the sales head – tiles domestic, South/ East of our Company. He has been associated with our Company since June 1, 2005. He has passed first year exam of bachelor's degree in commerce from Saurashtra University. He is responsible for overseeing sales activities for South and East region in our Company. He has more than 19 years of experience in the field of sales. In the Fiscal Year 2025, he received a remuneration of ₹ 3.53 million.

Ashokkumar Naranbhai Patel is the production and supply chain management head of our Company. He has been associated with our Company since November 18, 2003. He has passed the exam for primary teaching certificate from Shree Lakhamsi Napu Maitry Adhyayan Mandir conducted by the National Education Institute. He is currently involved in production and supply chain management functions in our Company. He has more than 21 years of experience in the field of procurement of materials and machineries. In the Fiscal Year 2025, he received a remuneration of ₹ 2.65 million.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Bonus or Profit-Sharing Plan for our Key Managerial Personnel and Senior Management

Except as disclosed under "*– Bonus or profit-sharing plan for our Directors*" on page 268, none of our Key Managerial Personnel or Senior Management are party to any bonus or profit-sharing plan of our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

No contingent or deferred compensation has accrued for Financial Year 2025 which would be payable to our Key Managerial Personnel and Senior Management at a later date.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed under "*Summary of Offer Documents - Aggregate pre-Offer and post-Offer shareholding of our Promoters, the members of our Promoter Group and additional top 10 Shareholders*" on page 21, none of our Key Managerial Personnel or Senior Management hold any Equity shares of our Company as on the date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel and Senior Management

Except as disclosed below and in "*– Service Contracts with Directors*" on page 268 and statutory entitlements or benefits upon termination of their employment in our Company or retirement pursuant to their respective appointment letters/ employment contracts, the Key Managerial Personnel and the Senior Management of our Company have not entered into any service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or superannuation, other than statutory benefits:

Our Company has entered into employment agreements dated July 15, 2022 with Amit Doshi and dated July 15, 2022 with Ashokkumar Naranbhai Patel which was amended on July 30, 2025, however, they are not entitled to receive any benefits upon termination of employment or superannuation, other than statutory benefits.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel or Senior Management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interest of Key Managerial Personnel and Senior Management

For details of the interest of the Executive Directors of our Company, see "*– Interest of Directors*" on page 268.

Other than our Executive Directors, our other Key Managerial Personnel and Senior Management are interested in our Company only to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them in the ordinary course of business by our Company.

Further, other than our Executive Directors, our other Key Managerial Personnel and Senior Management, may also be deemed to be interested to the extent of stock options granted or Equity Shares to be allotted pursuant to the exercise of options granted to them under the ESOP Plan and any dividend payable to them on such Equity Shares. For details, see "*Capital Structure – Employee Stock Option Plan*" on page 108.

There are no conflicts of interest between our Key Managerial Personnel and any lessors/ owners of immovable properties of our Company (who are crucial for operations of the Company),

There are no conflict of interest between our Key Managerial Personnel and any suppliers of raw materials and third party service providers of our Company (who are crucial for operations of the Company).

Changes in Key Managerial Personnel and Senior Management during the last three years

Except as stated below and in "*– Changes in our Board during the last three years*" on page 269, there has been no change in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of Key Managerial Personnel/ Senior Management	Date of change (appointment/ resignation)	Reasons
Amit Doshi	July 15, 2022	Appointment as the chief strategy officer
Ravi Ranpura	August 31, 2023	Cessation as the Company Secretary
Nilesh Sharma	September 1, 2023	Appointment as the Company Secretary
Bhaveshkumar H Koshti	December 6, 2024	Appointment as the Chief Financial Officer

Further, the attrition rate of our Key Managerial Personnel and Senior Management is not high as compared to our peers in the industry in which we operate.

Payment or Benefit to Key Managerial Personnel and Senior Management

No amount or benefit has been paid or given within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel and Senior Management, other than normal remuneration, for services rendered as officers of our Company and other than as disclosed in "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" and *"Our Management —Interest of Directors*" on pages 355 and 268, respectively.

Employee stock option and stock purchase schemes

For details in relation to the ESOP Scheme implemented by our Company as of the date of this Draft Red Herring Prospectus, see "*Capital Structure – Employee Stock Option Plan*" on page 108.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Bhavesh Vallabhdas Varmora, Hiren R Varmora and Pramodkumar Parsotambhai Patel are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Promoter	Number of Equity Shares of face value of ₹ 2 each held*	Percentage of the pre-Offer Equity Share capital (%)	Number of Equity Shares on a fully diluted basis^	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)^
1.	Bhavesh Vallabhdas Varmora	19,351,425	9.60%	19,351,425	9.56%
2.	Hiren R Varmora	19,117,155	9.48%	19,117,155	9.44%
3.	Pramodkumar Parsotambhai Patel	13,416,450	6.65%	13,416,450	6.63%
Total		**51,885,030**	**25.73%**	**51,885,030**	**25.63%**

^*Includes vested options under ESOP 2023. For further details, please see, "Capital Structure – Employee Stock Option Plan" on page 108.*

For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" on page 110.

Details of our Promoters are as follows:

Bhavesh Vallabhdas Varmora

Bhavesh Vallabhdas Varmora, aged 46 years, is one of the Promoters of our Company and is also the Chairman and Managing Director of our Company.

Permanent Account Number: ACMPP9905B

For the complete profile of Bhavesh Vallabhdas Varmora, along with details of his date of birth, personal address, educational qualifications, experience in business/ employment and positions/ posts held in the past, directorships held, special achievements, business and other financial activities, see "*Our Management*" on page 262.

Hiren R Varmora

Hiren R Varmora, aged 35 years, is one of the Promoters of our Company and is also an Executive Director of our Company.

Permanent Account Number: ANXPV3591P

For the complete profile of Hiren R Varmora, along with details of his date of birth, personal address, educational qualifications, experience in business/ employment and positions/ posts held in the past, directorships held, special achievements, business and other financial activities, see "*Our Management*" on page 262.

Pramodkumar Parsotambhai Patel

	**Pramodkumar Parsotambhai Patel**, aged 50 years, is one of the Promoters of our Company and is also an Executive Director of our Company. ***Permanent Account Number***: ACEPP2179B For the complete profile of Pramodkumar Parsotambhai Patel, along with details of his date of birth, personal address, educational qualifications, experience in business/ employment and positions/ posts held in the past, directorships held, special achievements, business and other financial activities, see "*Our Management*" on page 262.

Our Company confirms that the PAN, bank account number(s), Aadhaar card number, driving license number and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in control of our Company

Bhavesh Vallabhdas Varmora and Hiren R Varmora are not the original promoters of our Company. For further details, see "*Capital Structure – Notes to Capital Structure – Share capital history of our Company*" on page 90.

There has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in "*Our Management – Board of Directors*", "*– Promoter Group – Entities forming part of our Promoter Group*" and "*Group Companies*" on pages 262, 286 and 435, respectively, our Promoters are not involved in any other ventures. Further, except for our Subsidiaries, Covertek Ceramica Private Limited, Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), and Simola Tiles LLP, where Bhavesh Vallabhdas Varmora is the director and a partner, respectively, Varmora Sanitarywares Private Limited (*formerly, Varmora Sanitarywares LLP*), where Pramodkumar Parsotambhai Patel is the director, our Promoters do not have any direct interest in any venture that is involved in the same line of activity or business as conducted by our Company.

Interests of Promoters

Our Promoters are interested in our Company to the extent: (i) that they have promoted our Company; (ii) of their direct or indirect shareholding in our Company, the shareholding of their relatives in our Company and (iii) of dividend payable, and any other distributions in respect of their shareholding in our Company or the shareholding, if any, of their relatives. For further details, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" on page 110.

Further, our Promoters are also the Directors of our Company and may be deemed to be interested to the extent of their remuneration and the reimbursement of expenses incurred by them in their capacity as Directors of our Company. For further details, see "*Our Management – Interest of Directors*" on page 268.

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, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a Director or Promoter or otherwise for services rendered by our Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

There are no conflicts of interest between our Promoters and any lessors of immovable properties of our Company (who are crucial for operations of our Company).

There is no conflict of interest between our Promoters and any suppliers of raw materials and third party service providers of our Company (who are crucial for operations of our Company).

There is no conflict of interest between members of our Promoter Group and the suppliers of raw materials and third-party service providers of our Company, which are crucial for the operations of our Company. Further, there is also no conflicts of interest between members of our Promoter Group and any lessors/ owners of immovable properties of our Company (who are crucial for operations of our Company).

Interest in property, land, construction of building and supply of machinery

Our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Payment or benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" and "*Our Management - Terms of appointment of our Chairman and Managing Director*", "*Our Management- Terms of appointment of our other Executive Directors*" on page 355, 266 and 266, respectively, there has been no payment or benefits by our Company to our Promoters or any of the members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group as on the date of this Draft Red Herring Prospectus:

Companies or firms with which our Promoters have disassociated in the last three years

Except as disclosed below, our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus:

Name of Company or Firm from which Promoter has Disassociated	Reasons for and Circumstances Leading to Disassociation	Date of Disassociation
Bhavesh Vallabhdas Varmora		
Split Developers Private Limited	Ceased to be a director	December 7, 2024
Hiren R Varmora		
RVP Business LLP	Ceased to be a partner	November 7, 2022
Pramodkumar Parsotambhai Patel		
RVP Business LLP	Ceased to be a partner	November 7, 2022

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of our Promoter Group

The individuals who are part of our Promoter Group, other than our Individual Promoters, are as follows:

Name of our Promoter	Name of member of our Promoter Group	Relationship with our Individual Promoter
Bhavesh Vallabhdas Varmora	Vaishali Bhavesh Varmora	Spouse
	Vallabhbhai Jivrajbhai Varmora	Father
	Ranjanben Vallabhbhai Varmora	Mother
	Bharatbhai Vallabhdas Varmora	Brothers
	Manishkumar Vallabhbhai Varmora	
	Rahil Bhaveshkumar Varmora	Son
	Diya Varmora	Daughter
	Maganbhai Lakhabhai Sanepara	Spouse's father
	Rohitkumar Maganlal Sanepara	Spouse's brothers
	Virendrabhai Maganbhai Sanepara	
	Ravindra Maganbhai Sanepara	
Hiren R Varmora	Rutvi Hiren Varmora	Spouse
	Ramanbhai Jivrajbhai Varmora	Father
	Bhaunaben Ramanbhai Patel	Mother
	Nidhi Bharatkumar Zalariya	Sister
	Ivaan Hiren Varmora	Sons
	Shivansh Hiren Varmora	
	Dineshkumar V Fuletra	Spouse's father
	Bhavnaben Dineshbhai Fuletra	Spouse's mother
	Dhairik Dineshbhai Fuletra	Spouse's brother
Pramodkumar Parsotambhai Patel	Lataben Pramodbhai Patel	Spouse

<table>
<tr><th>Name of our Promoter</th><th>Name of member of our Promoter Group</th><th>Relationship with our Individual Promoter</th></tr>
<tr><td rowspan="13"></td><td>Parsotambhai Jivrajbhai Patel</td><td>Father</td></tr>
<tr><td>Savitaben Parsotambhai Patel</td><td>Mother</td></tr>
<tr><td>Prakash P Varmora</td><td rowspan="2">Brothers</td></tr>
<tr><td>Praful Parsotambhai Varmora</td></tr>
<tr><td>Mitaben Narendrabhai Bhimani</td><td>Sister</td></tr>
<tr><td>Kevin Pramodbhai Varmora</td><td>Son</td></tr>
<tr><td>Dishita Kishankumar Patel</td><td>Daughter</td></tr>
<tr><td>Dayalal Motibhai Patel</td><td>Spouse’s father</td></tr>
<tr><td>Shardaben Dayalal Patel</td><td>Spouse’s mother</td></tr>
<tr><td>Vijaykumar Dayalal Bhimani</td><td>Spouse’s brother</td></tr>
<tr><td>Ritaben Bharat Lodaria</td><td rowspan="3">Spouse’s sisters</td></tr>
<tr><td>Rashilaben Harilal Patel</td></tr>
<tr><td>Komal Jitendra Bhai Kalariya</td></tr>
</table>

Entities forming part of our Promoter Group

The companies, bodies corporate, HUFs, trusts and firms forming part of our Promoter Group, are as follows:

1. Sunshine Fasteners Private Limited
2. Tirthraj Fasteners Private Limited
3. Varmora International
4. Ajay Enterprise
5. Varmora Industries
6. H & J
7. Black Fire Coal Company
8. Bhimani Ceramic Industries
9. Ceramic Studio
10. Jay Star Industries
11. Classic Stone
12. Krishna Concast Private Limited
13. Samay Alloys India Private Limited
14. Fuletra Snacks Private Limited
15. Fuletra Agro Food
16. Parsotambhai Jivrajbhai Patel HUF
17. Prakashbhai Parsottambhai Patel HUF
18. Prafulbhai Parsotambhai Patel HUF
19. Pramodbhai Parshotambhai Patel HUF
20. Varmora Bhavesh Vallabhbhai HUF
21. Varmora Bharat Vallabhbhai HUF
22. Varmora Vallabhbhai Jivrajbhai HUF
23. Varmora Manishkumar Vallabhbhai HUF
24. Varmora Ramanbhai Jivrajbhai (HUF)

25. Hiren Ramanbhai Varmora (HUF)
26. Fuletra Steel LLP
27. Maganbhai Lakhabhai Sanepara HUF
28. Myriad Marmi LLP
29. Sanepara Ravindra Maganbhai (HUF)
30. Rohitbhai Maganbhai Sanepara (HUF)
31. Sanepara Virendra Maganblal (HUF)
32. Dineshbhai Vallabhbhai Fuletra HUF
33. RVP Business LLP
34. Dream Adds
35. Optimask Health Care Private Limited

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013.

The dividend distribution policy of our Company was approved and adopted by our Board on April 25, 2025 ("**Dividend Policy**").

The dividend pay-out shall be determined by our Board after taking into account a number of factors, including: (i) internal factors such as projected business outlook and profitability, mergers and acquisitions, expansion or modernization needs, capital expenditure requirements, funds needed for contingent liabilities, buybacks and any other factor as deemed relevant by our Board; and (ii) external factors such as economic conditions, market trends, regulatory requirements, statutory obligations under various laws, agreements with lenders or debenture trustees, and any other factors beyond our control. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board.

Our Company has not declared any dividends during the last three Fiscals and for the period from April 1, 2025, until the date of this Draft Red Herring Prospectus, on the equity shares. There is no guarantee that any dividends will be declared or paid in the future on the Equity Shares. For details of risks in relation to our capability to pay dividend, see "*Risk Factors – 53. We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements and we may not be able to pay dividends in future.*" on page 63.

SECTION VI – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

Walker Chandiok & Co LLP

Block No. D/15th Floor,
Cabin No. A8 to A10
“West Gate” Near YMCA Club,
S.G Highway, Sarkhej Road,
Ahmedabad-380015
Gujarat, India

INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Varmora Granito Limited
(formerly known as Varmora Granito Private Limited)
8-A, National Highway at Dhuva,
Tal. Wankaner, Dist Rajkot
Gujarat, India - 363641

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Varmora Granito Limited (formerly known as Varmora Granito Private Limited)** (the “Company” or the “Issuer” or the “Holding Company’) and its subsidiaries (the Company and its subsidiaries together referred to as the “**Group**"), its associates and its joint ventures, comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2025, 31 March 2024 and 31 March 2023, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended 31 March 2025, 31 March 2024 and 31 March 2023, the Summary Statement of material Accounting Policies, and other explanatory information (collectively, the “**Restated Consolidated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on 28 July 2025 for the purpose of inclusion in the Draft Red Herring Prospectus (“**DRHP**”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”) prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act");
   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); 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”).

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited ('**Stock Exchanges**') in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2.01(a) to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures 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 and its associates and joint ventures complies with the Act, ICDR Regulations and the Guidance Note.

3. 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 15 May 2025 in connection with the proposed IPO of equity shares of the Company;
    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.

4. These Restated Consolidated Financial Information have been compiled by the management from:

    a. Audited Consolidated Ind AS Financial Statements of the Group and its associates and joint ventures as at and for the years ended 31 March 2025 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 26 June 2025.

    b. Audited Consolidated Ind AS Financial Statements of the Group and its associates and joint ventures as at and for the year ended 31 March 2024, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 23 September 2024.

    c. Audited Special Purpose Consolidated Ind AS Financial Statements of the Group and its associates and joint ventures as at and for the year ended 31 March 2023, which were prepared by the Company in response to the requirements of the SEBI e-mail dated 28 October 2021 and were approved by Board of Directors at their Board meeting held on 28 July 2025. The audited special purpose consolidated Ind AS financial statements for the year ended 31 March 2023 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of 1 April 2022 and as per the presentation, accounting policies including amended Schedule III and grouping/classifications followed as at and for the year ended 31 March 2025.

5. For the purpose of our examination, we have relied on:

   a. Auditors' reports issued by us dated 26 June 2025 on the Audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2025 as referred in Paragraph 4a above;

   b. Auditors' reports issued by us dated 23 September 2024 on the Audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2024 as referred in Paragraph 4b above; and

   c. Auditors' reports issued by us dated 28 July 2025 on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the years ended 31 March 2023 as referred in Paragraph 4c above; and

   The statutory audits of the consolidated financial statements of the Group as at and for the years ended 31 March 2023 prepared in accordance with the accounting standards notified under the section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 ("Indian GAAP") (the "Statutory Indian GAAP Consolidated Financial Statements"), which were approved by the Board of Directors at their meeting held on 14 September 2023 were conducted by us and we have issued reports dated 14 September 2023.

6. The audit reports as mentioned in paragraph 5 above include following matters:

   a. The auditor's report on the Statutory Indian GAAP Consolidated Financial Statements of the Group as at and for the year ended 31 March 2023 expresses modified opinion with respect to the adequacy of the internal financial controls with reference to financial statements, as follows:

   According to the information and explanation given to us, and consideration of the reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, the following material weakness has been reported by the other auditor on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited, which are subsidiaries of the Holding Company, as at 31 March 2023. The possible effects of the material weakness has been assessed as material but not pervasive to these consolidated financial statements:

   "The Company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023.”

The report on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited has been qualified with respect to the above matter, issued by another firm of chartered accountants vide their audit report dated 11 September 2023, 12 September 2023, 11 September 2023, 09 September 2023 and 11 September 2023, respectively.

b. The auditor’s report on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2023 included the Emphasis of Matter paragraph and other matter paragraph, as follows:

Emphasis of Matter - Basis of Accounting and Restriction on Distribution or Use

We draw attention to Note 2.01(a) to the accompanying Special Purpose Consolidated Ind AS Financial Statements, which describes the basis of its preparation. These Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Holding Company's management solely for the preparation of Restated Consolidated Financial Information of the Group, its associates and its joint ventures for the year ended 31 March 2023, to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Holding Company, which is to be filed with the SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Accordingly, these Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

Other Matter

The Holding Company had prepared separate set of statutory consolidated financial statements for the year ended 31 March 2023 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 (as amended) (hereinafter referred to as ‘Indian

GAAP financial statements') on which we had issued unmodified opinion vide our audit report dated 14 September 2023 to the members of the Holding Company. The Special Purpose Consolidated Ind AS Financial Statements for the year ended 31 March 2023 has been prepared by the management based on aforesaid Indian GAAP financial statements after adjusting for the differences in the accounting principles adopted by the Group on transition to Ind AS using 1 April 2022 as transition date adopted by the Group for the preparation its of first Ind AS compliant financial statements, which have been audited by us and the other auditors of subsidiaries, associates and joint ventures, as mentioned in paragraph 12 below.

Our opinion is not modified in respect of this matter.

7. As indicated in our audit reports referred above:

   a. we did not audit financial statements of certain subsidiaries, associates and joint ventures as mentioned in **Annexure A**, whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its associates and joint ventures included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at/ for the year ended 31 March, 2025	As at/ for the year ended 31 March, 2024	As at/ for the year ended 31 March, 2023
No. of subsidiaries	1	1	8
Total assets	1,345.64	1,296.99	6,600.75
Total revenues	1,250.58	1,413.16	8,066.12
Net cash inflow/ (outflows)	(0.58)	3.15	(18.55)
No. of associates/No. of joint ventures	**4**	**4**	**4**
Share of profit/ loss in its associates	8.20	19.81	10.59
Share of profit/ loss in its joint ventures	4.37	13.92	9.52

Our opinion on the Audited Consolidated Ind AS Financial Statements for the years ended 31 March 2025 and 31 March 2024 and Audited Special Purpose Consolidated Ind AS Financial Statements for the year ended 31 March 2023 is not modified in respect of these matters.

These other auditors of the subsidiaries, associates and joint ventures, as mentioned above, have examined the restated financial information and have confirmed that the restated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2024 and 31 March 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025;

b) does not require any adjustments for the matters giving rise to modifications mentioned in paragraph 6 above. However, those qualifications / observations in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, emphasis of matter paragraph and other matter paragraph for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 which do not require any adjustments in the Restated Financial Information have also been disclosed in Annexure VI - Note 67 and 68 to the Restated Consolidated Financial Information; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the other auditors of the subsidiaries, associates and joint ventures, for the respective years, we report that the Restated Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2024 and 31 March 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025;

   b. does not require any adjustment for the matters mentioned in paragraph 6 above and do not contain any modifications requiring adjustments. However, those qualifications / observations in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), emphasis of matter paragraph and other matter paragraph, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VI - Note 65 and 66 to the Restated Consolidated Financial Information; 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 Audited Consolidated Ind AS Financial Statements and Audited Special Purpose Consolidated Ind AS Financial Statements mentioned in paragraph 4 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, 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 DRHP to be filed with Securities and Exchange Board of India and, Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No.: 118617
UDIN: 25118617BMOMYT8313

Place: Ahmedabad
Date: 28 July 2025

Annexure A

A. Details of the entities and related years audited other auditors:

Sr No.	Entity Name	Status	Audit year ended	Details of other auditors
1	Covertek Ceramica Private Limited	Subsidiary	Financial Year 2022-23	K C Mehta & Co LLP
2	Conffi Sanitaryware Private Limited	Subsidiary	Financial Year 2022-23	K C Mehta & Co LLP
3	Tocco Ceramic Private Limited	Subsidiary	Financial Year 2022-23	K C Mehta & Co LLP
4	Nextile Marbosys Private Limited	Subsidiary	Financial Year 2022-23	K C Mehta & Co LLP
5	Solaris Ceramics Private Limited	Subsidiary	Financial Year 2022-23	K C Mehta & Co LLP
6	Varmora Ceramics Private Limited	Subsidiary	Financial Year 2022-23	K C Mehta & Co LLP
7	Varmora Sanitarywares LLP	Subsidiary	Financial Year 2022-23	K C Mehta & Co LLP
8	Simola Tiles LLP	Subsidiary	Financial Year 2022-23	G P Kapadia & Co
			Financial Year 2023-24	G P Kapadia & Co
			Financial Year 2024-25	G P Kapadia & Co
9	Avalta Granito Private Limited	Joint venture	Financial Year 2022-23	Doshi Doshi & Co
			Financial Year 2023-24	Doshi Doshi & Co
			Financial Year 2024-25	Doshi Doshi & Co
10	Sentosa Granito Private Limited	Associate	Financial Year 2022-23	Doshi Doshi & Co
			Financial Year 2023-24	Doshi Doshi & Co
			Financial Year 2024-25	Doshi Doshi & Co
11	Fiorenza Granito Private Limited	Associate	Financial Year 2022-23	Doshi Doshi & Co
			Financial Year 2023-24	Doshi Doshi & Co
			Financial Year 2024-25	Doshi Doshi & Co
12	Renite Vitrified LLP	Joint venture	Financial Year 2022-23	Doshi Doshi & Co
			Financial Year 2023-24	Doshi Doshi & Co
			Financial Year 2024-25	Doshi Doshi & Co

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Annexure I - Restated Consolidated Statement of Assets and Liabilities
(Amount in ₹ Millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
ASSETS				
Non-Current Assets				
Property, plant and equipment	**6**	6,457.60	6,877.65	3,205.73
Capital work in progress	**7**	101.87	27.27	27.79
Right of use of assets	**8**	149.07	157.53	90.78
Goodwill	**9**	332.67	332.67	332.67
Other Intangible assets	**9**	116.64	156.73	195.11
Financial assets				
(i) Investments	**10**	335.22	321.68	285.89
(ii) Other financial assets	**11**	31.44	57.95	53.25
Deferred tax asset (net)	**21**	47.22	87.42	85.55
Non current tax assets (net)	**19**	11.55	-	9.62
Other non-current assets	**12**	26.03	66.07	31.22
Total Non-Current Assets		**7,609.31**	**8,084.97**	**4,317.61**
Current Assets				
Inventories	**13**	2,859.49	1,902.88	1,892.67
Financial assets				
(i) Trade receivables	**14**	3,822.15	3,329.16	3,614.52
(ii) Cash and cash equivalents	**15**	821.03	922.15	2,254.27
(iii) Bank balances other than cash and cash equivalents	**16**	330.42	61.06	117.42
(iv) Loans	**17**	98.20	94.57	146.56
(v) Other financial assets	**18**	80.32	83.84	89.71
Other current assets	**20**	277.12	283.01	209.25
Total Current Assets		**8,288.73**	**6,676.67**	**8,324.40**
TOTAL ASSETS		**15,898.04**	**14,761.64**	**12,642.01**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	**22 (a)**	403.25	399.66	133.22
Instruments entirely equity in nature	**22(b)**	-	175.76	175.76
Other equity	**23**	6,917.24	6,301.96	6,204.80
Total equity attributable to equity holders of the Holding Company		**7,320.49**	**6,877.38**	**6,513.78**
Non controlling interest	**57**	111.46	156.23	178.96
Total equity		**7,431.95**	**7,033.61**	**6,692.74**
LIABILITIES				
Non-Current Liabilities				
Financial liabilities				
(i) Borrowings	**24**	2,212.71	2,623.55	994.52
(ii) Lease Liability	**25**	141.88	141.30	73.73
(iii) Other financial liabilities	**26**	-	12.93	12.60
Provisions	**27**	45.72	39.58	34.99
Deferred tax liabilities (net)	**21**	154.09	220.69	218.14
Other non-current liabilities	**28**	351.53	429.22	41.88
Total Non-Current Liabilities		**2,905.93**	**3,467.27**	**1,375.86**
Current Liabilities				
Financial liabilities				
(i) Borrowings	**29**	2,838.84	1,505.33	1,681.97
(ii) Lease Liability	**25**	18.01	18.22	17.47
(iii) Trade payables	**30**			
(a) total outstanding dues of micro enterprises and small enterprises		33.11	18.38	34.44
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,065.74	1,914.56	2,366.12
(iv) Other financial liabilities	**31**	412.08	630.05	216.97
Contract liabilities	**32**	75.71	105.70	102.19
Other current liabilities	**33**	112.12	41.19	96.62
Provisions	**34**	3.46	3.25	3.33
Current tax liabilities (net)	**35**	1.09	24.08	54.30
Total Current Liabilities		**5,560.16**	**4,260.76**	**4,573.41**
Total Liabilities		**8,466.09**	**7,728.03**	**5,949.27**
TOTAL EQUITY AND LIABILITIES		**15,898.04**	**14,761.64**	**12,642.01**

The accompanying notes are an integral part of these restated consolidated financial information

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 28 July 2025

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora
Director
DIN: 02718600
Place: Ahmedabad
Date: 28 July 2025

Pramodkumar Patel
Director
DIN: 01935197
Place: Ahmedabad

Bhavesh Koshti
Chief Financial Officer
Place: Ahmedabad

Nilesh Sharma - ACS
Company Secretary
M.No. 32273
Place: Ahmedabad

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Annexure II - Restated Consolidated Statement of Profit and Loss
(Amount in ₹ Millions, unless otherwise stated)

Particulars	Notes	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
INCOME				
Revenue from operations	**36**	14,460.29	14,354.81	13,349.46
Other income	**37**	466.46	371.01	649.69
Total Income		**14,926.75**	**14,725.82**	**13,999.15**
EXPENSES				
Cost of materials consumed	**38**	4,381.71	3,442.51	3,447.05
Purchases of stock-in-trade	**39**	1,985.93	3,283.33	2,543.74
Change in inventories of finished goods, work in progress and stock-in-trade	**40**	(906.01)	(36.64)	(483.13)
Employee benefits expenses	**41**	1,091.16	975.06	909.16
Finance costs	**42**	424.90	290.56	417.28
Depreciation and amortisation expense	**43**	1,194.08	616.11	561.52
Other expenses	**44**	6,391.05	5,558.26	5,775.52
Total Expenses		**14,562.82**	**14,129.19**	**13,171.14**
Profit before Share of profit of associates and joint venture and tax		**363.93**	**596.63**	**828.01**
Share of profit of associates and joint venture, net of tax		12.57	33.73	20.11
Profit before tax		**376.50**	**630.36**	**848.12**
Tax expense				
Current tax	**21**	98.20	186.64	253.63
Deferred tax	**21**	(26.95)	(2.29)	42.72
Earlier year tax adjustments	**21**	(2.48)	(3.34)	1.13
Total Tax Expense		**68.77**	**181.01**	**297.48**
Profit for the year		**307.73**	**449.35**	**550.64**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
(i) Re-measurement gains on defined benefit plans		2.30	6.52	17.63
(ii) Share of OCI in associates and joint ventures		0.37	1.48	0.11
(iii) Bargain gain on acquisition of subsidiary		-	-	7.57
(iv) Income tax relating to items that will not be reclassified to profit or loss		(0.55)	(1.95)	(3.32)
Other comprehensive income for the year, net of tax		**2.12**	**6.05**	**21.99**
Total comprehensive income for the year		**309.85**	**455.40**	**572.63**
Profit is attributable to:				
Owners of the Holding Company		352.47	441.70	509.56
Non-controlling interests		(44.74)	7.65	41.08
Other comprehensive income is attributable to:				
Owners of the Holding Company		2.15	5.11	21.46
Non-controlling interests		(0.03)	0.94	0.53
Total comprehensive income is attributable to:				
Owners of the Holding Company		354.62	446.81	531.02
Non-controlling interests		(44.77)	8.59	41.61
Earnings per Equity Share				
Basic Earning per Equity Share	**45**	1.75	2.19	2.80
Diluted Earning per Equity Share	**45**	1.74	2.19	2.80

The accompanying notes are an integral part of these restated consolidated financial information

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 28 July 2025

Bhavesh Varmora
Director
DIN: 02718600
Place: Ahmedabad
Date: 28 July 2025

Pramodkumar Patel
Director
DIN: 01935197
Place: Ahmedabad

Bhavesh Koshti
Chief Financial Officer
Place: Ahmedabad

Nilesh Sharma - ACS
Company Secretary
M.No. 32273
Place: Ahmedabad

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Annexure III - Restated Consolidated Statement of Cash Flow
(Amount in ₹ Millions, unless otherwise stated)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Cash Flow from Operating Activities			
Profit before Tax	376.50	630.36	848.12
Adjustments for :			
Share of profit of associate and joint venture	(12.57)	(33.73)	(20.11)
Depreciation and amortisation expenses	1,194.08	616.10	561.52
Expected credit loss	(210.45)	194.07	89.73
Interest income on security deposit	(0.46)	(0.43)	(1.04)
(Profit)/ Loss on sale of assets	17.76	(1.39)	(2.59)
Interest income on loan to employee	(0.89)	(0.83)	-
Interest income on fixed deposits with banks	(74.80)	(127.76)	(80.16)
ESOP expense	88.50	31.58	-
Interest on lease liabilities	12.41	11.82	3.88
Interest expenses on borrowings	398.17	263.98	214.14
Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	2.06
Other finance cost	14.32	9.79	13.41
Sundry balances written off/ (back)	(8.66)	(3.83)	1.29
Interest income on inter corporate loans	(5.03)	(4.86)	(5.85)
Fair value gain on mutual fund	(0.59)	(0.57)	(0.29)
Government grant income	(88.47)	(152.53)	(65.49)
Change in fair value of investment classified at fair value through profit or loss	-	-	(12.11)
(Gain)/Loss on fair value of call option measured at FVTPL	(5.97)	4.50	106.20
Loss on fair value of Differential voting right (DVR Shares)	0.13	0.31	0.30
Operating profit before working capital changes	**1,693.98**	**1,436.58**	**1,653.01**
Change in operating assets and liabilities			
(Increase) in inventories	(956.61)	(10.20)	(441.36)
(Increase)/Decrease in trade receivables	(282.54)	91.29	(1,103.80)
(Increase)/Decrease in other current and non current financial assets	15.04	(8.47)	(17.25)
(Increase)/Decrease in other current and non -current assets	6.52	(73.62)	(4.73)
Increase/(Decrease) in trade payables	174.57	(463.81)	102.70
Increase/(Decrease) in contract liabilities	(29.99)	3.55	(30.65)
Increase in provisions	8.65	10.56	9.50
Increase/(Decrease) in other current and non current financial liabilities	51.06	154.98	(7.29)
Increase/(Decrease) in other current and non-current liabilities	81.71	(56.77)	(11.91)
Cash generated from operations	**762.39**	**1,084.09**	**148.22**
Income tax paid, net	(130.26)	(201.18)	(250.00)
Net cash flows from / (used in) Operating Activities (A)	**632.13**	**882.91**	**(101.78)**
Cash Flow from Investing Activities			
Payment for property, plant and equipment and capital work in progress (including capital creditors and capital advances)	(1,116.69)	(3,482.97)	(201.37)
Payments towards acquisition of interest in subsidiaries, net of cash acquired	-	-	(487.73)
Proceeds from sale of property, plant and equipment	93.46	22.58	74.00
Payments for intangible asset	(5.39)	(6.49)	(0.97)
Proceeds from / (payments towards) loan to employee, net	1.37	(6.82)	(4.97)
Loans to related parties	-	-	13.08
Proceeds from / (investment in) fixed deposit, net	(243.38)	46.76	(58.74)
Net proceeds from / (investment in) inter corporate loans	(4.11)	63.68	91.61
Payments towards acquisition of interest in associates	-	-	(76.53)
Proceeds from sale of investment	-	-	95.72
Payments towards acquisition of additional interest in subsidiaries	-	(146.10)	(193.94)
Interest received	75.27	143.76	64.50
Payments towards purchase of call options	-	-	(147.80)
Net cash flow used in Investing Activities (B)	**(1,199.47)**	**(3,365.60)**	**(833.14)**
Cash Flow from Financing Activities			
Proceeds from issue of equity share capital	-	-	427.29
Principal and interest payment of lease liability	(30.91)	(28.06)	(14.50)
Proceeds from long term borrowings	313.44	2,256.20	262.02
Repayment of long term borrowings	(483.40)	(652.43)	(793.39)
Proceeds from / (Repayment of) current borrowings, net	1,090.62	(147.68)	124.24
Redemption of non-cumulative redeemable preference shares (NCRPS)/redeemable preference shares	-	-	(131.81)
Buy back of shares by subsidiaries	-	-	(245.00)
Taxes paid on buy back	-	-	(38.35)
Interest expense paid	(410.48)	(277.46)	(217.90)
Proceeds from issue CCPS	-	-	3,515.17
Proceeds from / (Buyback of) DVR Shares	(13.05)	-	12.30
Net cash flows from Financing Activities (C)	**466.22**	**1,150.57**	**2,900.07**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(101.12)**	**(1,332.12)**	**1,965.15**
Cash and cash equivalents at the beginning of the year	922.15	2,254.27	289.12
Cash and cash equivalents at the end of the year	**821.03**	**922.15**	**2,254.27**

Cash and cash equivalents comprise (refer note 15)	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2023**
Balances with banks	11.50	28.04	215.02
Fixed deposits with original maturity of less than 3 months	794.86	884.14	2,029.29
Cash on hand	14.67	9.97	9.96
Total cash and cash equivalents at end of the year	**821.03**	**922.15**	**2,254.27**

The accompanying notes are an integral part of these restated consolidated financial information

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 28 July 2025

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora	**Pramodkumar Patel**	**Bhavesh Koshti**	**Nilesh Sharma - ACS**
Director	**Director**	**Chief Financial Officer**	**Company Secretary**
DIN: 02718600	DIN: 01935197	Place: Ahmedabad	M.No. 32273
Place: Ahmedabad	Place: Ahmedabad		Place: Ahmedabad
Date: 28 July 2025			

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Annexure IV - Restated Consolidated Statement of Changes in Equity
(Amount in ₹ Millions, unless otherwise stated)

(A) Share Capital

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and fully paid up						
Balance at the beginning of the year	7,99,31,244	399.66	1,33,21,874	133.22	99,86,669	99.87
Add: Share split during the year	11,98,96,866	-	1,33,21,874	-	-	-
Add: Bonus share issued during the year	-	-	5,32,87,496	266.44	-	-
Add: Issued during the year	-	-	-	-	7,57,598	7.58
Add: Conversion in to Equity Shares	17,96,998	3.59	-	-	25,77,607	25.77
Balance at the end of the year	**20,16,25,108**	**403.25**	**7,99,31,244**	**399.66**	**1,33,21,874**	**133.22**

(B) Instruments entirely equity in nature

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,75,75,866	175.76	1,75,75,866	175.76	-	-
Add: Issued during the year	-	-	-	-	35,15,17,320	3,515.17
Less: Conversion in to Equity Shares	(1,75,75,866)	(175.76)	-	-	(33,39,41,454)	(3,339.41)
Balance at the end of the year	**-**	**-**	**1,75,75,866**	**175.76**	**1,75,75,866**	**175.76**

(C) Other equity

Particulars	Attributable to the owners of the Holding Company							Non-controlling Interests	Total
	Reserves and surplus								
	Share based payment reserve	Security premium	Capital reserve	Capital redemption reserve account	Retained earnings	Capital contribution from group	State capital subsidy		
Balance as at 1 April 2022	**-**	**248.51**	**18.20**	**-**	**1,512.91**	**168.50**	**1.00**	**449.58**	**2,398.70**
Add: Profit for the year	-	-	-	-	509.56	-	-	41.08	550.64
Add: Other comprehensive income for the year, net of tax	-	-	-	-	21.46	-	-	0.53	21.99
Add: State capital subsidy transfer to retained earning	-	-	-	-	1.00	-	(1.00)	-	-
Add: Transaction with non-controlling interest during the year	-	-	-	-	252.36	-	-	(312.23)	(59.87)
Less: Transfer to capital redemption reserve	-	-	-	65.74	(65.74)	-	-	-	-
Add: Issue of shares	-	3,903.32	-	-	-	-	-	-	3,903.32
Add: Bargain gain on acquisition of subsidiary	-	-	7.57	-	(7.57)	-	-	-	-
Less: Redemption/modification of redeemable preference share	-	-	-	-	-	(147.67)	-	-	(147.67)
Less: Buyback of shares	-	-	-	-	(245.00)	-	-	-	(245.00)
Less: Income tax paid for buy back	-	-	-	-	(38.35)	-	-	-	(38.35)
Balance as at 31 March 2023	**-**	**4,151.83**	**25.77**	**65.74**	**1,940.63**	**20.83**	**-**	**178.96**	**6,383.76**

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Annexure IV - Restated Consolidated Statement of Changes in Equity
(Amount in ₹ Millions, unless otherwise stated)

Particulars	Attributable to the owners of the Holding Company							Non-controlling Interests	Total
	Reserves and surplus								
	Share based payment reserve	Security premium	Capital reserve	Capital redemption reserve account	Retained earnings	Capital contribution from group	State capital subsidy		
Balance as at 31 March 2023	**-**	**4,151.83**	**25.77**	**65.74**	**1,940.63**	**20.83**	**-**	**178.96**	**6,383.76**
Add: Profit for the year	-	-	-	-	441.70	-	-	7.65	449.35
Add: Other comprehensive income for the year, net of tax	-	-	-	-	5.11	-	-	0.94	6.05
Add: Transaction with non-controlling interest during the year	-	-	-	-	(114.79)	-	-	(31.32)	(146.11)
Add: Share based payment reserve	31.58	-	-	-	-	-	-	-	31.58
Less: Issue of bonus shares	-	(266.44)	-	-	-	-	-	-	(266.44)
Balance as at 31 March 2024	**31.58**	**3,885.39**	**25.77**	**65.74**	**2,272.65**	**20.83**	**-**	**156.23**	**6,458.19**
Add: Profit for the year	-	-	-	-	352.47	-	-	(44.74)	307.73
Add: Other Comprehensive Income for the year, net of tax	-	-	-	-	2.15	-	-	(0.03)	2.12
Add: Conversion in to Equity Shares	-	172.16	-	-	-	-	-	-	172.16
Add: Share based payment reserve	88.50	-	-	-	-	-	-	-	88.50
Balance as at 31 March 2025	**120.08**	**4,057.55**	**25.77**	**65.74**	**2,627.27**	**20.83**	**-**	**111.46**	**7,028.70**

The accompanying notes are an integral part of these restated consolidated financial information

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 28 July 2025

Bhavesh Varmora
Director
DIN: 02718600
Place: Ahmedabad
Date: 28 July 2025

Pramodkumar Patel
Director
DIN: 01935197
Place: Ahmedabad

Bhavesh Koshti
Chief Financial Officer
Place: Ahmedabad

Nilesh Sharma - ACS
Company Secretary
M.No. 32273
Place: Ahmedabad

1 General Information

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) (the Holding Company or the Company) is a domestic limited Company with registered office situated at 8-A, National Highway At Dhuva, Tal. Wankaner Dist. Rajkot - 363641. The Group is engaged in manufacturing and trading of Ceramic Tiles.

The Company and its subsidiaries are collectively referred as Group. The Company has converted from private limited company to public limited company, pursuant to special resolution passed in the extra ordinary general meeting held on 30 April 2025 and consequently the name of the company has changed to Varmora Granito Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 14 May 2025.

2 Material accounting policy information

Material accounting policies adopted by the Group are as under:

2.01 Basis of Preparation of Financial Information

(a) Basis of preparation

The Restated Consolidated Financial Information relates to the Group, its associates and joint ventures has been approved by the Board of Directors of the Holding Company at their meeting held on 28 July 2025 and has been specifically prepared for inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Holding Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offer ('IPO') equity shares of the Holding Company (referred to as the 'Issue').

These Restated Consolidated Financial Information of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2025, 31 March 2024 and 31 March 2023, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flow and the Restated Consolidated Statement of Changes in Equity for the years then ended, and Summary statement of material accounting policies and other explanatory information (together hereinafter referred to as the "Restated Consolidated Financial Information").

The Restated Consolidated Financial Information has been prepared by the Management of the Holding Company to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act');

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('the SEBI ICDR Regulations'); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

The Restated Consolidated Financial Information has been compiled by the management from:

a) the Audited Consolidated Ind AS Financial Statements of the Group, its associates and joint ventures at and for the year ended 31 March 2025 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 26 June 2025;

b) the Audited Consolidated Ind AS Financial Statements of the Group, its associates and joint ventures as at and for the year ended 31 March 2024 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 23 September 2024.

c) the Audited Special Purpose Consolidated Ind AS Financial Statements of the Group, its associates and joint ventures as at and for the year ended 31 March 2023 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, except for presentation and disclosure requirements relevant for the comparative period has not been provided after taking into the consideration the requirements of the SEBI e-mail, which have been approved by the Board of Directors at their meeting held on 28 July 2025.

The statutory audits of the consolidated financial statements of the Group as at and for the years ended 31 March 2023 prepared in accordance with the accounting standards notified under the section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 ("Indian GAAP") (the "Statutory Indian GAAP Consolidated Financial Statements"), which were approved by the Board of Directors at their meeting held on 14 September 2023.

In accordance with the general directions issued by the SEBI dated 28 October 2021 to Association of Investment Banker of India, lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the “the SEBI e-mail”) for submission to SEBI. Accordingly, the Company has prepared Special Purpose Consolidated Ind AS Financial Statements as at and for the year ended 31 March 2023. The Statutory Indian GAAP Financial Statements for the year ended 31 March 2023 has been adjusted after making suitable adjustments to the accounting heads from their Indian GAAP values for the differences in the accounting principles on transition to Ind AS, as per the requirements of Ind AS 101, First-time Adoption of the Indian Accounting Standards with the transition date of 01 April 2022 and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Restated Financial Statements for the year ended 31 March 2025. This Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the date of the board meeting held for approval of the Consolidated Financial Statements as at 31 March 2025, 31 March 2024 and 31 March 2023, as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a) Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;
b) 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 Consolidated financial statements of the Group for the year ended 31 March 2025 and the requirements of the SEBI ICDR Regulations, if any; and
c) The resultant impact of tax due to the aforesaid adjustments, if any.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
- Derivative Financial Instruments
- Defined Benefit Plans – Plan Assets measured at fair value; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Classification into current and non-current:

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Any asset or liability is classified as current if it satisfies any of the following conditions:
i. The asset/liability is expected to be realised/settled in the Company's normal operating cycle;
ii. The asset is intended for sale or consumption;
iii. The asset/liability is held primarily for the purpose of trading;
iv. The asset/liability is expected to be realised/settled within twelve months after the reporting year;
v. The asset is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year;
vi. In case of liability, the Company does not have unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.
All other assets and liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The financial statements are presented in Indian Rupees, which is Company's Functional Currency and all values are rounded off to the nearest millions rupees, unless otherwise indicated.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

(d) Principles of Consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group’s share of the post-acquisition profits or losses of the investee in profit and loss, and the group’s share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Joint Ventures

Under Ind AS 111, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group’s share of the post-acquisition profits or losses of the investee in profit and loss, and the group’s share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The subsidiaries, associates and joint ventures which are included in the consolidation and the Holding Company's holdings therein are as under:-

Entity	Relationship	Country of incorporation	Percentage of ownership interest as at 31 March 2025	Percentage of ownership interest as at 31 March 2024	Percentage of ownership interest as at 31 March 2023
Conffi Sanitaryware Private Limited	Subsidiary	India	*	*	100%
Covertek Ceramica Private Limited	Subsidiary	India	100%	100%	75%
Tocco Ceramic Private Limited	Subsidiary	India	*	*	100%
Solaris Ceramics Private Limited	Subsidiary	India	*	*	100%
Nextile Marbosys Private Limited	Subsidiary	India	*	*	100%
Varmora Ceramics Private Limited	Subsidiary	India	*	*	100%
Varmora Sanitaryware LLP**	Subsidiary	India	99.99%	99.99%	99.99%
Simola Tiles LLP	Subsidiary	India	59%	59%	59%
Fiorenza Granito Private Limited	Associate	India	30%	30%	30%
Sentosa Granito Private Limited	Associate	India	30%	30%	30%
Avalta Granito Private Limited	Joint venture	India	25%	25%	25%
Renite Vitrified LLP	Joint venture	India	30%	30%	30%

* Conffi Sanitaryware Private Limited, Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, merged with Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) w.e.f appointed date of 1 April 2023. Such merger is driven by scheme of amalgamation under section 233 of the Act and other applicable provisions of the Act, read with rule 25 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 vide the regional director order dated 12 October 2023. The said scheme has been filed with Registrar of the Companies on 01 November 2023.

** The Partners of Varmora Sanitarywares LLP (LLP) has decided to convert from LLP into private limited company in their meeting held on 9 April 2025 and consequently LLP has been converted to private limited company pursuant to a fresh certificate of incorporation by the Registrar of Companies on 21 May 2025.

2.02 Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Freehold land is carried at cost and is not depreciated. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the PPE and is recognised in the Statement of Profit and Loss.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April, 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

Based on technical assessment by the management or as useful life prescribed in Schedule II of the Companies Act, 2013, the Group has used following useful lives to provide depreciation of different class of its property, plant and equipment. Freehold land is not depreciated. Depreciation on PPE other than freehold land has been provided on diminishing balance method over the useful lives of the assets except by Simola Tiles LLP. Simola Tiles LLP provides depreciation using straight line method.

Property, plant and equipment	Useful Lives
Factory building	30 years
Admin building	60 years
Plant and Machinery (Solar Power generating plant)	25 years
Plant and Machinery (Wind Mill)	22 years
Plant and Machinery (Other)	15 years
Electric Installation	10 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	10 years
Vehicle (Two Wheeler)	10 years
Vehicle (Others)	8 years

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Property, Plant and Equipment's, depreciation is provided as aforesaid over the residual life of the respective assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' and 'Other Expenses'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.03 Capital work in progress

Projects under which property, plant and equipment's are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

2.04 Intangible Assets and Amortization

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

Goodwill represents the cost of the acquired business in excess of the fair value of identifiable net assets purchase. Goodwill is not amortised; however it is tested annually for impairment and whenever there is an indication that the unit may be impaired, and carried at cost less accumulated impairment losses. If the recoverable amount of cash generation unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April, 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful Life	Amortisation method
Brand	5 Years	Straight Line
Design	5 years	Straight Line
ERP software	10 years	Straight Line

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.05 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.06 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

2.07 Revenue Recognition

Revenue from Contracts with Customers

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements with the exception being when it facilitates insurance services for the customer. In this scenario, the Group acts as an agent.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

(i) Revenue from sale of goods

The Group manufactures and sells ceramic tiles. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers at factory premise. The Group is working as a principal in this arrangement and revenue is being recognised on gross basis. No significant element of financing is deemed present as the sales are made on standard credit period, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group also offer volume and cash discount to the customers. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The Group is working as a principal in this arrangement and revenue is being recognised on gross basis. No significant element of financing is deemed present as the sales are made on standard credit period, which is consistent with market practice.

Revenue from arranging Insurance service to customer:

The Group is providing services in the capacity of agent and hence revenue is being recognised on net basis.

Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Group is providing services in the capacity of agent and hence revenue is being recognised on net basis.

Variable consideration:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract assets:

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

Trade receivables: A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets i.e. Financial instruments – initial recognition and subsequent measurement.

Contract liabilities:

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(ii) Interest Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Interest income from financial assets is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is recorded using the effective interest rate (EIR). Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

(iii) Revenue from export incentive

Revenue from export incentive are recognised in the year when the right to receive credit is established in respect of export made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realisation/ utilisation of such benefits/ duty credit.

2.08 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.09 Leases

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

The Group's lease asset classes primarily consist of leases for land, office building and godowns. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether
(i) the contract involves the use of an identified asset,
(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Group has the right to direct the use of the asset.
At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

2.10 Inventories

a) Raw material, packing material and stores and spare parts (including Fuel)

Raw materials, packing material and stores & spare parts are carried at cost. Cost includes purchase price excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. The carrying cost of raw materials and packing material are appropriately written down when there is a decline in replacement cost of such materials and finished products in which they will be incorporated are expected to be sold below cost.

b) Finished goods, stock-in-trade and work in progress

Finished goods, stock-in-trade and work in progress are valued at the lower of cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

In determining the cost of raw materials, packing materials, stock-in-trade, stores and spares, trading and other products, weighted average cost method is used.

The basis of determining the value of each class of inventory is as follows:

Inventories	**Determination of cost**
Work in Process	Raw material cost plus conversion cost and overheads wherever applicable.
Finished Goods	Raw material cost plus conversion cost and overheads wherever applicable.

2.11 Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. The recoverable amount is the greater of the asset's fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, all financial assets, except trade receivables, are measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derivative financial Assets: Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets , the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(e) Derivative financial liability

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

2.14 Employee Benefits

(a) Short-term obligations

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of Profit and Loss in the period in which such services are rendered.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: The Group's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Defined benefit plan

The Group provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to profit or loss in subsequent periods.

2.15 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.16 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. In case of grants relating to assets, the cost of the asset is shown as gross value and grant there on is treated as Government Grant Liability, which are recognized as "Other Income" in the Statement of Profit and Loss over the period.

Government grants includes grants on account of duty saved on import of capital goods (property, plant and equipment) under the EPCG (Export Promotion Capital Goods) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time and accounted in revenue on fulfilment of export obligation. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

2.17 Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:
Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.18 Segment reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the group falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country.

2.19 Employee stock option scheme compensation

Employees of the Group receive share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (ESOP reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

2.20 Business combination

Business combinations - common control transactions

Business combinations arising from transfers of interests in entities that are under the common control are accounted in accordance with “Pooling of Interest Method” laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103) Business combinations of entities under common control, notified under the Companies Act, 2013.

The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

Business combinations - acquisition method

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

• fair values of the assets transferred
• liabilities incurred to the former owners of the acquired business
• equity interests issued by the group
• fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

• consideration transferred
• amount of any non-controlling interest in the acquired entity
• acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

2.21 Initial public offer related transaction costs

The expenses pertaining to Initial Public Offer ('IPO') have been accounted for as follows:

i. Incremental costs that are directly attributable to issuing new shares have been deferred until successful consummation of IPO upon which it shall be deducted from equity;

ii. Incremental costs that are not directly attributable, has been recorded as an expense in the statement of profit and loss as and when incurred; and

iii. Costs that relate to fresh issue of equity shares and offer for sale by selling shareholders has been allocated between those functions on a rational and consistent basis as per agreed terms.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

(a) Useful lives of property, plant and equipment and intangible assets

As described in the Material accounting policy information, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

(b) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to Restated Consolidated Financial Information.

(c) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

(d) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

3.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

(i) Critical judgments in applying accounting policies

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

(a) Determining whether an arrangement contain leases and classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(b) Evaluation of indicators for impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset or poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

(ii) Assumptions and key sources of estimation uncertainty

(a) Assets and obligations relating to employee benefits

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

(b) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(c) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(d) Income taxes

The Group uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its Restated Consolidated Financial Information.

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5 First-time adoption of Ind-AS

For periods up to and including the year ended 31 March 2023, the Group prepared its consolidated financial statements in accordance with accounting standards prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India (Indian GAAP).

The consolidated financial statements, for the year ended March 31, 2024, were the first statutory financial statements of the Group prepared in accordance with Ind AS. In preparing the first Ind AS financial statements, the Group's Ind AS opening balance sheet was prepared as at 01 April 2022, the Group's Statutory date of transition to Ind AS.

Further, the special purpose consolidated Ind AS financial statements as at and for the year ended 31 March 2023 has been prepared in accordance with requirements of SEBI Circular, Guidance Note and SEBI General Direction. Accordingly, suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 for the transition date of 01 April 2022 and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025. (refer basis of preparation para under Note 2).

5.1 Reconciliations between the Special Purpose Consolidated Ind AS Financial Statements and Consolidated Audited Indian GAAP Financial Statements of the Group as at and for the year ended 31 March 2023 are set out in the following tables and notes.

(a)(i) Reconciliation of total equity as at 31 March 2023

Particulars	**Notes**	**As at 31 March 2023**
Equity Share Capital		309.28
Reserve and surplus		6,606.48
Non controlling Interest		136.44
Shareholder's equity as per Consolidated Indian GAAP Financial Statements		**7,052.20**
Rectification of Indian GAAP Error		
Government grant	d(i)	40.17
Total		**7,092.37**
Adjustment		
Impact due to fair valuation of investments	(c)(i)	2.02
Impact due to adoption of ECL provisioning	(c)(ii)	(341.00)
Impact due to fair valuation of security deposit paid	(c)(iv)	(0.06)
Impact of ROU and lease liability adjustment as per IND AS 116	(c)(vii)	(2.16)
Impact due to EIR on borrowings	(c)(v)	0.12
Impact due to Fair value of loan to employee	(c)(ix)	0.30
Impact due to deferred tax on Ind AS adjustments	(c)(vi)	(65.69)
Impact due to Fair value of DVR	(c)(xiii)	(44.01)
Impact of equity accounting of associate or Joint Venture	(c)(x)	(6.52)
Impact due to fair value of asset acquired as part of business combination	(c)(xi)	378.96
Impact due to bargain purchase on business combination transaction	(c)(xvi)	7.57
Impact due to classification of partner's current account as liability	(c)(xiv)	(186.60)
Impact due to transaction with non-controlling interest during the year	(c)(xv)	(59.86)
Fair value of call option on non-controlling interest	(c)(xii)	(106.20)
Total		(423.13)
Total equity including non controlling interest as per Special Purpose Consolidated Ind AS Financial Statements		**6,669.24**

(a)(ii) Reconciliation of total comprehensive income for the year ended 31 March 2023

Particulars	**Notes**	**For the Year Ended 31 March 2023**
Profit as per Consolidated Indian GAAP Financial Statements (including profit attributable to non-controlling interest)		643.78
Rectification of Indian GAAP Error		
Government grant	d(i)	47.35
Total		**691.13**
Adjustment		
Impact due to fair valuation of investments	(c)(i)	0.29
Impact on account of amortisation of preference shares as per IND AS 109	(c)(viii)	(2.06)
Impact due to adoption of ECL provisioning	(c)(ii)	70.31
Impact due to fair valuation of security deposit paid	(c)(iv)	(0.03)
Impact due to EIR on borrowings	(c)(v)	(3.25)
Remeasurement of defined benefit obligation	(c)(iii)	(17.63)
Impact due to Fair value of DVR	(c)(xiii)	(31.71)
Impact due to fair value of loan to employee	(c)(ix)	0.15
Fair value of call option on Non-controlling Interest	(c)(xii)	(106.20)
Impact due to deferred tax on Ind AS adjustments	(c)(vi)	(34.75)
Impact of ROU and lease liability adjustment as per IND AS 116	(c)(vii)	(2.25)
Impact of equity accounting of associate or Joint Venture	(c)(x)	(3.18)
Impact due to fair value of asset acquired as part of business combination	(c)(xi)	(33.58)
Total		**(163.89)**
Remeasurement of defined benefit obligation (net of tax)	(c)(iii)	14.32
Impact due to bargain purchase on business combination transaction	(c)(xvi)	7.57
Total comprehensive income as per Special Purpose Consolidated Ind AS Financial Statements		**549.13**

b Reconciliation between Consolidated Indian GAAP Financial Statements and Special Purpose Consolidated Ind AS Financial Statements

b(i) Reconciliation of the Balance Sheet prepared as per Audited Consolidated Financial Statements and as per the Special Purpose Consolidated Ind AS Financial Statements is as follows:

Particulars	Note	Indian GAAP*	IndAS Transition	As at 31 March 2023
ASSETS				
Non-Current Assets				
Property, plant and equipment	(c)(xi), (d)(i)	2,860.47	345.26	3,205.73
Capital work in progress		27.79	-	27.79
Right of use of assets	(c)(vii)	-	90.78	90.78
Goodwill	(c)(xi)	614.24	(281.57)	332.67
Other Intangible assets	(c)(xi)	2.37	192.74	195.11
Financial assets				
(i) Investments	(c)(i), (c)(x)	290.38	(4.49)	285.89
(iii) Other financial assets	(c)(iv)	55.05	(1.80)	53.25
Deferred tax asset (net)	(c)(vi)	33.05	60.41	93.46
Non current tax assets (net)		9.62	-	9.62
Other non-current assets		31.22	-	31.22
Total Non-Current Assets		**3,924.19**	**401.33**	**4,325.52**
Current Assets				
Inventories		1,892.67	-	1,892.67
Financial assets				
(i) Trade receivables	(c)(ii)	3,955.52	(341.00)	3,614.52
(ii) Cash and cash equivalents		2,254.27	-	2,254.27
(iii) Bank balances other than cash and cash equivalents		117.42	-	117.42
(iv) Loans		146.56	-	146.56
(v) Other financial assets	(c)(iv), (c)(ix), (c)(xii)	42.20	47.51	89.71
Other current assets		209.25	-	209.25
Total Current Assets		**8,617.89**	**(293.49)**	**8,324.40**
TOTAL ASSETS		**12,542.08**	**107.84**	**12,649.92**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital **	(c)(xiii)	309.28	(176.06)	133.22
Instruments entirely equity in nature	(c)(viii)	-	175.76	175.76
Other equity		6,606.48	(425.18)	6,181.30
Non controlling interest	(c)(xv)	136.45	42.51	178.96
Total equity		**7,052.21**	**(382.97)**	**6,669.24**
LIABILITIES				
Non-Current Liabilities				
Financial liabilities				
(i) Borrowings	(c)(v), (c)(viii), (c)(xiv)	782.59	211.93	994.52
(ii) Lease Liability	(c)(vii)	-	73.73	73.73
(iii) Other financial liabilities	(c)(xiii)	-	44.01	44.01
Provisions		34.99	-	34.99
Deferred tax liabilities (net)	(c)(vi)	90.94	127.20	218.14
Other non-current liabilities	(d)(i)	-	41.88	41.88
Total Non-Current Liabilities		**908.52**	**498.75**	**1,407.27**
Current Liabilities				
Financial liabilities				
(i) Borrowings	(c)(v)	1,707.38	(25.41)	1,681.97
(ii) Lease Liability	(c)(vii)	-	17.47	17.47
(iii) Trade payables		-	-	
(a) total outstanding dues of micro enterprises and small enterprises		34.44	-	34.44
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,366.12	-	2,366.12
(iv) Other financial liabilities		216.97	-	216.97
Contract liabilities		102.19	-	102.19
Other current liabilities		96.62	-	96.62
Provisions		3.33	-	3.33
Current tax liabilities (net)		54.30	-	54.30
Total Current Liabilities		**4,581.35**	**(7.94)**	**4,573.41**
Total Liabilities		**5,489.87**	**490.81**	**5,980.68**
TOTAL EQUITY AND LIABILITIES		**12,542.08**	**107.84**	**12,649.92**

* The audited consolidated financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.
** It includes preference shares issued by the Company and subsidiaries and classified as Share Capital under Indian GAAP.

b(ii) Reconciliation of the statement of profit and loss prepared as per Audited Indian GAAP Consolidated Financial Statements and as per Special Purpose Consolidated Ind AS Statement of Profit and Loss as follows:

Particulars	Note	Indian GAAP*	IndAS Transition	For the year ended 31 March 2023
Revenue from operations		13,349.46		13,349.46
Other income	(c)(i), (c)(iv), (c)(vii), (c)(ix)	583.99	65.70	649.69
Total Income		**13,933.45**	**65.70**	**13,999.15**
EXPENSES				
Cost of materials consumed		3,447.05	-	3,447.05
Purchases of stock-in-trade		2,543.74	-	2,543.74
Change in inventories of finished goods, work in progress and stock in trade		(483.13)	-	(483.13)
Employee benefits expenses	(c)(iii)	854.93	54.23	909.16
Finance costs	(c)(v), (c)(viii)	406.56	10.72	417.28
Depreciation and amortisation expense	(d)(ii)	496.29	65.23	561.52
Other expenses	(c)(ii), (c)(xii), (c)(xiii)	5,792.70	14.24	5,806.93
Total Expenses		**13,058.14**	**144.42**	**13,202.55**
Profit before share of profit of associates and joint venture and tax		875.32	(78.72)	796.60
Share of profit of associates and joint venture, net of tax	(c)(x)	23.40	(3.29)	20.11
Profit before tax		**898.72**	**(82.01)**	**816.71**
Tax expense				
Current tax		253.63	-	253.63
Deferred tax	(c)(vi)	0.18	34.63	34.81
Earlier year tax adjustments		1.13	-	1.13
Total Tax Expense		**254.94**	**34.63**	**289.57**
Profit for the year		**643.78**	**(116.64)**	**527.14**
Items that will not be reclassified to profit or loss				
(i) Re-measurement gains on defined benefit plans	(c)(iii)	-	17.63	17.63
(ii) Share of OCI in associates and joint ventures	(c)(x)	-	0.11	0.11
(iii) Bargain gain on acquisition of subsidiary	(c)(xvi)	-	7.57	7.57
(iv) Income tax relating to items that will not be reclassified to profit or loss	(c)(iii)	-	(3.32)	(3.32)
Other comprehensive income for the year, net of tax		**-**	**21.99**	**21.99**
Total comprehensive income for the year		**643.78**	**(94.65)**	**549.13**

* The audited consolidated financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

b(iii) Impact of Ind AS transition on the cash flows statement for the year ended 31 March 2023

Particulars	Indian GAAP	IndAS Transition	As at 31 March 2023
Net cash flows from Operating Activities (A)	(51.55)	(50.23)	(101.78)
Net cash flow used in Investing Activities (B)	(769.33)	(63.81)	(833.14)
Net cash flows from/(used in) Financing Activities (C)	2,786.03	114.04	2,900.07
Net increase in cash and cash equivalents (A+B+C)	**1,965.15**	**-**	**1,965.15**
Cash and cash equivalents at the beginning of the year	**289.12**	**-**	**289.12**
Cash and cash equivalents at the end of the year	**2,254.27**	**-**	**2,254.27**

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(c) Notes to first-time adoption

(i) Fair valuation of investments in Mutual Funds

Under Indian GAAP, the Group has recognised investments at cost. Under Ind AS, such investments are measured at FVTPL. On the transition date, difference between the instruments' fair value and Indian GAAP carrying amount has been recognised in retained earnings. Any fair value movement in fair value is recognised subsequently in FVTPL.

(ii) Impairment of trade receivables

The Group's trade receivables are unsecured and considered good. Under Indian GAAP, all trade receivables were generally recorded at their carrying cost except for certain receivables and actual bad debts when incurred, were charged to statement of profit and loss, however, under Ind AS, the Group has used expected credit loss model and accordingly, made provision for allowance for expected credit loss as per Ind AS 109 based on provision matrix under simplified approach.

(iii) Defined benefit liabilities

Under Ind AS, remeasurements on defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the Indian GAAP, these remeasurements were forming part of the profit and loss for the year.

(iv) Security deposit

Under Indian GAAP, interest free security deposits given (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as ROU Asset /expense. Subsequently ROU asset is amortised over the lease term and Interest Income is recognised over the period of time.

(v) Borrowings

Under the Indian GAAP, borrowings from banks and financial institutions were carried at their principal outstanding amount as at each reporting date with the interest accrued portion separately classified under other liabilities. Processing fees paid for such borrowings was expensed to the profit and loss statement. Under Ind AS such borrowings are required to be carried at their respective amortised cost using the effective interest rate method.

(vi) Deferred Tax

Under Ind AS, deferred tax has been recognised on the adjustment made on transition to Ind As. Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

(vii) Impact of application of lease accounting under Ind AS 116

Under Indian GAAP, lessees used to classify a lease contract as a finance lease or an operating lease at the inception of contract. Under operating lease, rent payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease-term. Under Ind AS, the Group measures the lease liability at the present value of the future lease payments as at transition date, discounted using the Group’s incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expense. Further, the Group recognises a right-of-use asset which is made up of the initial measurement of the lease liability. Subsequent to initial measurement, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. the Group has followed modified approach to recognize right- of- use asset equal to lease liability as on the transition date.

(viii) Non convertible redeemable preference shares (NCRPS)/ redeemable preference shares (RPS)

Under the Indian GAAP, RPS was classified under share capital. However, the Group has a contractual obligation to deliver cash in the form of dividend during the tenure of the instrument and repay principal at the end of the tenure. Thus, the Group does not have an unconditional right to avoid delivering cash to the instrument holder. RPS issued by the Group shall be classified as a financial liability and carried at amortised cost. Since the preference shares has been issued to the related party the difference between the fair value and transaction amount has been transferred to capital contribution from the related parties. Subsequently the liability is measured at amortised cost using the effective interest rate method. Consequently, interest expense is accrued and shall be transferred to the Statement of Profit and Loss.

(ix) Loan to employee

Under Indian GAAP, all loans were carried at transaction amount. Under Ind AS, these loans are initially recognized at fair value. Fair value for the loans would be the transaction amount discounted using a market rate of interest for loans. The Difference between carrying amount and fair value has been parked to prepaid staff cost. Interest accrued on carrying value of such loan using effective interest method is recognized as expense.

(x) Impact of equity accounting of associate or joint venture

Under Ind AS, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the investee after the date of acquisition. The investor’s share of the investee’s profit or loss is recognised in the investor’s profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

(xi) Impact due to fair value of asset acquired as part of business combination

Under Ind AS 103, as per acquisition method, on initial recognition, Group has recorded all the asset and liabilities of the subsidiary which is acquired during the year at fair value, and recorded Goodwill on acquisition of Simola Tiles LLP. Ind AS Impact in respect of conversion of Simola Tiles LLP along with call option asset on day 1 increased the equity of Group.

(xii) Fair value of call option on Non-controlling Interest

A purchased call option over 41% of Interest in an acquired subsidiary i.e. Simola Tiles LLP is initially recognised as a financial asset at its fair value, with any subsequent changes in the fair value of the option recognised in profit or loss.

(xiii) Fair value of DVR

Differential voting rights are in the nature of liability as DVR holders have a right to put/ require company to buyback such shares at fair value of the equity shares of the Company and consequently the DVR's are measured at fair value through profit and loss. Any subsequent changes in the fair value of the DVR.

(xiv) Impact due to classification of partner's current account as liability

The Group had recorded partner's current account as equity under Indian GAAP. However the same has been recorded as a financial liability as Partner's current capital is in the nature of financial liability

(xv) Impact due to transaction with non-controlling interest during the year

Changes in a parent's ownership interest after control is obtained that do not result in a change in control of the subsidiary are accounted for as equity transactions. i.e. any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised in equity and attributed to the parent's equity holders.

(xvi) Impact due to bargain purchase on business combination transaction

Excess of the fair value of net assets acquired over the aggregate consideration transferred, recognised in OCI and accumulated in equity as capital reserve. Only in case, there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

(d) Indian GAAP Error

d(i) Impact due to government grant

In accordance with AS 12 "Accounting for Government Grants", duty saved on import of capital goods and spares under the EPCG scheme has been treated as a Government grant. The benefit has been recognised as a deferred income. Such deferred income is released to the statement of profit and loss based on fulfilment of related export obligations. Under Indian GAAP financial statement, such government grant was net off against property plant and equipment incorrectly; which has been rectified.

5.2 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. the Group has accordingly applied the following exemptions.

(a) Property, plant and equipment and intangible assets - Indian GAAP carrying value as deemed cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets. Since there is no change in the functional currency, accordingly, as permitted by Ind AS 101, the Group has elected to continue with the carrying values under Indian GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

(b) Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 109 requires fair value measurement, retrospectively, however an entity may apply the requirements of Ind AS 109 prospectively to transactions entered into on or after the date of transition. Accordingly, the Group has opted this exemption.

(c) Business combination

Group has elected to apply exemption provided by Ind AS 101 with respect to business combination. Group has elected not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs).

5.3 Mandatory exceptions on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2022 are consistent with the estimates as at the same date made in conformity with Indian GAAP. the Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.

(ii) Determination of the discounted value for financial assets and financial liability where applicable carried at amortised cost.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

Group has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

The above measurement exemption applies for financial liabilities as well.

6 Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and machinery	Computer & Servers	Vehicles	Foundation / Structure	Office equipment	Furniture and fixture	Electrical installations	Total
DEEMED COST										
As at 1 April 2022 (Refer note a)	**115.00**	**292.38**	**2,061.63**	**3.20**	**54.29**	**-**	**7.05**	**48.65**	**31.13**	**2,613.33**
Additions	9.18	30.19	152.09	3.02	14.59	-	4.23	16.65	0.05	230.00
Acquisition of subsidiary (Refer note 55)	65.86	196.97	634.33	1.58	10.84	10.34	2.59	9.81	20.69	953.01
Disposals	(16.22)	(6.82)	(3.94)	(0.14)	(38.78)	(4.65)	(0.35)	(0.48)	(0.04)	(71.42)
As at 31 March 2023	**173.82**	**512.72**	**2,844.11**	**7.66**	**40.94**	**5.69**	**13.52**	**74.63**	**51.83**	**3,724.92**
Additions	54.46	734.94	3,249.21	6.13	19.89	-	12.53	164.21	-	4,241.37
Disposals	-	-	(19.85)	(0.01)	(2.13)	-	-	-	-	(21.99)
As at 31 March 2024	**228.28**	**1,247.66**	**6,073.47**	**13.78**	**58.70**	**5.69**	**26.05**	**238.84**	**51.83**	**7,944.30**
Additions	-	134.17	616.61	5.26	10.76	-	15.67	30.63	-	813.10
Disposals	-	-	(152.20)	-	(3.76)	-	-	-	-	(155.96)
As at 31 March 2025	**228.28**	**1,381.83**	**6,537.88**	**19.04**	**65.70**	**5.69**	**41.72**	**269.47**	**51.83**	**8,601.44**
Accumulated Depreciation / Impairment										
As at 1 April 2022	-	-	-	-	-	-	-	-	-	**-**
Depreciation for the year	-	31.53	445.72	2.90	9.22	0.55	4.13	15.19	9.95	519.19
Deductions/Adjustments during the period	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**-**	**31.53**	**445.72**	**2.90**	**9.22**	**0.55**	**4.13**	**15.19**	**9.95**	**519.19**
Depreciation for the year	-	37.01	460.59	3.90	13.82	0.46	7.07	17.74	7.69	548.27
Deductions/Adjustments during the period	-	-	(0.81)	-	-	-	-	-	-	(0.81)
As at 31 March 2024	**-**	**68.54**	**905.50**	**6.80**	**23.04**	**1.01**	**11.20**	**32.93**	**17.64**	**1,066.65**
Depreciation for the year	-	106.02	930.60	5.19	12.36	0.46	9.84	51.15	6.32	1,121.94
Deductions/Adjustments during the period	-	-	(43.13)	-	(1.62)	-	-	-	-	(44.75)
As at 31 March 2025	**-**	**174.56**	**1,792.97**	**11.99**	**33.78**	**1.47**	**21.04**	**84.08**	**23.96**	**2,143.84**
Net Carrying value as at 31 March 2025	**228.28**	**1,207.27**	**4,744.92**	**7.05**	**31.92**	**4.22**	**20.68**	**185.39**	**27.87**	**6,457.60**
Net Carrying value as at 31 March 2024	**228.28**	**1,179.12**	**5,167.97**	**6.98**	**35.66**	**4.68**	**14.85**	**205.91**	**34.19**	**6,877.65**
Net Carrying value as at 31 March 2023	**173.82**	**481.19**	**2,398.39**	**4.76**	**31.72**	**5.14**	**9.39**	**59.44**	**41.88**	**3,205.73**

The Company has capitalised borrowing cost of Nil, ₹ 46.95 Millions and ₹ Nil during the year ended 31 March 2025, 31 March 2024 and 31 March 2023 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.56% to 8.65% for the year ended 31 March 2024, which is the effective interest rate of the specific borrowing.

Notes:

a. Deemed carrying cost

The Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements, as its deemed cost as at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1 April 2022.

Particulars	Freehold land	Building	Plant and machinery	Computer & Servers	Vehicles	Office equipment	Furniture and fixture	Electric Installation	Total
Gross block as on 1 April 2022	115.00	504.34	3,816.89	13.74	141.24	19.87	100.00	71.08	4,782.16
Accumulated depreciation till 1 April 2022	-	212.76	1,849.71	10.54	86.95	12.82	51.35	39.95	2,264.07
Deemed carrying cost	**115.00**	**291.57**	**1,967.18**	**3.20**	**54.29**	**7.05**	**48.65**	**31.13**	**2,518.09**

(a) The deemed cost for plant and machinery and building was adjusted for consequential adjustment of decrease of ₹ 5.75 Millions and increase of ₹ 0.81 Millions, respectively.

(b) The carrying vale of plant and machinery recognised in its Indian GAAP financial statements was adjusted for rectification of an Indian GAAP error of ₹ 100.19 Millions (net) (Gross value of ₹ 177.99 Millions and accumulated depreciation of ₹ 77.81 Millions) in relation to duty saved on import of capital goods and spares under the EPCG scheme.

b. Property, plant and equipment pledged as security

Certain property, plant and equipment are pledged against secured borrowings, the details relating to which have been described in Note 24 and 29 pertaining to borrowings.

c. Acquisition through business combination under acquisition method

Property, plant and equipment also includes Property, plant and equipment acquired through business combination under acquisition method. (Refer Note 55 for further details)

7 Capital Work in Progress

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	27.27	27.79	42.89
Add : Net additions during the year	826.02	3,431.04	16.34
Less : Transfer during the year to property plant and equipments	(751.42)	(3,431.56)	(31.44)
Closing Balance	**101.87**	**27.27**	**27.79**

Capital work-in-progress ageing schedule:

Particulars	Amount in CWIP for a period of				
	< 1 Year	1-2 years	2-3 Years	> 3 Years	Total
Projects in progress					
As at 31 March 2025	101.87	-	-	-	101.87
As at 31 March 2024	27.27	-	-	-	27.27
As at 31 March 2023	16.34	11.45	-	-	27.79
Projects temporarily suspended					
As at 31 March 2025	-	-	-	-	-
As at 31 March 2024	-	-	-	-	-
As at 31 March 2023	-	-	-	-	-

Note:

a. There are no such project for assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

b. Capital work in progress includes Capital work in progress acquired through business combination under acquisition methods. (Refer Note 55 for further details)

8 Right of use asset

Particulars	Land	Office Premises	Total*
Gross carrying value			
As at 1 April 2022 (Refer note a)	**3.52**	**25.51**	**29.03**
Additions	-	76.08	76.08
Disposals/Adjustments	-	-	-
As at 31 March 2023	**3.52**	**101.59**	**105.11**
Additions	89.70	0.19	89.89
Disposals/Adjustments	-	(0.17)	(0.17)
As at 31 March 2024	**93.22**	**101.61**	**194.83**
Additions	21.97	-	21.97
Disposals/Adjustments	(3.09)	(15.88)	(18.97)
As at 31 March 2025	**112.10**	**85.73**	**197.83**
Accumulated Depreciation			
As at 1 April 2022 (Refer note a)	**-**	**-**	**-**
Depreciation for the year	0.14	14.19	14.33
Deductions/Adjustments	-	-	-
As at 31 March 2023	**0.14**	**14.19**	**14.33**
Depreciation for the year	1.79	21.18	22.97
Deductions/Adjustments	-	-	-
As at 31 March 2024	**1.93**	**35.37**	**37.30**
Depreciation for the year	6.83	19.84	26.67
Deductions/Adjustments	(0.04)	(15.17)	(15.21)
As at 31 March 2025	**8.72**	**40.04**	**48.76**
Net Carrying value as at 31 March 2025	**103.38**	**45.69**	**149.07**
Net Carrying value as at 31 March 2024	**91.29**	**66.24**	**157.53**
Net Carrying value as at 31 March 2023	**3.38**	**87.40**	**90.78**

*Refer note 49 for disclosure relating to leases

a Right of use assets includes Right of use of assets acquired through business combination under acquisition method. (Refer Note 55 for further details).

9 Other Intangible Assets

Particulars	Brand Value	Trade Mark	Design	ERP Software	Total	Goodwill
DEEMED COST						
As at 1 April 2022 (Refer note a)	**-**	**0.29**	**3.10**	**0.55**	**3.94**	**3.47**
Acquisition of Subsidiary	218.20	-	-	-	218.20	329.20
Additions	-	-	1.26	-	1.26	-
Disposals/Adjustments	-	(0.29)	-	-	(0.29)	-
As at 31 March 2023	**218.20**	**-**	**4.36**	**0.55**	**223.11**	**332.67**
Additions	-	-	6.49	-	6.49	-
Disposals/Adjustments	-	-	-	-	-	-
As at 31 March 2024	**218.20**	**-**	**10.85**	**0.55**	**229.60**	**332.67**
Additions	-	-	2.04	3.35	5.39	-
Disposals/Adjustments	-	-	-	-	-	-
As at 31 March 2025	**218.20**	**-**	**12.89**	**3.90**	**234.99**	**332.67**
Accumulated amortisation						
As at 1 April 2022	**-**	**-**	**-**	**-**	**-**	**-**
Amortisation for the year	25.46	-	2.39	0.15	28.00	-
As at 31 March 2023	**25.46**	**-**	**2.39**	**0.15**	**28.00**	**-**
Amortisation for the year	43.64	-	1.13	0.10	44.87	-
As at 31 March 2024	**69.10**	**-**	**3.52**	**0.25**	**72.87**	**-**
Amortisation for the year	43.64	-	1.08	0.75	45.47	-
As at 31 March 2025	**112.74**	**-**	**4.60**	**1.00**	**118.34**	**-**
Net Carrying value as at 31 March 2025	**105.46**	**-**	**8.29**	**2.89**	**116.64**	**332.67**
Net Carrying value as at 31 March 2024	**149.10**	**-**	**7.33**	**0.30**	**156.73**	**332.67**
Net Carrying value as at 31 March 2023	**192.74**	**-**	**1.97**	**0.40**	**195.11**	**332.67**

Notes:

a Deemed carrying cost

The Company has elected to continue with carrying value of intangible assets as recognized in its Indian GAAP financial statements, as its deemed cost as at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1 April 2022.

The Company has elected to apply exemption provided by Ind AS 101 with respect to business combination i.e., the Company has elected not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs). Consequently, goodwill under Indian GAAP as at the date of transition has been carried forward and tested for impairment annually.

Particulars	Trade Mark	Design	ERP Software	Total
Gross block as on 1 April 2022	0.41	11.35	4.39	16.14
Accumulated depreciation till 1 April 2022	0.12	8.25	3.84	12.22
Deemed carrying cost	**0.29**	**3.10**	**0.55**	**3.94**

b Acquisition through business combination under acquisition method

Other intangible assets includes Other intangible assets acquired through business combination under acquisition method. (Refer Note 55 for further details)

c For the purpose of impairment testing, goodwill is allocated to the respective businesses/CGUs. The Group performed its annual impairment test for years ended 31 March 2025, 31 March 2024 and 31 March 2023. The recoverable amount of each cash generating unit (CGU) is determined based on value-in-use calculations. The calculations use cash flow projections based on financial budgets approved by management covering a detailed five-year period. The value in use has been measured based on the discounted cash flow method with the weighed average cost of capital for the years ended 31 March 2025, 31 March 2024 and 31 March 2023 are 15.94%, 12.90% and 12.90% respectively, terminal growth rate of 4%, EBITDA margin for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 are 13.70%-17.60%, 8%-13% and 8.91%-13.06% respectively and tax rate of 34.94%. Refer to note 55 for business combination under acquisition method.

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10 Investments

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
NON CURRENT INVESTMENTS			
Investment in equity instruments			
Unquoted			
Investment in Associates Companies - Equity method accounting			
Fiorenza Granito Private Limited - 48,00,000 Equity Shares of ₹10 each fully paid-up (31 March 2024: 48,00,000 Equity shares, 31 March 2023: 48,00,000 Equity shares)	86.98	81.66	63.23
Sentosa Granito Private Limited - 28,50,000 Equity Shares of ₹10 each fully paid-up (31 March 2024: 28,50,000 Equity shares, 31 March 2023: 28,50,000 Equity shares)	83.47	80.54	77.47
Investment in Joint venture - Equity method accounting			
Avalta Granito Private Limited - 50,00,000 Equity Shares of ₹10 each fully paid-up (31 March 2024: 50,00,000 Equity shares, 31 March 2023: 50,00,000 Equity shares)	67.69	67.33	58.81
Renite Vitrified LLP 30% share (31 March 2024: 30% Share, 31 March 2023: 30%)	89.39	85.05	79.86
Other Non Current Investments, quoted, measured at FVTPL			
Investment in Mutual Fund	7.69	7.10	6.52
Total	**335.22**	**321.68**	**285.89**

Aggregate amount of quoted investments	7.69	7.10	6.52
Market Value of quoted investments	7.69	7.10	6.52
Aggregate amount of unquoted investments	327.53	314.58	279.37
Aggregate amount of impairment in value of investments	-	-	-

11 Other financial assets (Non Current)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Fixed deposits with maturity for more than 12 months*	16.30	42.28	32.68
Security Deposits	15.14	15.67	20.57
Total	**31.44**	**57.95**	**53.25**

*The Fixed deposits have been lien marked against Bank guarantee.

12 Other Non Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Capital advance	18.00	58.04	23.07
Balances with government authorities	8.00	8.00	8.00
Prepaid expenses	-	-	0.12
Others	0.03	0.03	0.03
Total	**26.03**	**66.07**	**31.22**

13 Inventories

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Raw materials and components			
Raw material	249.59	196.40	208.31
Packing material	23.31	15.42	19.18
Stores & spares	31.45	41.93	52.69
Work-in-progress	137.67	71.81	65.64
Finished goods	2,217.49	1,279.18	1,288.27
Stock-in-trade	199.98	298.14	258.58
Total	**2,859.49**	**1,902.88**	**1,892.67**

The write down of inventories to net realisable value during the year ended 31 March 2025 aggregated to ₹1.79 Millions (31 March 2024: ₹ Nil and 31 March 2023: ₹ Nil). This write down is included in the changes in inventories of finished goods, work-in-progress and stock-in-trade in the statement of profit and loss.

Refer Note 2.10 for basis of valuation of inventories.

14 Trade Receivables

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Trade receivables - considered good - Unsecured	3822.15	3,329.16	3,614.52
Trade receivables - credit impaired	463.48	702.49	532.13
Less: Allowance for expected credit loss	(463.48)	(702.49)	(532.13)
Total	**3,822.15**	**3,329.16**	**3,614.52**
Further classified as:			
Receivable from related parties	2.48	1.89	2.06
Receivable from others	4,283.15	4,029.76	4,144.59
Less: Allowance for expected credit loss	(463.48)	(702.49)	(532.13)
Total	**3,822.15**	**3,329.16**	**3,614.52**

Trade receivable ageing schedule

As at 31 March 2025	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	3,076.11	630.59	70.16	20.29	9.95	15.04	**3,822.15**
(ii) Undisputed trade receivables - credit impaired	-	53.31	71.79	149.03	64.68	87.91	**426.71**
(iii) Disputed trade receivables– considered good	-	-	-	-	-	-	**-**
(iv) Disputed trade receivables - credit impaired	-	3.20	-	0.19	9.38	24.00	**36.77**
Total	**3,076.11**	**687.10**	**141.95**	**169.51**	**84.01**	**126.95**	**4,285.63**

As at 31 March 2024	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,889.36	1,345.80	94.00	-	-	-	**3,329.16**
(ii) Undisputed trade receivables - credit impaired	79.78	138.15	112.38	211.68	40.38	78.74	**661.11**
(iii) Disputed trade receivables– considered good	-	-	-	-	-	-	**-**
(iv) Disputed trade receivables - credit impaired	-	0.05	-	7.92	5.42	27.99	**41.38**
Total	**1,969.14**	**1,484.00**	**206.38**	**219.60**	**45.80**	**106.73**	**4,031.65**

As at 31 March 2023	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,974.03	1,534.85	95.48	-	-	-	**3,604.36**
(ii) Undisputed trade receivables - credit impaired	84.67	87.96	117.59	90.10	63.23	53.61	**497.16**
(iii) Disputed trade receivables– considered good	1.44	2.91	5.81	-	-	-	**10.16**
(iv) Disputed trade receivables - credit impaired	-	-	-	7.22	1.18	26.57	**34.97**
Total	**2,060.14**	**1,625.72**	**218.88**	**97.32**	**64.41**	**80.18**	**4,146.65**

15 Cash and Cash Equivalents

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balances with banks:			
-in Current account	4.87	21.71	110.04
-in Cash Credit Account	6.39	6.33	103.91
-in EFFC account	0.24	-	1.07
Fixed deposits with original maturity of less than 3 months	794.86	884.14	2,029.29
Cash on hand	14.67	9.97	9.96
Total	**821.03**	**922.15**	**2,254.27**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.

16 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
In fixed deposits (earmarked towards margin money for guarantees and other commitments)	330.42	61.06	117.42
Total	**330.42**	**61.06**	**117.42**

17 Loans (Current financial assets)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Loans to employees, unsecured considered good	17.94	18.42	11.59
Loans to related parties (considered good, Unsecured)			
Inter corporate loans*	58.26	53.89	53.89
Loans to others	22.00	22.26	81.08
Total	**98.20**	**94.57**	**146.56**

*Inter corporate Loans to related party and other companies are repayable on demand and carry interest of 9% p.a. The above loans have been given for business purpose.

Loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013): As on 31 March 2025: ₹ 80.26 Millions (As on 31 March 2024: ₹ 76.15 Millions, As on 31 March 2023: ₹ 134.97 Millions).

18 Other financial assets (Current)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good			
Interest accrued but not due on deposits	10.09	5.53	20.27
Derivative financial asset (Refer note below)	43.07	37.10	41.60
Security deposit	11.22	11.13	9.93
Other receivables	0.66	2.57	0.43
Export benefits receivable	15.28	18.66	16.22
Subsidy receivable	-	8.85	1.26
Total	**80.32**	**83.84**	**89.71**

Note:
Derivative financial assets:
A purchased call option over 41% of Interest in an acquired subsidiary i.e. Simola Tiles LLP is initially recognised as a financial asset at its fair value, with any subsequent changes in the fair value of the option recognised in profit or loss. The call option has been recognised as part of consideration towards purchase of 59% of Interest as part of Investment and purchase of call option over 41% Interest in the entity. If such purchased call option lapses, the financial asset is derecognised, with a debit to profit or loss and if such purchased call option is exercised, the financial asset is derecognised with an adjustment to the cost of investment of purchasing the Interest subject to the option.

19 Non current tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Non current tax assets (net)	11.55	-	9.62
Total	**11.55**	**-**	**9.62**

20 Other Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Prepaid expenses (Refer note 61)	62.30	31.71	12.95
Balances with government authorities	136.35	189.42	131.24
Advances to vendors	67.90	53.46	59.48
Advance to employees	2.08	2.25	0.98
Electricity credit receivable	-	-	1.33
Pre-Spent CSR	8.49	6.17	3.27
Total	**277.12**	**283.01**	**209.25**

21 Deferred Tax Asset/(Liability)

	Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(A)	**Deferred tax relates to the following:**			
	Deferred tax assets			
	Provision for employee benefit	12.94	9.47	8.66
	Government grant liability	-	(0.20)	14.19
	Fair value of security deposits	0.32	0.37	0.46
	Lease liability as per Ind AS 116	37.84	38.36	23.34
	Fair value of DVR	-	0.16	0.08
	Provision for slow moving inventory	0.45	-	-
	Financial liability at amortised cost	0.39	0.79	-
	Provision for expected credit loss	120.38	174.15	130.39
	Right of use assets as per Ind AS 116	0.02	-	-
	Preliminary expenses	-	0.10	0.15
	Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	4.08	5.59	3.48
	Total Deferred Tax Assets	**176.42**	**228.79**	**180.75**
	Deferred tax liabilities			
	Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	234.60	313.10	279.89
	Fair value of Investments	0.80	0.65	0.57
	Right of use assets as per Ind AS 116	35.14	37.84	23.24
	Fair value of call option (Derivative financial asset)	10.84	9.34	10.47
	Financial liability at amortised cost	1.61	1.05	0.12
	Loan to employees	0.30	0.08	0.07
	Total Deferred Tax Liabilities	**283.29**	**362.06**	**314.36**
	Minimum alternative tax (MAT) credit entitlement	-	-	1.03
	Deferred tax asset/(liability), net	**(106.87)**	**(133.27)**	**(132.59)**
	Break up:			
	Deferred Tax Assets	47.22	87.42	85.55
	Deferred Tax Liabilities	(154.09)	(220.69)	(218.14)
	Net	**(106.87)**	**(133.27)**	**(132.59)**

(B) Income tax expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
- Current tax taxes	98.20	186.64	253.63
- Adjustments in respect of current income tax of previous year	(2.48)	(3.34)	1.13
- Deferred tax charge / (income)	(26.95)	(2.29)	42.72
Income tax expense reported in the statement of profit or loss	**68.77**	**181.01**	**297.48**

(C) Income tax expense charged to OCI

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Net (gain) on remeasurements of defined benefit plans	(0.55)	(1.95)	(3.32)
Income tax charged to OCI	**(0.55)**	**(1.95)**	**(3.32)**

(D) Reconciliation of tax charge

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	376.50	630.36	848.12
Tax expense at Company's domestic tax rate	25.63%	25.63%	25.63%
Income tax expense at tax rates applicable	96.50	161.56	217.37
Tax on expense not eligible for deduction	11.01	2.34	2.63
Others	(38.74)	17.11	77.48
Income tax expense	**68.77**	**181.01**	**297.48**

(E) Movement in deferred tax assets and (liabilities)

Particulars	As at 1 April 2024	Acquired through business combination	Recognised in statement of profit and loss	Recognized in OCI	MAT utilisation	As at 31 March 2025
Tax effect on items constituting deferred tax assets and liabilities						
Deferred tax Asset						
Provision for employee benefit	9.47	-	4.02	(0.55)	-	12.94
Provision for expected credit loss	174.15	-	(53.77)	-	-	120.38
Fair value of security deposits	0.37	-	(0.05)	-	-	0.32
Lease liability as per Ind AS 116	38.36	-	(0.52)	-	-	37.84
Fair value of DVR	0.16	-	(0.16)	-	-	-
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	5.59	-	(1.51)	-	-	4.08
Provision for slow moving inventory	-	-	0.45	-	-	0.45
Government grant liability	(0.20)	-	0.20	-	-	-
Preliminary expenses	0.10	-	(0.10)	-	-	-
Right of use assets as per Ind AS 116	-	-	0.02	-	-	0.02
Financial liability at amortised cost	0.79	-	(0.40)	-	-	0.39
	228.79	**-**	**(51.82)**	**(0.55)**	**-**	**176.42**

Particulars	As at 1 April 2024	Acquired through business combination	Recognised in statement of profit and loss	Recognized in OCI	MAT utilisation	As at 31 March 2025
Deferred Tax Liability						
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	313.10	-	(78.50)	-	-	234.60
Fair value of Investments	0.65	-	0.15	-	-	0.80
Right of use assets as per Ind AS 116	37.84	-	(2.70)	-	-	35.14
Fair value of call option (Derivative financial asset)	9.34	-	1.50	-	-	10.84
Financial liability at amortised cost	1.05	-	0.56	-	-	1.61
Loan to employees	0.08	-	0.22	-	-	0.30
	362.06	**-**	**(78.77)**	**-**	**-**	**283.29**
Deferred Tax Asset/(Liability) Net	**(133.27)**	**-**	**26.95**	**(0.55)**	**-**	**(106.87)**

Particulars	As at 1 April 2023	Acquired through business combination	Recognised in statement of profit and loss	Recognized in OCI	MAT utilisation	As at 31 March 2024
Tax effect on items constituting deferred tax assets and liabilities						
Deferred tax Asset						
Provision for employee benefit	8.66	-	2.76	(1.95)	-	9.47
Provision for expected credit loss	130.39	-	43.76	-	-	174.15
Fair value of security deposits	0.46	-	(0.09)	-	-	0.37
Lease liability as per Ind AS 116	23.34	-	15.02	-	-	38.36
Fair value of DVR	0.08	-	0.08	-	-	0.16
Minimum alternative tax (MAT) credit entitlement	1.03	-	-	-	(1.03)	-
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	3.48	-	2.11	-	-	5.59
Government grant liability	14.19	-	(14.39)	-	-	(0.20)
Preliminary expenses	0.15	-	(0.05)	-	-	0.10
Financial liability at amortised cost	-	-	0.79	-	-	0.79
	181.78	**-**	**49.99**	**(1.95)**	**(1.03)**	**228.79**
Deferred Tax Liability						
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	279.89	-	33.21	-	-	313.10
Fair value of Investments	0.57	-	0.08	-	-	0.65
Right of use assets as per Ind AS 116	23.24	-	14.60	-	-	37.84
Fair value of call option (Derivative financial asset)	10.47	-	(1.13)	-	-	9.34
Financial liability at amortised cost	0.12	-	0.93	-	-	1.05
Loan to employees	0.07	-	0.01	-	-	0.08
	314.36	**-**	**47.70**	**-**	**-**	**362.06**
Deferred Tax Asset/(Liability) Net	**(132.59)**	**-**	**2.29**	**(1.95)**	**(1.03)**	**(133.27)**

Particulars	As at 1 April 2022	Acquired through business combination	Recognised in statement of profit and loss	Recognized in OCI	Recognised in equity	As at 31 March 2023
Tax effect on items constituting deferred tax assets and liabilities						
Deferred tax Asset						
Provision for employee benefit	6.62	-	5.36	(3.32)	-	8.66
Provision for expected credit loss	86.82	36.43	7.14	-	-	130.39
Fair value of security deposits	0.17	-	0.29	-	-	0.46
Lease liability as per Ind AS 116	8.60	-	14.74	-	-	23.34
Fair value of DVR	-	-	0.08	-	-	0.08
Minimum alternative tax (MAT) credit entitlement	1.13	-	(0.10)	-	-	1.03
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	0.14	-	3.34	-	-	3.48
Government grant liability	31.29	-	(17.10)	-	-	14.19
Business Loss as per Income Tax Act	6.03	-	(6.03)	-	-	-
Preliminary Expenses	0.20	-	(0.05)	-	-	0.15
	141.00	**36.43**	**7.67**	**(3.32)**	**-**	**181.78**
Deferred Tax Liability						
Impact of difference between tax depreciation and depreciation on Property, Plant and Equipment	19.67	234.18	26.04	-	-	279.89
Amortisation of preference shares as per IND AS 109	54.80	-	-	-	(54.80)	-
Fair value of Investments	0.48	-	0.09	-	-	0.57
Right of use assets as per Ind AS 116	8.78	-	14.46	-	-	23.24
Fair value of call option (Derivative financial asset)	-	-	10.47	-	-	10.47
Financial liability at amortised cost	0.97	(0.15)	(0.70)	-	-	0.12
Loan to employees	0.04	-	0.03	-	-	0.07
	84.74	**234.03**	**50.38**	**-**	**(54.80)**	**314.36**
Deferred Tax Asset/(Liability) Net	**56.26**	**(197.60)**	**(42.72)**	**(3.32)**	**54.80**	**(132.59)**

22 SHARE CAPITAL

22 (a)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Equity Share Capital			
Authorized Share Capital			
2,01,05,02,500 Equity shares of ₹2 each (31 March 2024: 80,42,01,000 Equity shares of ₹5 each, 31 March 2023: 2,75,00,000 Equity shares of ₹10 each)	4,021.01	4,021.01	275.00
	4,021.01	**4,021.01**	**275.00**
Issued Subscribed and fully paid up			
20,16,25,108 Equity shares of ₹2 each (31 March 2024: 7,99,31,244 Equity shares of ₹ 5 each, 31 March 2023: 1,33,21,874 Equity shares of ₹10 each)	403.25	399.66	133.22
	403.25	**399.66**	**133.22**

(a.1) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	7,99,31,244	399.66	1,33,21,874	133.22	99,86,669	99.87
Add: Issued during the year	-	-	-	-	7,57,598	7.58
Add: Share split during the year	11,98,96,866	-	1,33,21,874	-	-	-
Add: Conversion in to Equity Shares	17,96,998	3.59	-	-	25,77,607	25.77
Add: Bonus share issued during the year	-	-	5,32,87,496	266.44	-	-
Outstanding at the end of the year	**20,16,25,108**	**403.25**	**7,99,31,244**	**399.66**	**1,33,21,874**	**133.22**

(a.2) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	7,37,34,868	36.57%	2,87,75,148	36.00%	47,95,858	36.00%
Bhavesh Vallabhdas Varmora	1,93,51,425	9.60%	59,80,074	7.48%	9,96,679	7.48%
Ramanbhai Jivrajbhai Varmora	1,31,68,680	6.53%	52,67,472	6.59%	8,79,467	6.60%
Vallabhbhai Jivrajbhai Varmora	1,03,13,355	5.12%	41,25,342	5.16%	6,89,889	5.18%
Hiren Ramanbhai Varmora	1,91,17,155	9.48%	76,46,862	9.57%	7,46,476	5.60%
Pramodkumar Parsotambhai Patel	1,34,16,450	6.65%	53,66,580	6.71%	5,11,610	3.84%
Bharatbhai Vallabhdas Varmora	96,31,715	4.78%	47,31,267	5.92%	5,17,991	3.89%
Manishkumar Vallabhbhai Varmora	91,32,145	4.53%	45,34,773	5.67%	4,85,242	3.64%

22(b)
(b.1)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Compulsorily Convertible Cumulative Participating Preference Shares			
Authorized Share Capital			
5,00,00,000 compulsorily convertible cumulative participating preference shares of ₹ 10/- each (31 March 2024 : 5,00,00,000 compulsorily convertible cumulative participating preference shares of ₹ 10/- each; 31 March 2023: 35,20,00,000 compulsorily convertible cumulative participating preference shares of ₹ 10/- each)	500.00	500.00	3,520.00
	500.00	**500.00**	**3,520.00**
Issued Subscribed and fully paid up			
Nil (31 March 2024 : 1,75,75,866 compulsorily convertible cumulative participating preference shares of ₹ 10/- each; 31 March 2023: 1,75,75,866 compulsorily convertible cumulative participating preference shares of ₹ 10/- each)	-	175.76	175.76
Total	**-**	**175.76**	**175.76**

(b.2) Reconciliation of compulsorily convertible cumulative participating preference shares (CCPS) outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,75,75,866	175.76	1,75,75,866	175.76	-	-
Add: Issued during the year	-	-	-	-	35,15,17,320	3,515.17
Less: Converted in to Equity Shares	(1,75,75,866)	(175.76)	-	-	(33,39,41,454)	(3,339.41)
Outstanding at the end of the year	**-**	**-**	**1,75,75,866**	**175.76**	**1,75,75,866**	**175.76**

On 30 August 2022, the Company had issued 35,15,17,320 CCPS with a par value of Rs 10 each. The holders of the CCPS were entitled to receive a cumulative dividend at the rate of 0.001% per annum. The conversion ratio didn't meet the fixed-to-fixed test on the issuance of such CCPS. On 20 March 2023, the Company modified the conversion feature of CCPS, which meets fixed-to-fixed test and accordingly, classified such instruments as equity. On 21 March 2023, the Company converted such 33,39,41,454 CCPS into 22,76,198 equity shares. On 16 December 2024, the Company converted 1,75,75,866 CCPS into 17,96,998 equity shares.

(b.3) Compulsorily convertible cumulative and participating preference shares in the company held by share holders holding more than 5% is as under:

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	-	-	1,75,75,866	100%	1,75,75,866	100%
Total	**-**	**-**	**1,75,75,866**	**100%**	**1,75,75,866**	**100%**

	Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
22(c)				
(c.1)	**Equity share capital with differential voting rights**			
	Authorized Share Capital			
	50,000 Equity shares of ₹10 each (31 March 2024: 50,000 Equity shares of ₹10 each, 31 March 2023: 50,000 Equity shares of ₹10 each) with differential voting rights (DVR Shares)	0.50	0.50	0.50
		0.50	**0.50**	**0.50**
	Issued Subscribed and fully paid up			
	Nil (31 March 2024: 30,000 Equity shares of ₹10 each, 31 March 2023: 30,000 Equity shares of ₹10 each) with differential voting rights (DVR Shares)	-	0.30	0.30
	Total	**-**	**0.30**	**0.30**

(c.2) Reconciliation of DVR shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	30,000	0.30	30,000	0.30	-	-
Add: Issued during the year	-	-	-	-	30,000	0.30
Less: Bought back during the year	(30,000)	(0.30)	-	-	-	-
Outstanding at the end of the year	**-**	**-**	**30,000**	**0.30**	**30,000**	**0.30**

The Company issued 30,000 DVR Shares at Rs. 410 per DVR Share to Katsura Investments (Investor) on 30 August 2022 and Katsura Investments has accepted the Company's offer to buy back DVR Shares at Rs. 435 per DVR Share on 30 December 2024. The buyback of DVRs has been duly completed, and as of 31 March 2025, no DVRs remain outstanding.

Varmora Granito Limited (Company) and the Promoters and Katsura Investments (Investor) entered into Waiver Cum Amendment Agreement on 28 July 2025, which amended certain clauses of Shareholder's Agreement (SHA Agreement) dated 2 June 2022.

The Waiver cum Amendment Agreement shall stand terminated, with the exception of certain clauses, at the earlier of the (i) on the Long Stop Date or (ii) the date of listing of the equity shares of the Company and accordingly, and all rights and obligations under SHA shall thereupon be reinstated in full force and effect. Long Stop Date is the earlier of the dates of (a) one year from the date of filing the DRHP with SEBI and Stock Exchanges; or (b) the termination of the Offer Agreement; or (c) the date on which IPO Committee decides to withdraw the Offer.

The DVRs, having the same terms and conditions as the DVR Shares issued on the Completion Date, as defined in SHA Agreement, (unless otherwise approved by the Investor, in writing) shall be re-issued to the Investor if the equity shares of the Company are not listed pursuant to the Voluntary IPO within 12 months from the date of receipt of final observations from SEBI in relation to the DRHP. The DVRs cannot be reissued for any reason while the IPO process is underway.

(c.3) Equity Shares with differential voting rights held by share holders holding more than 5% is as under:

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Katsura Investments	-	-	30,000	100%	30,000	100%
Total	**-**	**-**	**30,000**	**100%**	**30,000**	**100%**

	Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
22(d)				
(d.1)	**Preference share capital**			
	Authorized Share Capital			
	Nil Preference shares of ₹10 each (31 March 2024: Nil Preference shares of ₹10 each, 31 March 2023: Nil Preference shares of ₹10 each)	-	-	-
		-	**-**	**-**
	Issued Subscribed and fully paid up			
	Nil Redeemable Preference shares (RPS) (31 March 2024: Nil Redeemable Preference shares, 31 March 2023: Nil Redeemable Preference shares)	-	-	-
	Total	**-**	**-**	**-**

(d.2) Reconciliation of redeemable preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2025		As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	1,70,00,000	170.00
Add: Issued during the year	-	-	-	-	-	-
Less: Converted in to Equity Shares during the year	-	-	-	-	(1,70,00,000)	(170.00)
Outstanding at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**

Up to FY 2021-22, the Company had issued redeemable preference Shares (RPS) with a par value of Rs 10 each. The holders of the RPS were not entitled to vote at any general meeting. The dividend rate was capped at 0.01% per annum on the face value. The RPS carried a preferential right over equity shares concerning dividend payments, if declared, in any particular financial year and repayment of capital during winding up.

During the FY 2022-23, the terms of RPS was varied and modified it to compulsory convertible preference share, which is convertible into equity shares at any time (i.e. within 20 years from the date of allotment or upon the expiry of 20 years from the date of allotment) at the option of the holder. The compulsory convertible preference share were converted into 3,01,409 equity shares in the FY 2022-23.

22 (e) Equity Shares in the company held by promoters is as under:

Promoters	No. of shares at the commencement of the year	Changes During the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31 March 2025					
Hiren Ramanbhai Varmora	76,46,862	1,14,70,293	1,91,17,155	9.48%	150%
Bhavesh Vallabhdas Varmora	59,80,074	1,33,71,351	1,93,51,425	9.60%	224%
Pramodkumar Parsotambhai Patel	53,66,580	80,49,870	1,34,16,450	6.65%	150%

Promoters	No. of shares at the commencement of the year	Changes During the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31 March 2024					
Hiren Ramanbhai Varmora	7,46,476	69,00,386	76,46,862	9.57%	924%
Bhavesh Vallabhdas Varmora	9,96,679	49,83,395	59,80,074	7.48%	500%
Pramodkumar Parsotambhai Patel	5,11,610	48,54,970	53,66,580	6.71%	949%

Promoters	No. of shares at the commencement of the year	Changes During the year	No. of shares at the end of the year	% of total shares	% change during the year
As at 31 March 2023					
Bhavesh Vallabhdas Varmora	9,68,953	27,726	9,96,679	7.48%	3%
Ramanbhai Jivrajbhai Varmora	9,34,955	(55,488)	8,79,467	6.60%	-6%
Hiren Ramanbhai Varmora	6,62,482	83,994	7,46,476	5.60%	13%
Vallabhbhai Jivrajbhai Varmora	7,53,691	(63,802)	6,89,889	5.18%	-8%
Ashokbhai Naranbhai Patel	6,34,573	(16,641)	6,17,932	4.64%	-3%
Rajkumar Varmora	-	5,49,027	5,49,027	4.12%	100%
Ranjanben Vallabhbhai Varmora	7,79,169	(2,38,062)	5,41,107	4.06%	-31%
Bhavnaben Ramanbhai Varmora	9,25,061	(3,97,060)	5,28,001	3.96%	-43%
Bharatbhai Vallabhdas Varmora	4,31,269	86,722	5,17,991	3.89%	20%
Pramodkumar Parsotambhai Patel	4,49,835	61,775	5,11,610	3.84%	14%
Manishkumar Vallabhbhai Varmora	4,60,025	25,217	4,85,242	3.64%	5%
Parsotambhai Jivrajbhai Patel	6,21,902	(1,94,971)	4,26,931	3.20%	-31%
Lataben Pramodbhai Varmora	4,81,144	(98,324)	3,82,820	2.87%	-20%
Naranbhai Hansrajbhai Patel	4,57,256	(95,005)	3,62,251	2.72%	-21%
Praful Parsotambhai Varmora	2,17,858	5,863	2,23,721	1.68%	3%
Adarsh Harilal Patel	62,920	3,952	66,872	0.50%	6%
Vaishali Bhavesh Varmora	2,11,762	(2,11,762)	-	0.00%	-100%
Hetal Bharatbhai Varmora	98,433	(98,433)	-	0.00%	-100%
Nidhi Bharatkumar Zalariya	44,787	(44,787)	-	0.00%	-100%
Savitaben Parsotambhai Patel	73,010	(73,010)	-	0.00%	-100%
Prakash Parsotambhai Varmora	61,204	(61,204)	-	0.00%	-100%
Ektaben Prakashbhai Varmora	4,57,162	(4,57,162)	-	0.00%	-100%
Vanitaben Prafulbhai Varmora	68,511	(68,511)	-	0.00%	-100%
Renukaben Ashokbhai Patel	67,492	(67,492)	-	0.00%	-100%
Rasilaben Harilal Patel	9,986	(9,986)	-	0.00%	-100%
Dilipbhai Prahladbhai Patel	1,000	(1,000)	-	0.00%	-100%
Bharatbhai Prahladbhai Patel	500	(500)	-	0.00%	-100%
Pravinbhai Nagda	100	(100)	-	0.00%	-100%
Miraben Manishkumar Varmora	34,919	(34,919)	-	0.00%	-100%
Rutvi Hiren Varmora	16,710	(16,710)	-	0.00%	-100%

(f) Right, preferences and restrictions attached to shares

1 Equity Shares

The Company has two classes of Equity shares:

i. Equity Shares having par value of ₹ 2 each and the holder of the equity share is entitled to one vote per share. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

ii. Equity Shares with differential voting rights having par value of ₹ 10 each and the holder of the equity share having rights as per occurrence of the DVR Rights Trigger Event.

iii. No Shares have been forfeited by the company since its incorporation.

2 Preference Shares

i. The Company had redeemable preference Shares (RPS) having par value of Rs. 10 each and holder of the RPS was not entitled to vote at any general meeting.

ii. The Company has compulsorily convertible cumulative participating preference shares (CCPS) having face value of ₹ 10 each and holder of CCPS is entitled to receive a cumulative dividend at the rate of 0.001% per annum. CCPS holder would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of Equity Securities of any other class or series (including Equity Shares) on a pro rata, on an as if converted basis. The CCPS shall automatically and compulsorily convert into equity share on the date that falls on the expiry of 10 (ten) years or holders of shares may, at its sole discretion, choose to convert all or any portion of the CCPS into Equity Shares prior to such conversion date.

(g) Events during the financial year 2024-25

i. The equity shares of the Company having face value of ₹ 5 each were subdivided into equity shares having a face value of ₹ 2 each. Accordingly, authorized capital of the Company was divided into 2,01,05,02,500 equity shares having face value of ₹ 2 each and issued capital of the Company was divided into 20,16,25,108 equity shares having face value of ₹ 2 each in extra ordinary general meeting of the members dated 11 December 2024 .

ii. The Company has bought back 30,000 differential voting right equity shares at ₹ 435 per DVR Share from Katsura Investments on 30 December 2024.

iii. On 16 December 2024, the Company converted 1,75,75,866 CCPS into 17,96,998 equity shares.

(h) Events during the financial year 2023-24

i. The Company changed in the authorized share capital of the Company to 32,95,00,000 equity shares of the Company having face value of ₹ 10 each, 5,00,00,000 compulsorily convertible cumulative and participating preference shares of ₹ 10 each, and 50,000 equity shares of ₹ 10 each with differential voting rights in its extra ordinary general meeting dated 7 June 2023.

ii. The equity shares of the Company having face value of ₹ 10 each were subdivided into 2 equity shares having a face value of ₹ 5 each. Accordingly, authorized capital of the Company was divided into 65,90,00,000 equity shares having face value of ₹ 5 each and issued capital of the Company was divided into 2,66,43,748 equity shares having face value of ₹ 5 each in extra ordinary general meeting of the members dated 7 June 2023.

iii. The Authorised Share Capital of the Company has been reclassified as per Ordinary Resolution passed at the Extra Ordinary General Meeting of the Company held on 7 June 2023.

iv. The Company had issued and allotted bonus shares of two new fully paid up equity shares of ₹ 5 each for every one equity shares of ₹ 5 each. According, the Company had issued 5,32,87,496 equity shares of ₹ 5 each as bonus shares.

(i) Events during the financial year 2022-23

i. The Company changed in the authorized share capital of the Company to 2,75,00,000 equity shares of the Company having face value of ₹ 10 each, 35,20,00,000 compulsorily convertible cumulative and participating preference shares of ₹ 10 each, and 50,000 equity shares of ₹ 10 each with differential voting rights in its extra ordinary general meeting dated 24 August 2022.

23 Other Equity

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Capital Contribution from Group	20.83	20.83	20.83
Capital redemption reserve account	65.74	65.74	65.74
Security premium	4,057.55	3,885.39	4,151.83
Capital reserve	25.77	25.77	25.77
Share based payment reserve	120.08	31.58	-
Retained earnings	2,627.27	2,272.65	1,940.63
Total	**6,917.24**	**6,301.96**	**6,204.80**

Nature and purpose :

Particulars	Description
Capital Contribution from Group	This represents the difference between the transaction value and the present value in case of interest free/ below Market rate borrowings (i.e. Non convertible Redeemable Preference Shares (NCRPS)).
Capital redemption reserve account (CRR)	It is created when the company bought back equity share out of the profits available for dividend.
Securities Premium	This represents the excess of the issue price of shares over their face value.
Capital reserve	This represents gain in respect of the merger (i.e. Business combination).The difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves.
Share based payment reserve	Share based payment reserve is used to recognise the fair value of options on the grant date, issued to employees under employee stock option plan.
Retained earnings	This represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. It will be utilized in accordance with the provisions of the Companies Act, 2013.
State capital subsidy	This represents the amount of subsidy, company has received.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(A) Capital Contribution from Group			
Opening balance	20.83	20.83	168.50
Less: Redemption/modification of redeemable preference share	-	-	(147.67)
Closing balance	**20.83**	**20.83**	**20.83**
(B) Capital redemption reserve account			
Opening balance	65.74	65.74	-
Add: Addition during the year	-	-	65.74
Closing balance	**65.74**	**65.74**	**65.74**
(C) State Capital subsidy			
Opening balance	-	-	1.00
Less: Change during the year	-	-	(1.00)
Closing balance	**-**	**-**	**-**
(D) Retained earnings			
Opening balance	2,272.65	1,940.63	1,512.91
Add: Profit for the year	352.47	441.70	509.56
Add: Other comprehensive income for the year, net of tax	2.15	5.11	21.46
Less: Transfer to capital redemption reserve	-	-	(65.74)
Add: State capital subsidy transfer to retained earning	-	-	1.00
Add: Transaction with non-controlling interest during the year	-	(114.79)	252.36
Less: Buyback of shares	-	-	(245.00)
Add: Bargain gain on acquisition of subsidiary	-	-	(7.57)
Less: Income tax paid for buy back	-	-	(38.35)
Closing balance	**2,627.27**	**2,272.65**	**1,940.63**
(E) Security premium			
Opening balance	3,885.39	4,151.83	248.51
Add: Issue of shares	-	-	3,903.32
Add: Conversion of Preference Shares into Equity Shares	172.16	-	-
Less: Issue of bonus shares	-	(266.44)	-
Closing balance	**4,057.55**	**3,885.39**	**4,151.83**
(F) Capital reserve			
Opening balance	25.77	25.77	18.20
Add: Bargain gain on acquisition of subsidiary	-	-	7.57
Closing balance	**25.77**	**25.77**	**25.77**
(G) Share based payment reserve			
Opening balance	31.58	-	-
Add: Addition during the year	88.50	31.58	-
Closing balance	**120.08**	**31.58**	**-**
Total	**6,917.24**	**6,301.96**	**6,204.80**

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24 Borrowings (Non Current)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Borrowings measured at Amortised Cost			
Secured			
Term loans - from banks*	2,029.87	2,438.85	806.58
Unsecured			
From related parties	-	-	0.13
From others	-	-	1.16
Capital account of partner in Simola Tiles LLP	182.84	184.70	186.65
Total	**2,212.71**	**2,623.55**	**994.52**

*** After considering unamortised transaction cost amounting to ₹ 5.30 Millions (31 March 2024: ₹ 5.86 Millions and 31 March 2023: ₹ 2.55 Millions)**

(a.1) Details of nature of security and repayment terms of borrowings for the Company

Term loans / Car Loan From Banks	Nature of Security	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Term Loans From Banks				
From HDFC Bank				
TERM LOAN - I	**Current Assets** - First Pari Passu Charge by way of Hypothecation of all present and future current assets with ICICI Bank and SBI Bank **Movable Fixed Assets** : Exclusive Charge by way of Hypothecation of all present and future movable fixed assets of the company (Exclusive charge on Movable Fixed Asset includes Existing Unit II of the company) (Excluding Plant and Machineries of Unit 3 which is funded by ICICI Bank Ltd) **Factory Land and Building**	31.04	57.65	113.86
TERM LOAN - II	(1) Exclusive charge by way of mortgage of Factory Land & Building located at survey no.148 & 149 part, Village : Dhuva, Tal.Wankaner, Morbi, Gujarat-363622 admeasuring 66783 sq.mts owned by Varmora Granito Limited (formerly known as Varmora Granito Private Limited) (2) Exclusive charge by way of mortgage of Factory Land & Building located survey no.145 paiki & 146, situated at nearby Dhuva Over Bridge, National Highway 8-A, at: Dhuva, Tal. Wankaner, District- Morbi admeasuring total 24584 square metres owned at Varmora Ceramics Private Limited	33.41	99.95	165.69
TERM LOAN - III	(3) Exclusive charge by way of mortgage of building located at survey no.23/1, Lilapur,Morbi, Gujarat-363641 admeasuring 12140.46 square metres owned by Jaystar Industries (4) Exclusive charge by way of mortgage of Factory Land & Building located at survey no. 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal: Wankaner. Dis: Morbi, Gujarat-363621 owned by Varmora Granito Limited (formerly known as Varmora Granito Private Limited) (Unit 2 Of Borrower)	65.81	100.67	137.35
TERM LOAN - IV	(5) Exclusive charge by way of equitable mortgage of factory land and building located at Survey No. 136/P1, 136/P2, 137, 138, 147/1P4, 8-A, National Highway, At: Sartanpar Wankaner, Rajkot, Gujarat-363622 India previously owned by Nextile Marbosys Private Limited. **Hypothecation on Equipment** : Charge by way of Hypothecation of the Wind Mill power generation turbine and equipment to HDFC Bank Ltd. **Plant and Machinery** : Exclusive Charge by way of hypothecation of Plant & Machinery Of Unit 2 Situated at 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal:Wankaner. Dis: Morbi	1,265.62	1,191.39	-
Term Loan - V - GECL	**Plant and Machinery** : Exclusive Charge by way of hypothecation of Plant & Machinery of Varmora Granito Limited (Formerly known as Varmora Granito Private Limited), Nextile Marbosys Private Limited and Varmora Ceramic Private Limited **Personal Guarantee** : Personal Guarantee of (1) Mr. Ashokbhai Naranbhai Patel (2) Mr. Bhavesh Vallabhdas Varmora (3) Mr. Pramodbhai Parshottambhai Patel (4) Mr. Hiren Ramanbhai Varmora **Corporate Guarantee**: Corporate Guarantee of Jaystar Industries	-	18.12	49.19

Term loans / Car Loan From Banks	Nature of Security	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
TERM LOAN - VI	**Nature of Security**: **a. Primary** : 100% Fixed Deposit for fixed deposit backed Bank guarantee, Book Debts, Export Debtors, Fd For Margin Of Bg / Capex Lc / Lc, Industrial Property, Open plot, Plant And Machinery, Stock, Stock For Export b. Personal guarantee of all directors **Property Address**: 1.S No.20/p1,20/p2 At Ratavirda 221,222, Nr. Rey Cera Creation Morbi, Gujarat, 363642 (Type:Industrial Estates With Industrial Activity) 2. Survey No. 365,366/1,366/2,364/5,364/6, Village Sara, Tal - Muli At Sara, Surendranagar, 363001 (Type: Vacant Land)	281.16	220.99	257.83
TERM LOAN - VII	All Term Loan from HDFC Bank is secured by way of (i) Security charge over R.S. No. 228/1-1-17 p, 228/1p-2/p-1,228/2 & 228/3 of Nichi Mandaland (ii) 77/2/1 & 78/p-1 of Unchi Mandal, Nr. Italus Vitrified, Halwad Road, Mandal 7 Unchi Mandal Ta. Rajkot (iii) Assets of Simola Tiles LLP, (iv) Personal guarantee of Bhavesh Varmora, Bharat Varmora, Rajesh Shirvi Kamal Shirvi & Illaben Shirvi (v) Corporate Guarantee of M/s Ghanshyam Flooring Industries. (vi) Current assets - stock and Book debts (vii) Industrial property of M/s Ghanshyam Flooring Industries R.S. No. 1227, 1228, 1229/P & 1248 Plot No. 20/P & 23/P C/o Umiya Plastic, Lati plot 2 (End) Moon Nagar Street 2 at madhapar, morbi (viii) Exclusive charge of Industrial shed owned by Rajesh Shirvi situated at Mahendranagar, R.S. No. 197/P, Plot No. 22/P, Morbi. (ix) Letter of Comfort from Varmora Granito Private Limited and (x) Residential property of Ilaben Patel situated at Madhapar, Survey 1260/1/P, Plot No. 17, Madhapar, Morbi - 363641 Along with all above Fixed deposit in the form of 15% FD Margin	132.67	229.54	-
Axis Bank				
TERM LOAN - I	R. S. No. 228/ 1-1-17 p, 228/1p-2/p-1,228/2 & 228/3 of Nichi Mandal (admeasuring 28386 sq mt.) and 77/2/1 & 78/p-1 of Unchi Mandal, Nr. Italus Vitrified, Halwad Road, Mandal 7 Unchi Mandal Ta. Rajkot (admeasuring 48396 sq mt.), Assets of Simola Tiles LLP & Personal Guarantee of Partners.	-	-	113.91
TERM LOAN - II		-	-	34.37
Union Bank				
TERM LOAN - I	R. S. No. 228/ 1-1-17 p, 228/1p-2/p-1,228/2 & 228/3 of Nichi Mandal (admeasuring 28386 sq mt.) and 77/2/1 & 78/p-1 of Unchi Mandal, Nr. Italus Vitrified, Halwad Road, Mandal 7 Unchi Mandal Ta. Rajkot (admeasuring 48396 sq mt.), Assets of Simola Tiles LLP & Personal Guarantee of Partners.	-	-	150.87
TERM LOAN - II		-	-	24.00
ICICI Bank				
TERM LOAN - I	**Immovable Property**: Land and Building at Land Survey No.35/P1, 35/P2, 35/P3, 36 and 37, Ratavirda, Gujarat (Exact description of property to be as per title search report) Movable Assets: All movable assets financed out of facility proceeds **Personal Guarantee** : Personal Guarantee of (1) Mr. Bhavesh Vallabhdas Varmora (2) Mr. Pramodbhai Parshottambhai Patel (3) Mr. Hiren Ramanbhai Varmora	773.34	798.05	-
SBI Bank				
TERM LOAN - I	**Primary**: 1. Hypothecation of Plant and Machinery of erstwhile Conffi Sanitarywares Pvt Ltd, Solaris Ceramic Pvt Ltd and Tocco Ceramic Pvt Ltd., Make: Various Make, Hypothecation of Plant & Machinery. (Present & Future) (Second Charge on entire primary and collateral securities for GECL and GECL Extn facilities.) 2. All that piece and parcel of the land known and described as Non Agricultural land belongs to Solaris Ceramic Pvt Ltd, Tocco Ceramic Pvt Ltd and Conffi Sanitaryware Pvt. Ltd. **Collateral**: 1.EM of Commercial Plot bearing Factory Land & Buildings: S No. 148/1 & 148/2, House No:-S No. 148/1 & 148/2 Floor No:- Building Tower No:- Plot NO:- Sector No: City:-Village: Sartanpur District: -Morbi State:-Gujarat, Village: Sartanpur, Morbi, Gujarat, (Rural), 33488, Belongs to: TOCCO CERAMIC PVT. LTD, Who is: Borrower, Title Deed No: Sr No.0694 & 0701, Registered On: 07-MAR-11	31.40	62.33	114.60

Term loans / Car Loan From Banks	Nature of Security	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	2.EM of Commercial Building bearing Factory Land & Buildings: S NO 177/1/P1,177/1/P2 of ratavirda, House No:-S NO 177/1/P1,177/1/P2 of ratavirda Floor No:- Building Tower No:- Plot NO:- Sector No:- City-Conffi Sanitaryware Pvt. Ltd. District:-Morbi State:-, Conffi Sanitaryware Pvt. Ltd., Morbi, (Urban), 30857, Belongs to: Conffi Sanitaryware Pvt. Ltd., Who is Borrower, Title Deed No: 130,131, Registered On: 20-JAN-14, 3.EM of Commercial Plot bearing Factory Land & Buildings: S.No. 123/1, 123/1/1, 122/1, House No:-S.No.123/1, 123/1/1, 122/1 Floor No:- Building Tower No: Plot NO:- Sector No:- City-Village: Sartanpur District:-Morbi State: Village: Sartanpur, Morbi, (Rural),: 40469, Belongs to Solaris Ceramic Pvt Ltd, Who is: Borrower, Title Deed No: 541, Registered On : 27-Oct-09 4.Hypothecation of unencumbered Plant and Machinery of Conffi Sanitarywares Pvt Ltd, Solaris Ceramic Pvt Ltd and Tocco Ceramic Pvt Ltd., **Personal Guarantee of:** 1.Manishkumar Vallabhdas Varmora 2.Bharatbhai Vallabhdas Varmora 3.Bhavesh Vallabhdas Varmora 4.Hiren Ramanbhai Varmora 5.Ashokkumar Naranbhai Patel 6.Pramodkumar Parsotambhai Patel			
TERM LOAN - II	Primary Security: Hypothecation of entire plant and machinery and all other property, plant and equipment of the entity. (Present & Future), Collateral Security: EM of Factory Land & Buildings bearing Survey Number: SURVEY NO. 147/2, situated at N A S. No. 147/2 situated at village Sartanpar of Wankaner Taluka, Sartanpar, 363642, (Rural), Admeasuring Total Area: 6642.84 Sq Mt belongs to: VARMORA SANITARYWARES LLP & Personal Guarantee: of Hiren Ramanbhai Varmora, Rutvi Hirenbhai Varmora and Pramod Kumar Patel.	-	-	8.57
GECL - I	GECL Loan guaranteed by National Credit Guarantee Trustee Company Ltd.	17.00	17.00	17.00
GECL - II	Primary Security: Hypothecation of entire plant and machinery and all other property, plant and equipment of the entity. (Present & Future), Collateral Security: EM of Factory Land & Buildings bearing Survey Number: SURVEY NO. 147/2, situated at N A S. No. 147/2 situated at village Sartanpar of Wankaner Taluka, Sartanpar, 363642, (Rural), Admeasuring Total Area: 6642.84 Sq Mt belongs to: VARMORA SANITARYWARES LLP & Personal Guarantee: of Hiren Ramanbhai Varmora, Rutvi Hirenbhai Varmora and Pramod Kumar Patel.	-	0.65	4.65
Vehicle Loans From HDFC Bank				
Vehicle Loans	Secured by way of Specific Vehicle	16.66	20.72	14.27
Total		**2,648.11**	**2,817.05**	**1,206.17**

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(a.2) The terms of repayment of the above loans are as follows:

Term Loans/Car Loan	Repayment Terms	As at 31 March 2025				As at 31 March 2024				As at 31 March 2023			
		Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of each instalment ranging from	Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of each instalment ranging from	Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of each instalment ₹. ranging from
From HDFC Bank													
TERM LOAN - I (a)	Monthly	May 26	Variable rate i.e. 7.97%	14	2.22	May 26	Variable rate i.e. 8.54%	26	2.22	May 26	Variable rate i.e. 9.30%	38	2.22
TERM LOAN - I (b)	Quarterly	-	-	-	-	-	-	-	-	February 24	Variable rate i.e. 9.50%	4	7.40
TERM LOAN - II	Quarterly	August 25	Variable rate i.e. 8.59%	2	16.70	August 25	Variable rate i.e. 9.07%	6	16.43 to 17.82	August 25	Variable rate i.e. 8.38%	10	16.43 to 17.82
TERM LOAN - III (a)	Monthly	January 26	Variable rate i.e. 8.59%	10	1.15	January 26	Variable rate i.e. 9.07%	22	0.97	January 26	Variable rate i.e. 8.94%	34	0.97
TERM LOAN - III (b)	Monthly	May 27	Variable rate i.e. 8.59%	26	2.09	May 27	Variable rate i.e. 9.07%	38	2.09	May 27	Variable rate i.e. 9.20%	50	2.09
TERM LOAN - IV	Monthly	June 31	Variable rate i.e. 7.75%	75	16.88	June 31	Variable rate i.e. 8.56%	80	14.89	-	-	-	-
Term Loan - V-GECL	Monthly	-	-	-	-	October 24	Variable rate i.e. 9.07%	7	2.59	October 24	Variable rate i.e. 9.25%	19	2.59
Term Loan - VI (a)	Monthly	September 28	Variable rate i.e. 8.78%	42	3.67 to 4.93	October 28	Variable rate i.e. 9.30%	55	3.30 to 4.93	October 28	Variable rate i.e. 10.50%	67	2.89 to 4.93
Term Loan - VI (b)	Monthly	March 30	Variable rate i.e. 8.87%	60	1.35 to 2.09	-	-	-	-	-	-	-	-
TERM LOAN - VII (a)	Monthly	April 25	Variable rate i.e. 8.58%	1	1.26	April 25	Variable rate i.e. 9.06%	13	1.26	-	-	-	-
TERM LOAN - VII (b)	Monthly	November 26	Variable rate i.e. 8.58%	20	2.45	November 26	Variable rate i.e. 9.06%	32	2.45	-	-	-	-
TERM LOAN - VII (c)	Monthly	March 27	Variable rate i.e. 8.58%	24	1.57	March 27	Variable rate i.e. 9.06%	36	1.57	-	-	-	-
TERM LOAN - VII (d)	Monthly	July 26	Variable rate i.e. 8.58%	16	2.79	July 26	Variable rate i.e. 9.06%	28	2.79	-	-	-	-
Axis Bank													
TERM LOAN - I	Monthly	-	-	-	-	-	-	-	-	March 26	Variable rate i.e. 10.00%	37	3.10
TERM LOAN - II	Monthly	-	-	-	-	-	-	-	-	November 24	Variable rate i.e. 9.25%	20	1.68
Union Bank													
TERM LOAN - I (a)	Monthly	-	-	-	-	-	-	-	-	March 26	Variable rate i.e. 11.90%	36	2.62 to 12.54
TERM LOAN - I (b)	Monthly	-	-	-	-	-	-	-	-	October 26	Variable rate i.e. 9.25%	43	0.83 to 3.05
TERM LOAN - II	Monthly	-	-	-	-	-	-	-	-	December 26	Variable rate i.e. 9.25%	36	0.67
From ICICI Bank													
TERM LOAN-I	Monthly	April 31	Variable rate i.e. 8.65%	73	10.59	April 31	Variable rate i.e. 8.65%	80	9.98	-	-	-	-
From SBI Bank													
Term Loan- I (a)	Monthly	-	-	-	-	May 24	Variable rate i.e. 9.25%	2	1.97	May 24	Variable rate i.e. 9.40%	14	1.97
Term Loan- I (b)	Monthly	May 26	Variable rate i.e. 9.15%	14	2.15 to 2.25	May 26	Variable rate i.e. 9.25%	26	2.15 to 2.25	May 26	Variable rate i.e. 9.40% to 9.75%	38	2.15 to 3.20
Term loan- II	Monthly	-	-	-	-	-	-	-	-	March 24	Variable rate i.e. 10.60%	12	0.67 to 1.00
Term Loan GECL - I	Monthly	February 28	Variable rate i.e. 9.25%	36	0.47	February 28	Variable rate i.e. 9.25%	36	0.47	February 28	Variable rate i.e. 9.25%	36	0.47
Term Loan GECL - II	Monthly	-	-	-	-	May 24	Variable rate i.e. 9.25%	2	0.33	May 24	Variable rate i.e. 9.25%	14	0.31 to 0.33
Vehicle Loans From HDFC Bank													
Vehicle Loans	Monthly	February 26 to March 28	Fixed 7.40% to 8.90%	11 to 36	0.03 to 0.30	April 24 to January 28	Fixed 7.40% to 8.90%	1 to 46	0.03 to 0.30	May 21 to January 28	Fixed 7.50% to 8.70%	7 to 58	0.03 to 0.30

25 Lease Liability

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Non-current maturities of Lease liabilities	141.88	141.30	73.73
Current maturities of lease liabilities	18.01	18.22	17.47
Total	**159.89**	**159.52**	**91.20**

Refer note 49 for disclosure related to lease liability

26 Other financial liabilities (Non Current)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Differential voting rights (DVR shares), measured at FVTPL*	-	12.93	12.60
Total	**-**	**12.93**	**12.60**

* 30,000 equity shares with DVR are in the nature of liability as DVR holders have a right to put/ require Company to buyback such shares at fair value of the equity shares of the Company and consequently the DVR's are measured at fair value through profit and loss.

27 Provisions (Non Current)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits			
Provision for gratuity, unfunded	45.72	39.58	34.99
Total	**45.72**	**39.58**	**34.99**

28 Other Non-Current Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Government Grant Liability	351.53	429.22	41.88
Total	**351.53**	**429.22**	**41.88**

29 Borrowing (Current)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Secured			
Loan repayable on demand			
Working capital loan			
From banks*	2,214.47	1,123.85	1,055.59
Unsecured			
From related parties**	-	-	15.94
From banks	-	-	200.00
Interest accrued but not due on borrowings	14.01	12.00	15.70
Current maturities of non current loans	610.36	369.48	394.74
Total	**2,838.84**	**1,505.33**	**1,681.97**

*** After considering unamortised transaction cost amounting to ₹ 2.58 Millions (31 March 2024: ₹ 2.86 Millions and 31 March 2023: ₹ 2.30 Millions)**

**Loan from related party is repayable on demand. The interest rate on the same is 9% p.a.

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A Working Capital / Short Term Loan consists of the following:

Terms and conditions:	Nature of Security	Rate of Interest
HDFC Bank	Current Assets - First Pari Passu Charge by way of Hypothecation of all present and future current assets and Movable Fixed Assets : Exclusive Charge by way of Hypothecation of all present and future movable fixed assets of the company (Exclusive charge on Movable Fixed Asset includes Existing Unit II of the company) (Excluding Plant and Machineries of Unit 3 which is funded by ICICI Bank Ltd). Factory Land and Building (1) Exclusive charge by way of mortgage of Factory Land & Building located at survey no.148 & 149 part, Village : Dhuva , Tal.Wankaner, Morbi, Gujarat-363622 admeasuring 66783 sq.mts owned by Varmora Granito Limited (Formerly known as Varmora Granito Private Limited) (2) Exclusive charge by way of mortgage of Factory Land & Building located survey no.145 paiki & 146, situated at nearby Dhuva Over Bridge, National Highway 8-A, at: Dhuva, Tal. Wankaner, District- Morbi admeasuring total 24584 square metres owned at Varmora Ceramics Private Limited. (3) Exclusive charge by way of mortgage of building located at survey no.23/1, Lilapur,Morbi, Gujarat-363641 admeasuring 12140.46 square metres owned by Jaystar Industries. (4) Exclusive charge by way of mortgage of Factory Land & Building located at survey no. 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal: Wankaner. Dis: Morbi, Gujarat-363621 owned by Varmora Granito Private Limited (Unit 2 Of Borrower). (5) Exclusive charge by way of equitable mortgage of factory land and building located at Survey No. 136/P1, 136/P2, 137, 138, 147/1p4, 8-A, National Highway, At: Sartanpar Wankaner, Rajkot, Gujarat-363622 India previously owned by Nextile Marbosys Private Limited. Hypothecation on Equipment : Charge by way of Hypothecation of the Wind Mill power generation turbine and equipment to HDFC Bank Ltd. Plant and Machinery : Exclusive Charge by way of hypothecation of Plant & Machinery Of Unit 2 Situated at 147/1P9, 147/1P10, 147/1P11, 147/1P17 At Sartanpar Village, Tal: Wankaner. Dis: Morbi Plant and Machinery : Exclusive Charge by way of hypothecation of Plant & Machinery of Varmora Granito Pvt Ltd, Nextile Marbosys Private Limited and Varmora Ceramic Private Limited Personal Guarantee : Personal Guarantee of (1) Mr. Ashokkumar Naranbhai Patel (2) Mr. Bhavesh Vallabhdas Varmora (3) Mr. Pramodbhai Parshottambhai Patel (4) Mr. Hiren Ramanbhai Varmora Corporate Guarantee - Corporate Guarantee of Jaystar Industries	3M T Bill + 1.66% Spread
SBI Bank	**Primary** 1. First Pari Passu charge over entire current assets of the company for working capital limit with HDFC Bank and ICICI Bank Ltd. (Second Charge on entire stocks, book debts and all other current assets of the unit for GECL and GECL Extn facilities.) 2. All that piece and parcel of the land known and described as Non Agricultural land belongs to Solaris Ceramic Pvt Ltd, Tocco Ceramic Pvt Ltd and Coffi Sanitaryware Pvt. Ltd. **Collateral**: 1.EM of Commercial Plot bearing Factory Land & Buildings: S No. 148/1 & 148/2, House No:-S No. 148/1 & 148/2 Floor No:- Building Tower No:- Plot NO:- Sector No: City:-Village: Sartanpur District: -Morbi State:-Gujarat, Village: Sartanpur, Morbi, Gujarat, (Rural), 33488, Belongs to: TOCCO CERAMIC PVT. LTD, Who is: Borrower, Title Deed No: Sr No.0694 & 0701, Registered On: 07-MAR-11 2.EM of Commercial Building bearing Factory Land & Buildings: S NO 177/1/P1,177/1/P2 of ratavirda, House No:-S NO 177/1/P1,177/1/P2 of ratavirda Floor No:- Building Tower No:- Plot NO:- Sector No:- City-Conffi Sanitaryware Pvt. Ltd. District:-Morbi State:-, Conffi Sanitaryware Pvt. Ltd., Morbi, (Urban), 30857, Belongs to: Conffi Sanitaryware Pvt. Ltd., Who is Borrower, Title Deed No: 130,131, Registered On: 20-JAN-14, 3.EM of Commercial Plot bearing Factory Land & Buildings: S.No. 123/1, 123/1/1, 122/1, House No:-S.No. 123/1, 123/1/1, 122/1 Floor No:- Building Tower No: Plot NO:- Sector No:- City-Village: Sartanpur District:-Morbi State: Village: Sartanpur, Morbi, (Rural),: 40469, Belongs to Solaris Ceramic Pvt Ltd, Who is: Borrower, Title Deed No: 541, Registered On : 27-OCT-09 4.Hypothecation of unencumbered Plant and Machinery of Conffi Sanitarywares Pvt Ltd, Solaris Ceramic Pvt Ltd and Tocco Ceramic Pvt Ltd., Guarantees: i) Personal Guarantee of: 1.Manishkumar Vallabhdas Varmora 2.Bharatbhai Vallabhdas Varmora 3.Bhavesh Vallabhdas Varmora 4.Hiren Ramanbhai Varmora 5.Ashokkumar Naranbhai Patel 6.Pramodkumar Parsotambhai Patel	6 month MCLR + 0.25% Spread
ICICI Bank	Charge by way of hypothecation on all current assets of the Borrower, including but not limited to : i. book debts ii. Receivables	3M MCLR

Terms and conditions:	Nature of Security	Rate of Interest
HDFC Bank	a. Primary : 100% Fixed Deposit For Fixed deposit Backed Bank guarantee, Book Debts, Export Debtors, Fd For Margin Of Bg / Capex Lc / Lc, Industrial Property, Open plot, Plant And Machinery, Stock, Stock For Export b. Personal guarantee of all directors Property Address: 1.S No.20/p1,20/p2 At Ratavirda 221,222,Nr Rey Cera Creation Morbi,Gujarat,363642 (Type: Industrial Estates With Industdal Activity) 2.Survey No. 365,366/1,366/2,364/5,364/6, Village Sara, Tal - Muli At Sara, Surendranagar, 363001 (Type: Vacant Land)	9.60% Linked to T Bill
SBI Bank	Primary Security: Hypothecation of stocks, book debts and all other current assets of the unit (present & future) Collateral Security: (1) Equitable Mortgage of Factory Land & Buildings bearing Survey Number: SURVEY NO. 147/2, situated at N A S. No. 147/2 situated at village Sartanpar of Wankaner Taluka, Sartanpar, 363642, (Rural), Admeasuring Total Area: 6642.84 Sq Mt belongs to: Varmora Sanitarywares LLP (2) Plant and Machinery situated at factory premises of the unit i.e. located at Survey No. 147/2, situated at N A S No. 147/2 situated at village Sartanpar of Wankaner Taluka, Sartanpar - 363642. Personal Guarantee: Hiren Ramanbhai Varmora and Pramod Kumar Patel.	9.15% to 9.35% p.a.
Axis Bank	R. S. No. 228/ 1-1-17 p, 228/1p-2/p-1,228/2 & 228/3 of Nichi Mandal (admeasuring 28386 sq mt.) and 77/2/1 & 78/p-1 of Unchi Mandal, Nr. Italus Vitrified, Halwad Road, Mandal 7 Unchi Mandal Ta. Rajkot (admeasuring 48396 sq mt.), Assets of Simola Tiles LLP & Personal Guarantee of Partners.	Repo Rate + 5.90% spread
Union Bank	R. S. No. 228/ 1-1-17 p, 228/1p-2/p-1,228/2 & 228/3 of Nichi Mandal (admeasuring 28386 sq mt.) and 77/2/1 & 78/p-1 of Unchi Mandal, Nr. Italus Vitrified, Halwad Road, Mandal 7 Unchi Mandal Ta. Rajkot (admeasuring 48396 sq mt.), Assets of Simola Tiles LLP & Personal Guarantee of Partners.	12.95% p.a.

B Details of Quarterly Returns or statements of current assets filled with bank or financial institution for borrowings against current assets are agreement with books of accounts and discrepancies if any.

FY 2024-25 - Quarter	Books of accounts	Statement filed with bank
June	6,144.95	6,519.99
September	6,410.51	6,757.14
December	7,065.26	6,989.71
March	6,681.64	6,995.11
FY 2023-24 - Quarter	**Books of accounts**	**Statement filed with bank**
June	5,887.31	5,969.89
September	6,623.79	6,738.86
December	5,934.60	5,223.57
March	4,852.19	5,587.75
FY 2022-23 - Quarter	**Books of accounts**	**Statement filed with bank**
June	5,039.71	5,022.02
September	5,070.68	5,077.36
December	5,360.02	5,382.57
March	6,128.70	6,253.54

The difference in Quarterly Books of Accounts and statements is on account of untraced receivables and changes in the valuation of inventory is on account of overhead allocation and other adjustments post submission of the quarterly statements. Further, quarterly statements filed with bank are as per the sanctioned letter with respect to timing of its submission.

30 Trade Payables

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (MSME)*	33.11	18.38	34.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,065.74	1,914.56	2,366.12
Total	**2,098.85**	**1,932.94**	**2,400.56**

* The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

Trade payables ageing schedule
As at 31 March 2025

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	33.11	-	-	-	33.11
(ii) Others	2,032.59	30.14	0.57	2.44	2,065.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**2,065.70**	**30.14**	**0.57**	**2.44**	**2,098.85**

As at 31 March 2024

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	18.38	-	-	-	18.38
(ii) Others	1,903.88	4.67	3.69	2.32	1,914.56
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**1,922.26**	**4.67**	**3.69**	**2.32**	**1,932.94**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	34.44	-	-	-	34.44
(ii)Others	2,340.33	16.21	2.63	6.95	2,366.12
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**2,374.77**	**16.21**	**2.63**	**6.95**	**2,400.56**

Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
(a) Principal & Interest amount remaining unpaid but due as at year end			
- Principal Amount	27.91	15.16	33.10
- Interest due thereon	5.20	3.22	1.34
(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year			
- Interest	1.39	1.34	1.37
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	4.61	1.04	1.31
(d) Interest accrued and remaining unpaid as at year end	5.20	3.22	1.34
(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	5.20	3.22	1.34

The management has identified enterprises which have provided goods to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2025 has been made in the financials statements based on information received and available with the Company.

31 Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Customer trade deposits	68.02	56.01	50.83
Liability for expense	242.32	258.23	111.45
Capital creditors	-	269.03	10.93
Employee related payables	101.74	46.78	43.76
Total	**412.08**	**630.05**	**216.97**

32 Contract Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Advances received from customers	75.71	105.70	102.19
Total	**75.71**	**105.70**	**102.19**

Note:
Refer note 58 for disclosures in respect of revenue from contract with customers

33 Other Current Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Government Grant Liability	-	10.78	-
Statutory dues payable	112.12	30.41	96.62
Total	**112.12**	**41.19**	**96.62**

34 Provision (Current)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits			
Provision for gratuity, unfunded	3.46	3.25	3.33
Total	**3.46**	**3.25**	**3.33**

35 Current tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Current tax payable (net)	1.09	24.08	54.30
Total	**1.09**	**24.08**	**54.30**

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36 Revenue from operations

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Sale of Products			
Tiles and Allied products	14,342.62	14,213.89	13,239.08
Other Operating Revenue			
Insurance facilitation charges	37.95	50.02	39.20
Export incentive income	79.72	90.90	71.18
Total	**14,460.29**	**14,354.81**	**13,349.46**

Refer note 58 for disclosures in respect of revenue from contract with customers

37 Other Income

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest income			
- On fixed deposits with banks	74.80	127.76	79.29
- On inter corporate loans	5.03	4.86	5.85
- On income tax refund	0.01	0.25	0.03
- On security deposit	0.46	0.43	1.04
- On subsidy income	-	0.82	2.91
- On loan to employee	0.89	0.83	0.87
- Others	-	1.90	1.72
Investment classified at fair value through profit or loss	0.59	0.57	0.29
Amortisation of deferral gain on issue of CCPS	-	-	185.32
Fair value gain of embedded derivative liability (CCPS)	-	-	213.26
Fair value gain on sale of investments	-	-	12.11
Net (gain)/loss on fair value of derivative contracts measured at fair value through profit or loss	5.97	-	-
Reversal of expected credit loss	210.45	-	-
Profit on sale of property, plant & equipment (Net)	-	1.39	2.59
Net gain on foreign currency transactions	67.88	66.68	74.61
Balances written Back	8.66	11.46	2.43
Government grant income	88.47	152.53	65.49
Miscellaneous income	3.25	1.53	1.88
Total	**466.46**	**371.01**	**649.69**

38 Cost of materials consumed

Raw material consumed

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Raw materials at the beginning of the year	196.40	208.31	178.23
Add: On account of business combination (refer note 55)	-	-	64.99
Add: Purchases	3,835.92	2,929.58	2,914.95
Less: Raw materials at the end of the year	(249.59)	(196.40)	(208.31)
Total (A)	**3,782.73**	**2,941.49**	**2,949.86**

Packing material consumed

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Opening Stock	15.42	19.18	28.90
Add: Purchase	606.87	497.26	487.47
Less: Closing Stock	(23.31)	(15.42)	(19.18)
Total (B)	**598.98**	**501.02**	**497.19**
Total (A+B)	**4,381.71**	**3,442.51**	**3,447.05**

39 Purchases of Stock-in-trade

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Purchase of stock-in-trade	1,985.93	3,283.33	2,543.74
Total	**1,985.93**	**3,283.33**	**2,543.74**

40 Change in Inventories of Finished Goods, Work in Progress and Stock-in-trade

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Inventories at the beginning of the year			
Finished goods	1,279.18	1,288.27	840.05
Work-in-progress	71.81	65.64	33.74
Stock - in - trade	298.14	258.58	48.91
On account of business combination (refer note 55)	-	-	206.66
Total	1,649.13	1,612.49	1,129.36
Less: Inventories at the end of the year			
Finished goods	(2,217.49)	(1,279.18)	(1,288.27)
Work-in-progress	(137.67)	(71.81)	(65.64)
Stock-in-trade	(199.98)	(298.14)	(258.58)
Total	(2,555.14)	(1,649.13)	(1,612.49)
Net increase in inventories	**(906.01)**	**(36.64)**	**(483.13)**

41 Employee benefit expenses

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Salaries, wages and bonus	949.45	902.63	875.50
Defined benefit plan (refer note 47)	14.59	13.47	17.56
Contribution to provident and other funds (refer note 47)	11.57	11.39	6.11
Share based payment expense	88.50	31.58	-
Staff Welfare Expenses	27.05	15.99	9.99
Total	**1,091.16**	**975.06**	**909.16**

42 Finance Costs

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Interest expense on borrowings	398.17	263.98	214.14
Other finance cost	14.32	14.76	15.10
Interest expenses on lease liabilities	12.41	11.82	3.89
Interest expense on CCPS liability	-	-	182.09
Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	2.06
Total	**424.90**	**290.56**	**417.28**

43 Depreciation and amortisation expense

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Depreciation on property, plant and equipment	1,121.94	548.27	519.19
Depreciation on right of use of asset	26.67	22.97	14.33
Amortisation on intangible assets	45.47	44.87	28.00
Total	**1,194.08**	**616.11**	**561.52**

44 Other Expenses

Particulars	**For the Year Ended 31 March 2025**	**For the Year Ended 31 March 2024**	**For the Year Ended 31 March 2023**
Consumption of Stores & Spares	467.27	369.25	387.54
Water Charges	1.44	1.87	3.07
Power and fuel	3,650.72	2,844.29	3,244.64
Labour Work Contract Expense	759.41	581.53	444.63
Repairs & maintenance Expenses			
Building	11.46	6.56	13.33
Plant and machinery	83.17	84.03	92.10
Others	8.52	8.63	7.47
Insurance Expense	32.93	27.62	27.45
Legal & professional charges	63.11	41.77	103.72
Lease Rent & License Fees	27.21	31.69	47.38
Rates & Taxes	24.99	36.60	10.04
Product Designing Expenses	11.77	8.89	5.11
Balances written back	-	-	2.49
Audit Fees Expense* (Refer note below)	5.65	6.20	3.96
Other Manufacturing Expenses	37.10	20.77	32.17
Lab Analysis Expenses	1.31	1.33	0.61
Donation	1.93	2.66	3.70
Tours & Traveling Expense	59.04	38.79	31.44
Expected credit loss	-	194.07	89.73
Corporate social responsibilities expense	11.38	9.14	7.23
Selling & distribution	272.35	391.05	198.83
Advertisement and promotion expense	332.36	375.59	357.60
Loss on sale of property, plant & equipment (Net)	17.76	0.63	0.72
Freight Outward and Transportation Charges	437.14	393.04	281.88
Loss on extinguishment of liability on CCPS	-	-	216.48
Loss on fair value of call option on Non Controlling Interest of Simola Tiles LLP measured at fair value through profit or loss	-	4.50	106.20
Loss on fair value of Differential voting right (DVR)	0.12	0.33	0.30
Miscellaneous expenses	72.91	77.43	55.70
Total	**6,391.05**	**5,558.26**	**5,775.52**

*Note : The following is the break-up of Auditor's remuneration (excluding input credit of service tax / GST availed, if any)

Particulars	**For the Year Ended 31 March 2025**	**For the Year Ended 31 March 2024**	**For the Year Ended 31 March 2023**
As auditor:			
Statutory audit	4.75	6.05	3.40
In other capacity:			
Tax audit	0.25	0.15	0.30
Other matters	0.65	-	0.26
Total	**5.65**	**6.20**	**3.96**

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45 Earning per Share

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Profit attributable to the equity holders of Varmora Granito Limited	352.47	441.70	509.56
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	20,16,25,108	20,16,21,570	18,19,98,030
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	20,29,55,044	20,20,00,780	18,19,98,030
Basic earnings per share (In ₹)	1.75	2.19	2.80
Diluted earnings per share (In ₹)	1.74	2.19	2.80

Weighted average number of equity shares used as denominator

Particulars	Number of shares		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	20,16,25,108	20,16,21,570	18,19,98,030
Adjustments for calculation of diluted earning per share:			
Outstanding employee stock options	13,29,936	3,79,210	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share*	20,29,55,044	20,20,00,780	18,19,98,030

*The EPS presented above has been retrospectively adjusted for all presented period for share split and bonus share.

46 Contingent Liabilities and Commitments

(a) Contingent Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Claims against the company not acknowledged as a debt			
- Claims under Central Sales Tax Act	-	2.70	2.70
- Claims under Central Excise Duty Act	58.96	56.64	56.64
- Claims under Income Tax Act	139.44	556.71	556.71
- Claims under Goods and Service Tax Act	18.65	-	-
- Penalty demanded by Joint Director General of Foreign Trade Rajkot for non-submission of documents of EODC against EPCG authorisation.	-	-	20.00
- Others (National Green Tribunal)	13.68	13.68	13.68
- Interim Compensation demanded by National Green Tribunal and GPCB for the usage of Coal Gasifier Plant.	18.40	18.40	18.40
- Other business litigation	0.11	61.34	61.34
Bank Guarantee			
- Guarantee given by Company to Bank on behalf of the subsidiaries	-	-	959.41

(b) Capital Commitments

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	108.01	244.17	820.00

47 Employee Benefits

(A) Defined Contribution Plans

Contributions are made to provident fund in India for employees at the specified rate of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as under.

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Employers' Contribution to Provident Fund and other funds	11.57	11.39	6.11

(B) Defined benefit plans (Gratuity unfunded)

a) Gratuity payable to employees

The Group has defined benefit gratuity plan for its employees which is unfunded. Gratuity is computed as 15 days last drawn salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Group makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following table set out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at 31 March 2025, 31 March 2024 and 31 March 2023.

i) Actuarial assumptions

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	6.80%	7.20%	7.45%
Rate of increase in Salary (per annum)	5.50%	5.50%	5.50%
Normal retirement age	60 years	60 years	60 years
Average future service	20.23 to 29.07	23.35 to 30.15	22.37 to 26.43
Morality rate	IALM(2012-14) Rates	IALM(2012-14) Rates	IALM(2012-14) Rates
Withdrawal rates (per annum)	10.00% p.a at younger ages reducing to 2.00% p.a at older ages	10.00% p.a at younger ages reducing to 2.00% p.a at older ages	10.00% p.a at younger ages reducing to 2.00% p.a at older ages

Note-1: The discount rate is based upon the market yield available on government bonds at the valuation date relevant to currency of benefits payments for a term that matches the liability.

Note-2: The estimates for future salary increase rate takes in to account inflation, seniority, promotion, business plan, human resource policy and other relevant factors on long term basis.

Note-3: The company provides gratuity for employees as per the payment of gratuity Act 1972.

ii) Changes in the present value of defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	42.83	38.32	39.00
Interest cost	2.97	2.85	2.75
Current service cost	11.62	10.62	14.81
Benefits paid	(5.94)	(2.44)	(0.61)
Actuarial (gain) on obligations	(2.30)	(6.52)	(17.63)
Present value of obligation at the end of the year	**49.18**	**42.83**	**38.32**

iii) Expense recognized in the Statement of Profit and Loss

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Current service cost	11.62	10.62	14.81
Interest cost	2.97	2.85	2.75
Total expenses recognized in the Statement Profit and Loss	**14.59**	**13.47**	**17.56**

iv) Expense recognized in Other comprehensive income (OCI)

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Actuarial (gain) on obligation for the period	(2.30)	(6.52)	(17.63)
Net actuarial (gains) recognised in OCI	**(2.30)**	**(6.52)**	**(17.63)**

v) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Present value of unfunded obligation as at the end of the year	49.18	42.83	38.32
Net liability recognized in Balance Sheet	**49.18**	**42.83**	**38.32**

Bifurcation of current and Non-current

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Current liability	3.46	3.25	3.33
Non-current liability	45.72	39.58	34.99
Net liability recognized in Balance Sheet	**49.18**	**42.83**	**38.32**

vi) A quantitative sensitivity analysis for significant assumption is as shown below:

Impact on defined benefit obligation	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Discount rate			
Increase by 0.5%	(2.18)	(2.22)	(1.80)
Decrease by 0.5%	2.34	1.70	1.76
Rate of increase in salary			
Increase by 0.5%	1.93	1.38	1.53
Decrease by 0.5%	(1.89)	(2.05)	(1.68)
Rate of withdrawal			
Increase by 10%	0.37	0.05	0.29
Decrease by 10%	(0.44)	(0.74)	(0.49)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting periods. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant.

vii) Other information of defined benefit obligation

Year	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Maturity profile of defined benefit obligation			
Expected outgo first	3.46	3.26	3.33
Expected outgo second	3.35	3.01	2.86
Expected outgo third	3.56	2.91	2.69
Expected outgo fourth	2.99	3.42	2.60
Expected outgo fifth	3.44	2.85	2.86
Expected outgo six to ten years	26.51	23.08	15.73
Weighted average duration	10.58 to 12.87 years	10.71 to 13.00 years	9.56 to 12.31 years

48 Employee Share Based Payments

The Company has introduced ‘Varmora Employee Stock Option Plan 2023' ('ESOP 2023' or 'the Plan'). Under the plan, stock options in the Company are granted to certain employees upon meeting certain conditions. The options are equity settled and will vest over 1-3 years. The Nomination and Remuneration Committee of the company administers the scheme and grants stock options to eligible employees The fair value of the share options is estimated at the grant date using Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted.

A Description of share based payments:

Particulars	ESOP 2023
i. Date of Board approval	30-11-2023
ii. Date of Shareholders approval	08-12-2023
iii. Vesting requirements	(i) The options granted under ESOP 2023 would vest between 1-3 years (i.e. graded vesting) for all employee's except for Finance and branding team members where option will vest only with minimum service period of 3 years. (ii) Vesting conditions - other than CXO: (a) 33.33% of the granted options shall vest at the end of year 1 if service and performance conditions are satisfied; (b) 6.67% of the granted options shall vest at the end of year 2 if service and performance conditions are satisfied; (c) 20% of the granted options shall vest at the end of year 3 if service and performance conditions are satisfied; (d) 40% of the granted options shall vest when the investor's exit/Dilisuion. (iii) Vesting conditions - CXO: (a) 40% of the granted options shall vest at the end of year 1 if service and performance conditions are satisfied; (b) 6.67% of the granted options shall vest at the end of year 2 if service and performance conditions are satisfied; (c) 13.33% of the granted options shall vest at the end of year 3 if service and performance conditions are satisfied; (d) 40% of the granted options shall vest when the investor's exit/Dilisuion. (iv) Vesting of option would be subject to continued employment with the Company. (v) In addition, the Board may also specify certain performance based parameters subject to which the options would vest.
iv. Maximum vesting term of option	2 - 3 Years

Equity-settled options

The company has granted employee stock option as follows:

Particulars	As at 31 March 2025		As at 31 March 2024
Date of grant	27-06-2024	12-12-2024	08-12-2023
No. of options granted*	17,463	24,125	32,29,992
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting period	1-2 years	1-2 years	1-3 years
Exercise period	5 years from date of vesting	5 years from date of vesting	5 years from date of vesting
Vesting conditions	Service and Non market performance condition	Service and Non market performance condition	Service and Non market performance condition
Method of settlement	Equity shares of ₹ 2 each	Equity shares of ₹ 2 each	Equity shares of ₹ 2 each

*Adjusted for share split post approval of the scheme

Movement during the year

The number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	As at31 March 2025		As at31 March 2024	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	12,91,997	134.19	12,91,997	134.19
Share split during the year	19,37,995	-	-	-
Granted during the year	41,588	79.06	-	-
Forfeited during the year	5,14,248	69.03	-	-
Outstanding at the end of the year	**27,57,332**	**51.20**	**12,91,997**	**134.19**

B Summary of share based payments

Particulars	As at 31 March 2025	As at 31 March 2024
For share options outstanding		
Exercise prices*	2 - 114.12	2 - 114.12
Average remaining contractual life of options	5.66 years	6.80 years

*Adjusted for share split post approval of the scheme

C Fair value of employee stock options

The fair value of the equity-settled options is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for equity-settled options:

Year ended 31 March 2025	ESOP 2023	
<u>Valuation of Stock options granted - Grant I</u>		
Grant date	27-Jun-24	27-Jun-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	36.57	46.51
Exercise Price ₹	114.12	114.12
Expected volatility	33.83%	39.14%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	3.26 to 4.26 years	3.26 to 4.26 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model
<u>Valuation of Stock options granted - Grant II</u>		
Grant date	12-Dec-24	12-Dec-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	46.92	54.86
Exercise Price ₹	86.68	86.68
Expected volatility	33.33%	38.38%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	2.81 to 3.81 years	2.81 to 3.81 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model

Year ended 31 March 2025	ESOP 2023	
Valuation of Stock options granted - Grant III		
Grant date	12-Dec-24	12-Dec-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	33.17	43.20
Exercise Price ₹	114.12	114.12
Expected volatility	33.33%	38.38%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	2.81 to 3.81 years	2.81 to 3.81 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant IV		
Grant date	12-Dec-24	12-Dec-24
Vesting Dates	31-Mar-25	31-Mar-26
Expiry date	31-Mar-30	31-Mar-31
Fair value of option	110.95	111.06
Exercise Price ₹	2.00	2.00
Expected volatility	33.33%	38.38%
Basis of determination of expected volatility:		
Contractual Option Life (years) (till exercise period)	2.81 to 3.81 years	2.81 to 3.81 years
Risk free interest rate	6.90%	6.90%
Expected dividend rate	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model

Year ended 31 March 2024	ESOP 2023		
Valuation of Stock options granted - Grant I			
Grant date	08-Dec-23	08-Dec-23	08-Dec-23
Vesting Dates	08-Dec-24	31-Mar-25	31-Mar-26
Expiry date	08-Dec-29	31-Mar-30	31-Mar-31
Fair value of option	46.57	49.64	54.67
Exercise Price ₹	86.68	86.68	86.68
Expected volatility	36.79%	39.61%	39.71%
Basis of determination of expected volatility:			
Contractual Option Life (years) (till exercise period)	3.5 to 4.81 years	3.5 to 4.81 years	3.5 to 4.81 years
Risk free interest rate	6.90%	6.90%	6.90%
Expected dividend rate	Nil	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant II			
Grant date	08-Dec-23	08-Dec-23	08-Dec-23
Vesting Dates	08-Dec-24	31-Mar-25	31-Mar-26
Expiry date	08-Dec-29	31-Mar-30	31-Mar-31
Fair value of option	35.07	38.90	44.76
Exercise Price ₹	114.12	114.12	114.12
Expected volatility	36.79%	39.61%	39.71%
Basis of determination of expected volatility:			
Contractual Option Life (years) (till exercise period)	3.5 to 4.81 years	3.5 to 4.81 years	3.5 to 4.81 years
Risk free interest rate	6.90%	6.90%	6.90%
Expected dividend rate	Nil	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Valuation of Stock options granted - Grant III			
Grant date	08-Dec-23	08-Dec-23	08-Dec-23
Vesting Dates	08-Dec-24	31-Mar-25	31-Mar-26
Expiry date	08-Dec-29	31-Mar-30	31-Mar-31
Fair value of option	104.13	104.16	104.26
Exercise Price ₹	2.00	2.00	2.00
Expected volatility	36.79%	39.61%	39.71%
Basis of determination of expected volatility:			
Contractual Option Life (years) (till exercise period)	3.5 to 4.81 years	3.5 to 4.81 years	3.5 to 4.81 years
Risk free interest rate	6.90%	6.90%	6.90%
Expected dividend rate	Nil	Nil	Nil
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

The expected volatility was determined based on historical volatility in stock price of comparable listed entities, considering expected term of options. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant for equity settled options , corresponding with the expected / residual life of the share-linked instruments has been consider.

D Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

Particulars	As at 31 March 2025	As at 31 March 2024
Total Employee compensation cost pertaining to share-based payment plans	88.50	31.58
Employees compensation cost pertaining to equity-settled employee share-based payment plan included above	88.50	31.58
Employee stock options reserve as at year end	120.08	31.58

49 Leases

Where the Group is a lessee

The Group leases various offices and lands. Rental contracts are typically made for fixed periods from one year to fifty years.

A. The following is the movement in lease liabilities during the year ended 31 March 2025, 31 March 2024 and 31 March 2023:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	159.52	91.20	28.43
Additions during the year	22.02	84.56	73.39
Add: Interest Expenses	12.41	11.82	3.89
Less: Payments during the year	(30.91)	(28.06)	(14.50)
Less: Deletion during the year	(3.15)	-	-
Closing balance	**159.89**	**159.52**	**91.20**
Current	18.01	18.22	17.47
Non-current	141.88	141.30	73.73
Closing balance	**159.89**	**159.52**	**91.20**

B. The following are amounts recognised in statement of profit and loss:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Depreciation expense of right-of-use assets	26.67	22.97	14.33
Interest expense on lease liabilities	12.41	11.82	3.89
Expenses relating to short-term leases	27.21	31.69	47.38
Total	**66.29**	**66.48**	**65.60**

C. The following are amounts recognised in cash flow statement:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Payment of lease liabilities - principal	18.50	16.24	10.61
Payment of lease liabilities - interest	12.41	11.82	3.89

D. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Minimum lease payments due	As at 31 March 2025		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	29.18	11.17	18.01
1-2 years	24.50	10.02	14.48
2-3 years	22.04	8.88	13.16
More than 3 years	391.69	277.45	114.24
Total	**467.41**	**307.52**	**159.89**

Minimum lease payments due	As at 31 March 2024		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	28.22	10.00	18.22
1-2 years	21.84	11.01	10.83
2-3 years	17.17	9.27	7.90
More than 3 years	406.55	283.98	122.57
Total	**473.78**	**314.26**	**159.52**

Minimum lease payments due	As at 31 March 2023		
	Lease Payments	Finance Charges	Net Present Values
Less than 1 year	23.67	6.21	17.46
1-2 years	22.92	4.85	18.07
2-3 years	16.57	3.59	12.98
More than 3 years	53.58	10.89	42.69
Total	**116.74**	**25.54**	**91.20**

50 Related Party Disclosures

1. Name of the related parties and description of relationship:

Sr. No.	Description of Relationship	Name of the related party
1	Reporting entity (VGL) being Jointly controlled entity / Joint Venturers	1. Katsura Investments 2. Promoter and close member of family of Promotor who are shareholders of Varmora Granito Limited ('VGL') (Formerly known as Varmora Granito Private Limited) and acting together Bhavesh Vallabhdas Varmora Hiren Ramanbhai Varmora Pramodkumar Parsotambhai Patel Ramanbhai Jivrajbhai Varmora Vallabhbhai Jivrajbhai Varmora Bharatbhai Vallabhdas Varmora Manishkumar Vallabhbhai Varmora Ashokbhai Naranbhai Patel Rajkumar Varmora Parsotambhai Jivrajbhai Patel Praful Parsotambhai Varmora Adarsh Harilal Patel
2	Key Management Personnel	Bhavesh Vallabhdas Varmora Hiren Ramanbhai Varmora Pramodkumar Parsotambhai Patel Nimeshkumar Baraiya (upto 6 November 2023) Kamalshil shirvi Rajeshkumar shirvi Vinubhai Mavjibhai Lenchiya (upto 23 October 2023) Chamanbhai Muljibhai Detroja (upto 23 October 2023) Suryanarayanan Sivaramakrishnan (w.e.f. 7 June 2023) Bhavesh Koshti (w.e.f. 27 January 2025) Nilesh Sharma (w.e.f. 1 September 2023)
3	Subsidiaries	Simola Tiles LLP Covertek Ceramica Private Limited Varmora Sanitarywares LLP Nextile Marbosys Private Limited (Merged with VGL w.e.f 1 April 2023) Solaris Ceramics Private Limited (Merged with VGL w.e.f 1 April 2023) Tocco Ceramic Private Limited (Merged with VGL w.e.f 1 April 2023) Conffi Sanitaryware Private Limited (Merged with VGL w.e.f 1 April 2023) Varmora Ceramics Private Limited (Merged with VGL w.e.f 1 April 2023)
4	Associate	Sentosa Granito Private Limited Fiorenza Granito Private Limited
5	Joint venture	Avalta Granito Private Limited Renite Vitrified LLP (w.e.f. 28 July 2022)
6	Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives	Varmora International Varmora Plastech Private Limited I Shree Developers (upto 6 November 2023) Shyam Coal Corporation (upto 6 November 2023)
7	Close members of key management personnel	Ashokbhai Naranbhai Patel Ramanbhai Jivrajbhai Varmora Vallabhbhai Jivrajbhai Varmora Bharatbhai Vallabhdas Varmora Manishkumar Vallabhbhai Varmora Parshottambhai Jivarajbhai Patel Prakashbhai Parsotambhai Patel Bhavnaben Ramanbhai Varmora Naranbhai Hansrajbhai Patel Renukaben Ashokbhai Patel Rutviben Hirenbhai Varmora Nidhi Bharatkumar Zalariya Hiren R. Varmora (HUF) Ranjanben Vallabhbhai Varmora Hargovindbhai Tribhovanbhai Zalaria Jalpaben Abhishek Lenchiya Abhishek Vinodbhai Lenchiya Hiral Vinodbhai Lenchiya Bharatbhai Hargovindbhai Zalariya (HUF) Hetal Bharatbhai Varmora Lataben Pramodbhai Patel Dishita Pramodbhai Patel Savitaben Parsotambhai Patel Harjivanbhai Muljibhai Detroja Bharatbhai Hargovindbhai Zalariya Godavariben H. Zalariya (upto 23 October 2023) Savjibhai Devshibhai Baraiya (upto 06 November 2023) Harshil Snehalbhai Shah (upto 06 November 2023) Pravinbhai Devshibhai Baraiya (upto 06 November 2023) Rameshbhai Devshibhai Baraiya (upto 06 November 2023) Krutika Bhavesh Koshti (w.e.f. 27 January 2025)

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Annexure V - Summary statement of material accounting policies and other explanatory information
(Amount in ₹ Millions, unless otherwise stated)

2. Detail of transactions with related parties

Sr. No.	Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
1	**Associate / Joint Venture**				
	Renite Vitrified LLP	Sale of Goods (including taxes)	0.04	0.31	1.50
	Sentosa Granito Private Limited	Sale of Goods (including taxes)	0.37	0.25	-
	Avalta Granito Private Limited	Sale of Goods (including taxes)	-	0.14	-
	Fiorenza Granito Private Limited	Sale of Goods (including taxes)	3.00	0.02	-
	Fiorenza Granito Private Limited	Purchase of Goods (Including taxes)	78.01	196.32	357.17
	Sentosa Granito Private Limited	Purchase of Goods (Including taxes)	-	0.92	50.43
	Renite Vitrified LLP	Purchase of Goods (Including taxes)	13.81	30.39	5.76
	Avalta Granito Private Limited	Purchase of Goods (Including taxes)	17.96	110.07	10.74
	Avalta Granito Private Limited	Deposit Interest Income	3.38	3.38	3.38
	Fiorenza Granito Private Limited	Deposit Interest Income	1.48	1.48	1.48
	Fiorenza Granito Private Limited	Loan Recovered	-	-	1.33
	Avalta Granito Private Limited	Loan Recovered	-	-	3.04
2	**Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives**				
	Varmora Plastech Private Limited	Sale of Goods (including taxes)	0.71	0.47	0.21
	Varmora International	Sale of Capital Goods (including taxes)	-	-	18.20
	Varmora International	Purchase of Goods (including taxes)	-	-	212.60
	Varmora Plastech Private Limited	Purchase of Goods (including taxes)	0.95	4.75	8.04
	Varmora Plastech Private Limited	Loan Given	-	-	2.50
	Varmora Plastech Private Limited	Loan Recovered	-	-	2.50
	Varmora International	Advance Collection Made on Behalf of Varmora International	-	-	1.08
	Varmora International	Collection Made on Behalf of Varmora International	-	-	0.66
	Varmora International	Purchase of Goods/Services (including taxes)	-	-	0.71
	Varmora Plastech Private Limited	Showroom Expense / Sales Promotion Expense (including taxes)	-	2.60	-
	Varmora Plastech Private Limited	Other Expenses (including taxes)	0.94	0.02	-
	Shyam Coal Corporation	Purchase of Goods (including taxes)	-	6.48	31.06
3	**Key Managerial Personnel**				
	Pramodkumar Parsotambhai Patel	Sale of Goods (including taxes)	-	-	0.00
	Hiren Ramanbhai Varmora	Sale of Goods (including taxes)	0.01	0.10	0.56
	Bharatbhai Vallabhdas Varmora	Sale of Goods (including taxes)	-	-	0.19
	Bhavesh Vallabhdas Varmora	Remunerations (Short term employee benefit)*	3.53	3.51	3.46
	Hiren Ramanbhai Varmora	Remunerations (Short term employee benefit)*	3.53	3.51	3.46
	Pramodkumar Parsotambhai Patel	Remunerations (Short term employee benefit)*	3.53	3.51	3.46
	Bhavesh Koshti	Remunerations (Short term employee benefit)*	1.83	-	-
	Nilesh Sharma	Remunerations (Short term employee benefit)*	1.92	0.94	-
	Nimeshkumar Baraiya	Remunerations (Short term employee benefit)*	-	-	3.00
	Vinubhai Mavjibhai Lenchiya	Remunerations (Short term employee benefit)*	-	-	0.25
	Suryanarayanan Sivaramakrishnan	Other Expense (including taxes)	4.13	2.99	-
	Bhavesh Vallabhdas Varmora	Other Expense (including taxes)	1.67	1.15	-
	Hiren Ramanbhai Varmora	Other Expense (including taxes)	1.74	0.38	-
	Vinubhai Mavjibhai Lenchiya	Buyback of Shares	-	-	15.20
	Chamanbhai Muljibhai Detroja	Buyback of Shares	-	-	6.98
	Hiren Ramanbhai Varmora	Deposits Accepted	-	-	6.62
	Hiren Ramanbhai Varmora	Deposits Repaid	-	-	6.62
	Hiren Ramanbhai Varmora	Loans Accepted	-	-	1.56
	Nimeshkumar Baraiya	Loans Accepted	-	-	0.75
	Pramodkumar Parsotambhai Patel	Loans Accepted	-	-	0.50
	Bhavesh Vallabhdas Varmora	Loans Repaid	-	-	1.74
	Bharatbhai Hargovindbhai Zalariya	Loans Repaid	-	-	8.45
	Pramodkumar Parsotambhai Patel	Loans Repaid	-	-	1.46
	Ashokbhai Naranbhai Patel	Loans Repaid	-	-	0.17
	Hiren Ramanbhai Varmora	Loans Repaid	-	-	5.53
	Pramodkumar Parsotambhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	2.98
	Bhavesh Vallabhdas Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	3.26
	Nimeshkumar Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.02
	Hiren Ramanbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	1.06
	Nimeshkumar Baraiya	Interest on unsecured loan	-	0.02	0.06
	Nimeshkumar Baraiya	Loan Repaid	-	0.89	0.90
	Kamalshil shirvi	Loans and advance to partner	-	22.26	81.07
	Rajeshkumar shirvi	Loan & Advance paid including interest to Related party	22.26	-	-
	Kamalshil shirvi	Loan & Advance repaid including interest to Related party	-	0.13	-
	Rajeshkumar shirvi	Payment received for advance to partner	22.00	69.22	0.13

Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)
Annexure V - Summary statement of material accounting policies and other explanatory information
(Amount in ₹ Millions, unless otherwise stated)

Sr. No.	Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
4	**Close members of Key Managerial Personnel**				
	Ashokbhai Naranbhai Patel	Sale of Capital Goods (including taxes)	-	-	12.65
	Bharatbhai Vallabhdas Varmora	Sale of Capital Goods (including taxes)	-	-	0.02
	Naranbhai Hansrajbhai Patel	Sale of Capital Goods (including taxes)	-	-	1.30
	Ramanbhai Jivrajbhai Varmora	Sale of Capital Goods (including taxes)	-	-	0.22
	Vallabhbhai Jivrajbhai Varmora	Sale of Capital Goods (including taxes)	-	-	0.08
	Bharatbhai Vallabhdas Varmora	Sale of Goods (including taxes)	0.01	0.09	0.19
	Manishkumar Vallabhbhai Varmora	Sale of Goods (including taxes)	0.05	0.03	-
	Bharatbhai Vallabhdas Varmora	Other Expense (including Taxes)	0.14	0.01	-
	Manishkumar Vallabhbhai Varmora	Other Expense (including Taxes)	0.04	0.11	-
	Ashokbhai Naranbhai Patel	Other Expense (including Taxes)	0.24	-	-
	Krutika Bhavesh Koshti	Other Expense (including Taxes)	1.00	-	-
	Ranjanben Vallabhbhai Varmora	Rent paid	0.51	-	0.18
	Bhavnaben Ramanbhai Varmora	Rent paid	0.51	-	-
	Ashokbhai Naranbhai Patel	Remunerations (Short term employee benefit)*	2.65	2.63	2.59
	Bharatbhai Vallabhdas Varmora	Remunerations (Short term employee benefit)*	3.53	3.51	3.46
	Manishkumar Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	3.53	3.51	3.46
	Nidhi Bharatkumar Zalariya	Remunerations (Short term employee benefit)*	0.82	-	0.50
	Hargovindbhai Tribhovanbhai Zalaria	Remunerations (Short term employee benefit)*	-	-	0.50
	Savjibhai Devshibhai Baraiya	Remunerations (Short term employee benefit)*	-	-	0.90
	Jalpaben Abhishek Lenchiya	Remunerations (Short term employee benefit)*	-	-	0.54
	Abhishek Vinodbhai Lenchiya	Remunerations (Short term employee benefit)*	-	-	0.54
	Hiral Vinodbhai Lenchiya	Remunerations (Short term employee benefit)*	-	-	0.54
	Jalpaben Abhishek Lenchiya	Commission Paid	-	-	0.07
	Hiral Vinodbhai Lenchiya	Commission Paid	-	-	0.07
	Naranbhai Hansrajbhai Patel	Deposits Accepted	-	-	0.30
	Ashokbhai Naranbhai Patel	Deposits Repaid	-	-	0.35
	Ramanbhai Jivrajbhai Varmora	Deposits Repaid	-	-	4.28
	Naranbhai Hansrajbhai Patel	Deposits Repaid	-	-	7.50
	Bhavnaben Ramanbhai Varmora	Deposits Repaid	-	-	6.94
	Renukaben Ashokbhai Patel	Deposits Repaid	-	-	3.56
	Nidhi Bharatkumar Zalariya	Deposits Repaid	-	-	3.74
	Parsotambhai Jivrajbhai Patel	Deposits Repaid	-	-	5.14
	Nidhi Bharatkumar Zalariya	Salary Paid	-	-	0.50
	Manishkumar Vallabhbhai Varmora	Loans Accepted	-	-	0.43
	Nidhi Bharatkumar Zalariya	Loans Accepted	-	-	1.73
	Bhavnaben Ramanbhai Varmora	Loans Accepted	-	-	0.10
	Bharatbhai Vallabhdas Varmora	Loans Accepted	-	-	1.05
	Savjibhai Devshibhai Baraiya	Loans Accepted	-	-	10.75
	Harshil Snehalbhai Shah	Loans Accepted	-	-	5.00
	Pravinbhai Devshibhai Baraiya	Loans Accepted	-	-	1.00
	Rameshbhai Devshibhai Baraiya	Loans Accepted	-	-	6.00
	Ranjanben Vallabhbhai Varmora	Loans Accepted	-	-	0.08
	Bharatbhai Hargovindbhai Zalariya	Loans Repaid	-	-	8.45
	Bharatbhai Hargovindbhai Zalariya (HUF)	Loans Repaid	-	-	1.61
	Hargovindbhai Tribhovanbhai Zalaria	Loans Repaid	-	-	0.05
	Godavariben H. Zalariya	Loans Repaid	-	-	0.58
	Ashokbhai Naranbhai Patel	Loans Repaid	-	-	0.17
	Vallabhbhai Jivrajbhai Varmora	Loans Repaid	-	-	2.76
	Hiren Ramanbhai Varmora	Loans Repaid	-	-	1.54
	Rutviben Hirenbhai Varmora	Loans Repaid	-	-	4.42
	Manishkumar Vallabhbhai Varmora	Loans Repaid	-	-	6.08
	Nidhi Bharatkumar Zalariya	Loans Repaid	-	-	1.89
	Bhavnaben Ramanbhai Varmora	Loans Repaid	-	-	3.59
	Bharatbhai Vallabhdas Varmora	Loans Repaid	-	-	6.81
	Renukaben Ashokbhai Patel	Loans Repaid	-	-	0.54
	Hetal Bharatbhai Varmora	Loans Repaid	-	-	3.02
	Lataben Pramodbhai Patel	Loans Repaid	-	-	0.68
	Dishita Pramodbhai Patel	Loans Repaid	-	-	1.09
	Prakashbhai Parsotambhai Patel	Loans Repaid	-	-	1.86
	Savitaben Parsotambhai Patel	Loans Repaid	-	-	1.08
	Ranjanben Vallabhbhai Varmora	Loans Repaid	-	-	3.38
	Harjivanbhai Muljibhai Detroja	Loans Repaid	-	-	1.81
	Savjibhai Devshibhai Baraiya	Loans Repaid	-	3.01	1.35
	Harshil Snehalbhai Shah	Loans Repaid	-	6.09	10.00
	Pravinbhai Devshibhai Baraiya	Loans Repaid	-	5.15	3.25
	Bhavnaben Ramanbhai Varmora	Loans Repaid	-	-	2.00
	Hetal Bharatbhai Varmora	Loans Repaid	-	-	2.13
	Manishkumar Vallabhbhai Varmora	Loans Repaid	-	-	1.50
	Rameshbhai Devshibhai Baraiya	Loans Repaid	-	1.17	-

Sr. No.	Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
	Savjibhai Devshibhai Baraiya	Interest on unsecured loan	-	0.07	0.19
	Harshil Snehalbhai Shah	Interest on unsecured loan	-	0.14	0.39
	Pravinbhai Devshibhai Baraiya	Interest on unsecured loan	-	0.12	0.33
	Rameshbhai Devshibhai Baraiya	Interest on unsecured loan	-	0.03	0.07
	Bharatbhai Hargovindbhai Zalariya	Reimbursement of Expenses	-	-	0.03
	Manishkumar Vallabhbhai Varmora	Reimbursement of Expenses	-	-	0.17
	Bharatbhai Vallabhdas Varmora	Reimbursement of Expenses	-	-	0.32
	Bharatbhai Vallabhdas Varmora	Sale of Plant, Property & Equipment	-	-	1.83
	Bharatbhai Hargovindbhai Zalariya (HUF)	Buyback of Shares	-	-	8.22
	Harjivanbhai Muljibhai Detroja	Buyback of Shares	-	-	7.20
	Parsotambhai Jivrajbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.11
	Manishkumar Vallabhbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.05
	Bharatbhai Vallabhdas Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.12
	Vallabhbhai Jivrajbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.18
	Bhavnaben Ramanbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.11
	Ramanbhai Jivrajbhai Varmora	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.23
	Ashokkumar Naranbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.07
	Nidhi Bharatkumar Zalariya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.11
	Pravinbhai Devshibhai Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.03
	Savjibhai Devshibhai Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.02
	Harshil Snehalbhai Shah	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.01
	Rameshbhai Devshibhai Baraiya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.02
	Renukaben Ashokbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.01
	Naranbhai Hansrajbhai Patel	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.02
	Bharatbhai Hargovindbhai Zalariya	Interest expense on non-cumulative redeemable preference shares/ redeemable preference shares	-	-	0.16

* Does not include employee benefits in relation to gratuity, as such provisions are for the Company as a whole.
All the related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

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3. Following are the balances outstanding as at the year end:

Sr. No.	Name of the related party	Nature	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
1	**Associate / Joint Venture**				
	Fiorenza Granito Private Limited	Payables	29.41	30.23	75.62
	Sentosa Granito Private Limited	Payables	-	-	6.77
	Avalta Granito Private Limited	Payables	2.07	16.11	4.53
	Renite Vitrified LLP	Payables	-	4.94	-
	Fiorenza Granito Private Limited	Trade Receivable	2.10	-	-
	Avalta Granito Private Limited	Loan Receivable	40.54	37.50	37.50
	Fiorenza Granito Private Limited	Loan Receivable	17.72	16.39	16.39
	Renite Vitrified LLP	Advance given to vendor	10.00	-	-
2	**Key Managerial Personnel**				
	Nimeshkumar Baraiya	Loans Repayable	-	-	0.87
	Kamalshil Shirvi	Loans Repayable	-	-	0.13
	Hiren Ramanbhai Varmora	Trade Receivable	0.38	0.70	0.56
	Rajeshkumar Shirvi	Loans and advance to partner	22.00	22.26	81.08
	Bhavesh Vallabhdas Varmora	Payables	0.02	0.01	-
	Nimeshkumar Baraiya	Payables	-	-	0.17
	Hiren Ramanbhai Varmora	Remunerations (Short term employee benefit)*	0.28	-	-
	Pramodkumar Parsotambhai Patel	Remunerations (Short term employee benefit)*	0.28	-	-
	Bhavesh Vallabhdas Varmora	Remunerations (Short term employee benefit)*	0.28	-	-
	Bhavesh Koshti	Remunerations (Short term employee benefit)*	0.61	-	-
	Nilesh Sharma	Remunerations (Short term employee benefit)*	0.15	-	-
	Bhavesh Vallabhdas Varmora	Equity component of compound financial instrument (NCRPS)	1.32	1.32	1.32
	Hiren Ramanbhai Varmora		0.59	0.59	0.59
	Pramodkumar Parsotambhai Patel		1.26	1.26	1.26
3	**Close members of Key Managerial Personnel**				
	Savjibhai Devshibhai Baraiya	Loans Repayable	-	-	2.94
	Harshil Snehalbhai Shah	Loans Repayable	-	-	5.95
	Pravinbhai Devshibhai Baraiya	Loans Repayable	-	-	5.04
	Rameshbhai Devshibhai Baraiya	Loans Repayable	-	-	1.14
	Savjibhai Devshibhai Baraiya	Payables	-	-	0.56
	Bharatbhai Vallabhdas Varmora	Trade Receivable	-	-	0.13
	Bharatbhai Vallabhdas Varmora	Trade Receivable	-	1.08	0.24
	Manishkumar Vallabhbhai Varmora	Trade Receivable	-	0.11	0.07
	Bharatbhai Hargovindbhai Zalariya	Trade Receivable	-	0.01	-
	Ashokbhai Naranbhai Patel	Other Receivable	0.06	-	-
	Bharatbhai Vallabhdas Varmora	Remunerations (Short term employee benefit)*	0.28	-	-
	Ashokbhai Naranbhai Patel	Remunerations (Short term employee benefit)*	0.21	-	-
	Nidhi Bharatkumar Zalariya	Remunerations (Short term employee benefit)*	0.07	-	-
	Manishkumar Vallabhbhai Varmora	Remunerations (Short term employee benefit)*	0.28	-	-
	Parsotambhai Jivrajbhai Patel	Equity component of compound financial instrument (NCRPS)	1.42	1.42	1.42
	Manishkumar Vallabhbhai Varmora		0.72	0.72	0.72
	Bharatbhai Vallabhdas Varmora		1.47	1.47	1.47
	Vallabhbhai Jivrajbhai Varmora		2.38	2.38	2.38
	Bhavnaben Ramanbhai Varmora		1.50	1.50	1.50
	Ramanbhai Jivrajbhai Varmora		3.00	3.00	3.00
	Ashokbhai Naranbhai Patel		0.95	0.95	0.95
	Nidhi Bharatkumar Zalariya		1.45	1.45	1.45
	Renukaben Ashokbhai Patel		0.06	0.06	0.06
	Bharatkumar Hargovindbhai Zalariya		2.69	2.69	2.69
4	**Enterprise Controlled by the key management personnel or Individual having significant control or their Relatives**				
	Varmora International	Trade Receivable	-	-	1.07
	Varmora International	Payables	-	-	49.05
	I Shree Developers	Payables	-	-	0.01
	Shyam Coal Corporation	Payable	-	-	3.67
	Varmora Plastech Private Limited	Payables	-	0.16	4.00

Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

4. Other related party transactions during the year (representing those eliminated on consolidation)

Sr. No.	Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
1	**Subsidiaries**				
	Conffi Sanitaryware Private Limited				
	Varmora Granito Limited	Interest on unsecured loan	-	-	7.81
	Varmora Ceramics Private Limited	Purchase of goods (including taxes)	-	-	0.02
	Varmora Granito Limited	Sale of goods (including taxes)	-	-	13.03
	Covertek Ceramica Private Limited	Sale of goods (including taxes)	-	-	0.02
	Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	0.03
	Varmora Granito Limited	Loans accepted	-	-	136.00
	Varmora Granito Limited	Other Income	-	-	0.02
	Varmora Granito Limited	Loans repaid	-	-	2.50
	Covertek Ceramica Private Limited				
	Varmora Granito Limited	Interest on unsecured loan	15.78	15.78	15.52
	Varmora Granito Limited	Purchase of goods (including taxes)	4.82	0.98	-
	Varmora Granito Limited	Purchase of capital goods (including taxes)	3.30	-	-
	Conffi Sanitaryware Private Limited	Purchase of goods (including taxes)	-	-	0.02
	Varmora Granito Limited	Sale of goods (including taxes)	857.51	1,448.54	1,094.38
	Simola Tiles LLP	Sale of goods (including taxes)	12.40	22.80	33.12
	Varmora Granito Limited	Loans accepted	-	-	26.29
	Varmora Granito Limited	Loans repaid	-	15.78	13.97
	Varmora Ceramics Private Limited	Loans repaid	-	-	6.00
	Nextile Marbosys Private Limited				
	Varmora Granito Limited	Purchase of goods (including taxes)	-	-	2.83
	Conffi Sanitaryware Private Limited	Purchase of goods (including taxes)	-	-	0.03
	Simola Tiles LLP	Purchase of goods (including taxes)	-	-	48.90
	Tocco Ceramic Private Limited	Purchase of goods (including taxes)	-	-	0.01
	Varmora Ceramics Private Limited	Purchase of goods (including taxes)	-	-	0.03
	Varmora Sanitarywares LLP	Purchase of goods (including taxes)	-	-	428.11
	Varmora Granito Limited	Sale of goods (including taxes)	-	-	1,009.38
	Simola Tiles LLP	Sale of goods (including taxes)	-	-	1.36
	Varmora Granito Limited	Loans accepted	-	-	103.85
	Varmora Granito Limited	Loans repaid	-	-	9.13
	Varmora Granito Limited	Interest on unsecured loan	-	-	10.14
	Simola Tiles LLP				
	Varmora Granito Limited	Interest on unsecured loan	19.84	22.46	6.39
	Varmora Granito Limited	Purchase of goods (including taxes)	65.74	7.11	11.13
	Covertek Ceramica Private Limited	Purchase of goods (including taxes)	12.40	22.80	33.12
	Nextile Marbosys Private Limited	Purchase of goods (including taxes)	-	-	1.36
	Varmora Granito Limited	Sale of goods (including taxes)	32.26	129.74	37.34
	Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	48.90
	Varmora Granito Limited	Other Income	0.02	-	-
	Varmora Granito Limited	Loans accepted	10.00	-	254.50
	Varmora Granito Limited	Loans repaid	50.00	12.25	10.75
	Solaris Ceramics Private Limited				
	Varmora Granito Limited	Purchase of goods (including taxes)	-	-	0.76
	Varmora Granito Limited	Sale of goods (including taxes)	-	-	1,315.90
	Varmora Granito Limited	Sale of capital goods (including taxes)	-	-	0.01
	Tocco Ceramic Private Limited				
	Varmora Granito Limited	Purchase of goods (including taxes)	-	-	0.16
	Varmora Granito Limited	Sale of goods (including taxes)	-	-	1,039.41
	Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	0.01
	Varmora Ceramics Private Limited				
	Varmora Granito Limited	Interest on unsecured loan	-	-	1.05
	Varmora Granito Limited	Rent income (including taxes)	-	-	5.66
	Conffi Sanitaryware Private Limited	Sale of goods (including taxes)	-	-	0.02
	Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	0.03
	Varmora Granito Limited	Sale of capital goods (including taxes)	-	-	0.01
	Varmora Granito Limited	Loan repaid	-	-	2.95
	Covertek Ceramica Private Limited	Loan recovered	-	-	6.00
	Varmora Granito Limited	Loans accepted	-	-	143.00
	Varmora Sanitarywares LLP				
	Varmora Granito Limited	Sale of goods (including taxes)	337.13	407.29	0.47
	Varmora Granito Limited	Purchase of goods (including taxes)	0.64	-	-
	Nextile Marbosys Private Limited	Sale of goods (including taxes)	-	-	428.11

(Amount in ₹ Millions, unless otherwise stated)

Sr. No.	Name of the related party	Nature of transaction	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
2	**Holding Company**				
	Covertek Ceramica Private Limited	Sale of Goods (including taxes)	4.82	0.98	-
	Simola Tiles LLP	Sale of Goods (including taxes)	65.74	7.11	11.13
	Varmora Sanitarywares LLP	Sale of Goods (including taxes)	0.64	-	-
	Nextile Marbosys Private Limited	Sale of Goods (including taxes)	-	-	2.83
	Solaris Ceramics Private Limited	Sale of Goods (including taxes)	-	-	0.76
	Tocco Ceramic Private Limited	Sale of Goods (including taxes)	-	-	0.16
	Covertek Ceramica Private Limited	Sale of Capital Goods (including taxes)	3.30	-	-
	Covertek Ceramica Private Limited	Purchase of Goods (including taxes)	857.51	1,448.54	1,094.38
	Simola Tiles LLP	Purchase of Goods (including taxes)	32.26	129.74	37.34
	Varmora Sanitarywares LLP	Purchase of Goods (including taxes)	337.13	407.29	0.47
	Conffi Sanitaryware Private Limited	Purchase of Goods (including taxes)	-	-	13.03
	Nextile Marbosys Private Limited	Purchase of Goods (including taxes)	-	-	1,009.38
	Solaris Ceramics Private Limited	Purchase of Goods (including taxes)	-	-	1,315.90
	Tocco Ceramic Private Limited	Purchase of Goods (including taxes)	-	-	1,039.41
	Solaris Ceramics Private Limited	Purchase of Capital Goods (including taxes)	-	-	0.01
	Varmora Ceramics Private Limited	Purchase of Capital Goods (including taxes)	-	-	0.01
	Simola Tiles LLP	Other Expenses	0.02	-	-
	Conffi Sanitaryware Private Limited	Showroom Expense / Sales Promotion Expense (including taxes)	-	-	0.02
	Varmora Ceramics Private Limited	Showroom Expense / Sales Promotion Expense (including taxes)	-	-	0.00
	Varmora Ceramics Private Limited	Rent Paid (including taxes)	-	-	5.66
	Covertek Ceramica Private Limited	Loan Recovered	-	15.78	13.97
	Simola Tiles LLP	Loan Recovered	50.00	12.25	10.75
	Conffi Sanitaryware Private Limited	Loan Recovered	-	-	2.50
	Nextile Marbosys Private Limited	Loan Recovered	-	-	9.13
	Varmora Ceramics Private Limited	Loan Recovered	-	-	2.95
	Simola Tiles LLP	Loan Given	10.00	-	254.50
	Conffi Sanitaryware Private Limited	Loan Given	-	-	136.00
	Covertek Ceramica Private Limited	Loan Given	-	-	26.29
	Nextile Marbosys Private Limited	Loan Given	-	-	103.85
	Varmora Ceramics Private Limited	Loan Given	-	-	143.00
	Covertek Ceramica Private Limited	Deposit Interest Income	15.78	15.78	15.52
	Simola Tiles LLP	Deposit Interest Income	19.84	22.46	6.39
	Conffi Sanitaryware Private Limited	Deposit Interest Income	-	-	7.81
	Nextile Marbosys Private Limited	Deposit Interest Income	-	-	10.14
	Varmora Ceramics Private Limited	Deposit Interest Income	-	-	1.05

(0.00 Denotes amount less than ₹ 50,000)

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5. Other related party balances for the year end (representing those eliminated on consolidation)

Sr. No.	Name of the related party	Nature	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
1	**Subsidiaries**				
	Conffi Sanitaryware Private Limited				
	Varmora Granito Limited	Loans repayable	-	-	133.50
	Varmora Granito Limited	Other payable	-	-	1.36
	Varmora Granito Limited	Receivable for sale of goods/services	-	-	0.42
	Varmora Ceramics Private Limited	Trade payable	-	-	0.02
	Covertak Ceramica private limited				
	Varmora Granito Limited	Loans repayable	175.31	175.31	175.31
	Varmora Granito Limited	Receivable for sale of goods/services	141.04	291.62	222.93
	Varmora Granito Limited	Interest payable on loan (excluding TDS)	14.20	-	-
	Varmora Granito Limited	Trade payable	1.52	0.39	-
	Simola Tiles LLP	Receivable for sale of goods/services	12.40	-	29.31
	Nextile Marbosys Private Limited				
	Varmora Granito Limited	Loans repayable	-	-	141.35
	Varmora Granito Limited	Receivable for sale of goods/services	-	-	166.15
	Varmora Sanitarywares LLP	Trade payable	-	-	70.65
	Simola Tiles LLP				
	Varmora Granito Limited	Loans repayable	237.62	259.77	249.50
	Varmora Granito Limited	Receivable for sale of goods/services	4.79	1.49	2.80
	Covertak Ceramica private limited	Trade payable	12.40	-	29.31
	Varmora Granito Limited	Trade payable	45.09	-	11.13
	Solaris Ceramics Private Limited				
	Varmora Granito Limited	Receivable for sale of goods/services	-	-	421.02
	Tocco Ceramic Private Limited				
	Varmora Granito Limited	Receivable for sale of goods/services	-	-	167.88
	Varmora Ceramics Private Limited				
	Varmora Granito Limited	Loans repayable	-	-	141.00
	Conffi Sanitaryware Private Limited	Receivable for sale of goods/services	-	-	0.02
	Varmora Sanitarywares LLP				
	Nextile Marbosys Private Limited	Receivable for sale of goods/services	-	-	70.65
	Varmora Granito Limited	Receivable for sale of goods/services	44.39	41.17	-
2	**Holding Company**				
	Covertek Ceramica Private Limited	Trade Receivable	1.52	0.39	-
	Simola Tiles LLP	Trade Receivable	45.09	-	11.13
	Covertek Ceramica Private Limited	Trade payable	141.04	291.62	222.93
	Simola Tiles LLP	Trade payable	4.79	1.49	2.80
	Conffi Sanitaryware Private Limited	Trade payable	-	-	0.42
	Nextile Marbosys Private Limited	Trade payable	-	-	166.15
	Solaris Ceramics Private Limited	Trade payable	-	-	421.02
	Tocco Ceramic Private Limited	Trade payable	-	-	167.88
	Varmora Sanitarywares LLP	Trade payable	44.39	41.17	-
	Covertek Ceramica Private Limited	Loan Receivable	189.51	175.31	175.31
	Conffi Sanitaryware Private Limited	Loan Receivable	-	-	133.50
	Nextile Marbosys Private Limited	Loan Receivable	-	-	141.35
	Varmora Ceramics Private Limited	Loan Receivable	-	-	141.00
	Simola Tiles LLP	Loan Receivable	237.62	259.77	249.50
	Conffi Sanitaryware Private Limited	Advance to Supplier	-	-	1.36

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51 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the group falls within one broad business segment viz. "Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country. The Company is not reliant on revenues from transactions with any single external customers.

52 Fair Value of Financial Asset and Financial Liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, lease liability and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial - term deposits is not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, subsidy receivable and other financial assets.

The impact of fair value on such portion is not material and therefore not considered for above disclosure. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

The carrying value of financial instruments by categories is as follows:

Particulars	As at 31 March 2025		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in mutual fund	7.69	-	-
Trade receivables	-	-	3,822.15
Cash and cash equivalents	-	-	821.03
Bank balances other than cash and cash equivalent	-	-	330.42
Loans	-	-	98.20
Other Financial Asset	-	-	68.69
Derivative financial asset	43.07	-	-
Total	**50.76**	**-**	**5,140.49**
FINANCIAL LIABILITIES			
Borrowings	-	-	5,051.55
Trade payables	-	-	2,098.85
Lease liabilities	-	-	159.89
Other Financial Liabilities	-	-	412.08
Total	**-**	**-**	**7,722.37**

Particulars	As at 31 March 2024		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in mutual fund	7.10	-	-
Trade receivables	-	-	3,329.16
Cash and cash equivalents	-	-	922.15
Bank balances other than cash and cash equivalent	-	-	61.06
Loans	-	-	94.57
Other Financial Asset	-	-	104.69
Derivative financial asset	37.10	-	-
Total	**44.20**	**-**	**4,511.63**
FINANCIAL LIABILITIES			
Differential voting rights (DVR shares), measured at FVTPL	12.93	-	-
Borrowings	-	-	4,128.88
Trade payables	-	-	1,932.94
Lease liabilities	-	-	159.52
Other Financial Liabilities	-	-	630.05
Total	**12.93**	**-**	**6,851.39**

Particulars	As at 31 March 2023		
	Fair value through Profit and loss	Fair value through Other comprehensive income	Amortised Cost
FINANCIAL ASSETS			
Investment in mutual fund	6.52	-	-
Trade receivables	-	-	3,614.52
Cash and cash equivalents	-	-	2,254.27
Bank balances other than cash and cash equivalent	-	-	117.42
Loans	-	-	146.56
Other Financial Asset	-	-	101.36
Derivative financial asset	41.60	-	-
Total	**48.12**	**-**	**6,234.13**
FINANCIAL LIABILITIES			
Differential voting rights (DVR shares), measured at FVTPL	12.60	-	-
Borrowings	-	-	2,676.49
Trade payables	-	-	2,400.56
Lease liabilities	-	-	91.20
Other Financial Liabilities	-	-	216.97
Total	**12.60**	**-**	**5,385.22**

53 Fair Value Hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value :

As at 31 March 2025

Particulars	Level 1	Level 2	Level 3
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investments in mutual funds	7.69	-	-
Derivative financial asset	-	-	43.07

As at 31 March 2024

Particulars	Level 1	Level 2	Level 3
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investments in mutual funds	7.10	-	-
Derivative financial asset	-	-	37.10
FINANCIAL LIABILITIES			
(a) Financial Liabilities measured at fair value through profit or loss			
Differential voting rights (DVR shares)	-	-	12.93

As at 31 March 2023

Particulars	Level 1	Level 2	Level 3
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investments in mutual funds	6.52	-	-
Derivative financial asset	-	-	41.60
FINANCIAL LIABILITIES			
(a) Financial Liabilities measured at fair value through profit or loss			
Differential voting rights (DVR shares)	-	-	12.60

There have been no transfers between Level 1, Level 2 and Level 3 during the years ended 31 March 2025, 31 March 2024 and 31 March 2023.

Valuation techniques and significant unobservable inputs

(i) Derivative financial asset (Call option on non- controlling Interest of Simola Tiles LLP) - A purchased call option over 41% of Interest in an acquired subsidiary i.e Simola Tiles LLP is initially recognised as a financial asset at its fair value, with any subsequent changes in the fair value of the option recognised in profit or loss. The initial credit entry for the call option has been recognised as part of consideration towards purchase of 59% of interest as part of Investment and purchase of call option over 41% Interest in the entity. If such purchased call option lapses, the financial asset is derecognised, with a debit to profit or loss and if such purchased call option is exercised, the financial asset is derecognised with an adjustment to the cost of investment of purchasing the Interest subject to the option.

The valuation of such call option has been carried out by the registered valuer as per Black-Scholes-Merton Option Pricing Model ("BSM") to estimate the fair value of the Call options as of the Valuation Date. Following unobservable inputs has been used:

Inputs:	**31 March 2025**	**31 March 2024**	**31 March 2023**	**25 August 2022**
Number of periods to Exercise in years (t)	0.60	0.90	1.90	2.50
Risk-Free Interest Rate (rf)	6.60%	6.90%	6.90%	6.90%
Volatility	37.91%	33.20%	35.20%	42.40%
Call Option Price	**43.07**	**37.10**	**41.60**	**147.80**

(ii) Differential voting Rights (DVR) - 30,000 equity shares with differential voting rights are in the nature of liability as DVR holders have a right to put/ require company to buyback such shares at fair value of the equity shares of the Company and consequently the DVR's are measured at fair value through profit and loss.

The fair value has been measured based on the fair value of the equity shares of the company of Rs. 431 per DVR share as at 31 March 2024 which is based on the valuation of equity share using discounted cash flow approach and market multiple approach with the weighed average cost of capital of 13.25%, terminal growth rate of 3%, EBITDA margin in the range of 11.93% to 15.20% and tax rate of 25.20% and EBITDA multiple of 20.14 discount 72.20%.

The fair value has been measured based on the fair value of the equity shares of the company of Rs. 420 per DVR share as at 31 March 2023 which is based on the valuation of equity share using discounted cash flow approach and market multiple approach with the weighed average cost of capital of 14.05%, terminal growth rate of 3%, EBITDA margin in the range of 10.44% to 15.20% and tax rate of 25.20% and EBITDA multiple of 19.31 discount 70.55%.

54 Financial Risk Management and Objectives

The Group is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Group risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of the Group's financial instruments as at 31 March 2025 to interest rate risk is as follows:

Particulars	**As at 31 March 2025**	**Floating rate financial instruments**	**Fixed rate financial instruments**	**Non-interest bearing**	**Total**
Financial liabilities					
Current borrowings	2,838.84	2,830.32	8.52	-	2,838.84
Non-current borrowings	2,212.71	2,021.73	8.14	182.84	2,212.71

The exposure of the Group's financial instruments as at 31 March 2024 to interest rate risk is as follows:

Particulars	**As at 31 March 2024**	**Floating rate financial instruments**	**Fixed rate financial instruments**	**Non-interest bearing**	**Total**
Financial liabilities					
Current borrowings	1,505.33	1,498.07	7.26	-	1,505.33
Non-current borrowings	2,623.55	2,425.39	13.46	184.70	2,623.55

The exposure of the Group's financial instruments as at 31 March 2023 to interest rate risk is as follows:

Particulars	**As at 31 March 2023**	**Floating rate financial instruments**	**Fixed rate financial instruments**	**Non-interest bearing**	**Total**
Financial liabilities					
Current borrowings	1,681.97	1,676.51	5.46	-	1,681.97
Non-current borrowings	994.52	799.06	8.81	186.65	994.52

Interest Rate Sensitivity

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s debt obligations with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group’s interest outflow due to changes in the interest rate on floating rate borrowings. Moreover, the sensitivity may not entirely impact the profit or loss as it is subject to the portion of interest eligible for capitalization.

Particulars	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2023**
1 % increase would decrease the profit/equity by*	(48.52)	(39.23)	(24.76)
1 % decrease would increase the profit/equity by*	48.52	39.23	24.76

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised during the year.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's Sale and purchase in foreign currency.

The Company's foreign currency transactions are mainly in United States Dollar (USD), Australian Dollar (AUD), Ruble (RUB), Great British Pound (GBP) and Euro (EUR). Consequently, the Company is exposed to the risk that the exchange rate of the Indian Rupees (INR) relatively to United States Dollar (USD), Australian Dollar (AUD), Ruble (RUB), Great British Pound (GBP) and Euro (EUR) may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in INR.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

Foreign currency denominated financial assets and liabilities (unhedged) which expose the Company to currency risk are disclosed below.

Foreign Currency	**As at 31 March 2025**		**As at 31 March 2024**		**As at 31 March 2023**	
	Receivable/ (Payable) in Foreign currency	**Receivable/ (Payable) in ₹**	**Receivable/ (Payable) in Foreign currency**	**Receivable/ (Payable) in ₹**	**Receivable/ (Payable) in Foreign currency**	**Receivable/ (Payable) in ₹**
AUD	0.10	5.47	-	-	-	-
EUR	1.57	145.17	3.51	316.38	1.28	114.29
USD	13.22	1,131.64	9.19	763.46	12.00	984.38
GBP	0.37	40.96	-	-	0.15	14.39
RUB	7.86	7.93	1.17	1.05	-	-

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 5% against the relevant currency. For a 5% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	**Increase**			**Decrease**		
	31 March 2025	**31 March 2024**	**31 March 2023**	**31 March 2025**	**31 March 2024**	**31 March 2023**
Sensitivity						
AUD/INR	0.27	-	-	(0.27)	-	-
EUR/INR	7.26	15.82	5.71	(7.26)	(15.82)	(5.71)
USD/INR	56.58	38.17	49.22	(56.58)	(38.17)	(49.22)
GBP/INR	2.05	-	0.72	(2.05)	-	(0.72)
RUB/INR	0.40	0.05	-	(0.40)	(0.05)	-

(iii) Price risk

The Group invests its surplus funds in mutual funds and fixed deposits. Since, the investments are of very short tenure, the Group's exposure to price risk is not material.

(B) <u>Credit risk</u>

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Group does not foresee any credit risks on deposits with regulatory authorities.

Expected credit loss in respect of trade receivables as on 31 March 2025 is as below:

Ageing	**Less than 90 days**	**90-180 days**	**180-270 days**	**271-360 days**	**361 days and above**	**Total**
Gross Carrying amount	3,618.32	148.14	83.47	55.47	380.23	4,285.63
Expected credit losses (loss allowance provision)	(28.80)	(27.71)	(39.95)	(31.84)	(335.18)	(463.48)
Expected loss rate	0.80%	18.71%	47.86%	57.40%	88.15%	10.81%
Carrying amount of trade receivables (net of impairment)	**3,589.52**	**120.43**	**43.52**	**23.63**	**45.05**	**3,822.15**

Expected credit loss in respect of trade receivables as on 31 March 2024 is as below:

Ageing	**Less than 90 days**	**90-180 days**	**180-270 days**	**271-360 days**	**361 days and above**	**Total**
Gross Carrying amount	2,891.29	561.85	81.01	125.37	372.13	4,031.65
Expected credit losses (loss allowance provision)	(130.38)	(87.60)	(42.96)	(69.42)	(372.13)	(702.49)
Expected loss rate	4.51%	15.59%	53.03%	55.37%	100.00%	17.42%
Carrying amount of trade receivables (net of impairment)	**2,760.91**	**474.25**	**38.05**	**55.95**	**-**	**3,329.16**

Expected credit loss in respect of trade receivables as on 31 March 2023 is as below:

Ageing	Less than 90 days	90-180 days	180-270 days	271-360 days	361 days and above	Total
Gross Carrying amount	3,023.58	668.09	145.32	67.76	241.90	4,146.65
Expected credit losses (loss allowance provision)	(123.77)	(48.87)	(73.42)	(44.17)	(241.90)	(532.13)
Expected loss rate	4.09%	7.31%	50.52%	65.19%	100.00%	12.83%
Carrying amount of trade receivables (net of impairment)	**2,899.81**	**619.22**	**71.90**	**23.59**	**-**	**3,614.52**

The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
Opening Provision	702.49	532.13	342.00
Add: Adjustments during the year, excluding write off of Rs. 28.56 Millions (31 March 2024 : Rs. 23.71 Millions and 31 March 2023: Rs. 1.87 Millions)	(239.01)	170.36	190.13
Closing provision	**463.48**	**702.49**	**532.13**

(C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Group's financial liabilities:

Particulars	Carrying amount	Contractual maturities			
	Amount	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31 March 2025					
Borrowings	5,051.55	2,838.84	1,822.07	390.64	5,051.55
Trade payables	2,098.85	2,098.85	-	-	2,098.85
Lease labilities	159.89	18.01	36.52	105.36	159.89
Other financial liabilities	412.08	412.08	-	-	412.08
Total	**7,722.37**	**5,367.78**	**1,858.59**	**496.00**	**7,722.37**
As at 31 March 2024					
Borrowings	4,128.88	1,505.33	1,947.72	675.83	4,128.88
Trade payables	1,932.94	1,932.94	-	-	1,932.94
Lease labilities	159.52	18.22	31.79	109.51	159.52
Other financial liabilities	642.98	630.05	12.93	-	642.98
Total	**6,864.32**	**4,086.54**	**1,992.44**	**785.34**	**6,864.32**
As at 31 March 2023					
Borrowings	2,676.49	1,681.97	994.52	-	2,676.49
Trade payables	2,400.56	2,400.56	-	-	2,400.56
Lease labilities	91.20	17.47	50.17	23.56	91.20
Other financial liability	229.57	216.97	12.60	-	229.57
Total	**5,397.82**	**4,316.97**	**1,057.29**	**23.56**	**5,397.82**

Changes in Liability arising from Financing activities

Particulars	Borrowings	Loans from related parties	Non convertible Redeemable Preference Shares	Lease liabilities	Total
Balance as on 1 April 2022	**2,192.84**	**96.06**	**97.37**	**28.43**	**2,414.70**
On account of business combination	784.95	-	-	-	784.95
Cash flows	(327.14)	(79.99)	-	(14.50)	(421.63)
Non-cash adjustments including interest	9.77	-	(97.37)	77.27	(10.33)
Balance as on 31 March 2023	**2,660.42**	**16.07**	**-**	**91.20**	**2,767.69**
Cash flows	1,472.17	(16.07)	-	(28.06)	1,428.04
Non-cash adjustments including interest	(3.71)	-	-	96.38	92.67
Balance as on 31 March 2024	**4,128.88**	**-**	**-**	**159.52**	**4,288.40**
Cash flows	920.66	-	-	(30.91)	889.75
Non-cash adjustments including interest	2.01	-	-	31.28	33.29
Balance as on 31 March 2025	**5,051.55**	**-**	**-**	**159.89**	**5,211.44**

(D) Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current and current borrowings. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2023**
Equity share capital	403.25	399.66	133.22
Instruments entirely equity in nature	-	175.76	175.76
Other equity	6,917.24	6,301.96	6,204.80
Non controlling interest	111.46	156.23	178.96
Total equity (i)	**7,431.95**	**7,033.60**	**6,692.74**
Borrowings	5,051.55	4,128.88	2,676.49
Lease liabilities	159.89	159.52	91.20
Less: cash and cash equivalents	(821.03)	(922.15)	(2,254.27)
Less: Bank balance other than cash and cash equivalents	(330.42)	(61.06)	(117.42)
Net Debt (ii)	**4,059.99**	**3,305.19**	**396.00**
Gearing ratio ((ii)/(i))	**54.63%**	**46.99%**	**5.92%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025, 31 March 2024 and 31 March 2023.

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55 Business Combination

A) Summary of acquisition

On 1 April 2022 the parent entity acquired 99.99% of the partnership interest of Varmora Sanitarywares LLP, a manufacturer of Ceramic Clay. This acquisition will enable the group to enter into the Ceramic Clay in India.

On 25th Aug 2022 the parent entity acquired 59% interest in Simola Tiles LLP, a manufacturer and trader of Ceramic Tiles. This acquisition will enable the group to expand the manufacturing and trading of Ceramic Tiles in India and Outside India.

Purchase consideration	Varmora Sanitarywares LLP	Simola Tiles LLP
Cash paid	43.87	654.90
Call option over non controlling interest of 41%	-	(147.80)
Total purchase consideration	43.87	507.10

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Varmora Sanitarywares LLP	Simola Tiles LLP
Property, plant and equipment except land and building	37.48	652.06
Land	6.98	64.90
Building	15.08	186.10
Capital work in progress	-	25.17
Intangible asset	-	218.20
Other financial assets	0.97	6.74
Inventories		
Raw material	28.17	36.83
Stores & Spares	10.42	-
Work-in-progress	-	2.90
Finished goods	16.96	182.44
Stock-in-trade	-	4.35
Trade receivables	18.64	209.21
Cash and cash equivalents	0.80	11.93
Bank balances other than cash and cash equivalents	-	50.52
Loan	66.57	-
Other financial assets	0.22	-
Current tax assets (net)	3.00	2.34
Other current assets	20.25	9.82
Borrowings	(60.63)	(724.32)
Deferred tax liabilities (net)	(3.06)	(194.55)
Trade payable	(108.42)	(406.24)
Contract Liabilities	-	(20.72)
Other financial liabilities	(1.58)	-
Provisions	-	(7.48)
Other current liabilities	(0.41)	(8.61)
Net identifiable assets acquired	**51.44**	**301.60**

Calculation of Goodwill	Varmora Sanitarywares LLP	Simola Tiles LLP
Consideration transferred	43.87	507.10
Non-controlling interest in the acquired entity	0.01	123.70
Less: Net identifiable assets acquired	(51.44)	(301.60)
Goodwill/(Gain on bargain purchase)	**(7.57)**	**329.20**

Significant judgement:

i) **Accounting policy choice for non-controlling interests**

The group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For both the non-controlling interests in Varmora Sanitarywares LLP and Simola Tiles LLP, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

(ii) **Revenue and profit contribution**

The acquired business contributed revenues and profits to the group for the period 31 March 2023 as follows:

a) Varmora Sanitarywares LLP: Revenue of INR 379.10 Millions and profit of INR 9.09 Millions for the period 1 April 2022 to 31 March 2023,

b) Simola Tiles LLP: Revenue of INR 887.86 Millions and profit of INR 81.24 Millions for the period 25 August 2022 to 31 March 2023.

56 Investment in associates & Joint Ventures accounted for using the equity method

The group has 25% share in Avalta Granito Private Limited (Avanta), 30% share in Sentosa Granito Private Limited (Sentosa), 30% share in Renite Vitrified LLP (Renite) and 30% share in Fiorenza Granito Private Limited (Fiorenza), which is involved in the sale of tiles. These are private entity that are not listed on any public exchange. The Group's interest in these companies is accounted for using the equity method in the Restated Consolidated Financial Information.

The following table illustrates the summarised financial information of the Group's investment in the above entities:

Particulars	**31 March 2025**			
	Avalta	**Sentosa**	**Renite**	**Fiorenza**
Current assets	410.79	221.98	344.06	488.00
Non-current assets	498.95	259.26	305.90	345.24
Current liabilities	(346.42)	(171.34)	(222.75)	(343.27)
Non-current liabilities	(292.43)	(73.02)	(74.16)	(177.96)
Equity	**270.89**	**236.88**	**353.05**	**312.01**
Partners current capital movement	**-**	**-**	(4.05)	**-**
Group's share in equity (net of partners current capital)	67.72	71.06	104.70	93.60
Goodwill	(0.03)	12.41	(15.31)	(6.62)
Group's carrying amount of the investment	**67.69**	**83.47**	**89.39**	**86.98**

Particulars	**31 March 2025**			
	Avalta	**Sentosa**	**Renite**	**Fiorenza**
Revenue from contracts with customers	997.00	642.53	969.10	1,430.35
Other Income	4.36	4.26	39.69	2.34
Cost of sales	(265.76)	(187.26)	(422.49)	(420.69)
Total expenses	(726.68)	(445.93)	(564.01)	(980.76)
Profit before tax	8.92	13.60	22.29	31.24
Income tax expense	(8.17)	(3.63)	(8.36)	(13.86)
Profit for the year (continuing operations)	0.75	9.97	13.93	17.38
Other comprehensive income/loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	-	-	-
Other comprehensive loss that may not be reclassified to profit or loss in subsequent periods, net of tax	0.68	(0.29)	0.52	0.49
Income tax relating to items that will not be reclassified to profit or loss	-	0.07	-	(0.12)
Total comprehensive income for the year (continuing operations)	**1.43**	**9.75**	**14.45**	**17.75**
Group's share of total comprehensive income for the year	**0.36**	**2.92**	**4.33**	**5.32**

The associates and joint ventures had contingent liabilities and no capital commitments (Except Fiorenza Granito Private Limited) as at 31 March 2025. The amount of contingent liability of ₹ 332.54 Millions and capital commitment of ₹ 10.26 Millions.

Particulars	**31 March 2024**			
	Avalta	**Sentosa**	**Renite**	**Fiorenza**
Current assets	458.17	189.79	376.70	458.51
Non-current assets	537.17	301.83	305.79	377.84
Current liabilities	(362.62)	(165.77)	(233.04)	(358.53)
Non-current liabilities	(363.28)	(98.74)	(110.06)	(183.54)
Equity	**269.45**	**227.11**	**339.39**	**294.28**
Partners current capital movement	-	-	(4.86)	-
Group's share in equity (net of partners current capital)	67.36	68.13	100.36	88.29
Goodwill	(0.03)	12.41	(15.31)	(6.63)
Group's carrying amount of the investment	**67.33**	**80.54**	**85.05**	**81.66**

Particulars	**31 March 2024**			
	Avalta	**Sentosa**	**Renite**	**Fiorenza**
Revenue from contracts with customers	1,356.20	747.67	926.22	1,628.19
Other Income	4.71	1.89	1.59	5.18
Cost of sales	(559.49)	(234.85)	(371.06)	(505.41)
Total expenses	(759.95)	(501.82)	(530.64)	(1,054.46)
Profit before tax	41.47	12.89	26.11	73.50
Income tax expense	(7.34)	(2.84)	(8.17)	(17.52)
Profit for the year (continuing operations)	34.13	10.06	17.94	55.98
Other comprehensive loss that may not be reclassified to profit or loss in subsequent periods, net of tax	(0.07)	0.25	(0.66)	7.26
Income tax relating to items that will not be reclassified to profit or loss	0.02	(0.06)	-	(1.81)
Total comprehensive income for the year (continuing operations)	**34.08**	**10.25**	**17.28**	**61.43**
Group's share of total comprehensive income for the year	**8.52**	**3.08**	**5.18**	**18.43**

The associates and joint ventures had contingent liabilities and no capital commitments (Except Fiorenza Granito Private Limited) as at 31 March 2024. The amount of contingent liability of ₹ 256.12 Millions and capital commitment of ₹ 10.26 Millions.

Particulars	**31 March 2023**			
	Avalta	**Sentosa**	**Renite**	**Fiorenza**
Current assets	441.75	211.60	428.25	491.62
Non-current assets	570.19	338.38	337.16	366.76
Current liabilities	(331.64)	(200.37)	(332.34)	(430.40)
Non-current liabilities	(444.94)	(132.74)	(115.81)	(195.13)
Equity	235.37	216.87	317.26	232.85
Group's share in equity	58.84	65.06	95.18	69.86
Goodwill	(0.03)	12.41	(15.32)	(6.63)
Group's carrying amount of the investment	**58.81**	**77.47**	**79.86**	**63.23**

Particulars	**31 March 2023**			
	Avalta	**Sentosa**	**Renite**	**Fiorenza**
Revenue from contracts with customers	1,090.91	716.58	871.28	1,722.40
Other Income	7.91	1.46	1.31	4.21
Cost of sales	(431.49)	(193.36)	(294.55)	(503.73)
Total expenses	(638.62)	(511.44)	(559.62)	(1,192.85)
Profit before tax	28.72	13.24	18.43	30.03
Income tax expense	(4.82)	(4.09)	(6.61)	(5.70)
Profit for the year (continuing operations)	23.90	9.15	11.82	24.33
Other comprehensive loss that may not be reclassified to profit or loss in subsequent periods, net of tax	0.07	0.08	0.22	1.79
Total comprehensive income for the year (continuing operations)	**23.97**	**9.23**	**12.04**	**26.12**
Group's share of total comprehensive income for the year	**5.91**	**2.77**	**3.61**	**7.93**

The associates and joint ventures had contingent liabilities and no capital commitments (Except Sentosa Granito Private Limited) as at 31 March 2023. The amount of contingent liability of ₹ 325.95 Millions and capital commitment of ₹ 141.32 Millions.

57 Non-controlling interests (NCI)

The group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

Name of entity	Ownership interest held by non-controlling interests			Ownership interest held by the group		
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Nextile Marbosys Private Limited (NMPL) (merged with Varmora Granito Limited)	*	*	-	*	*	100.00%
Solaris Ceramics Private Limited (SCPL) (merged with Varmora Granito Limited)	*	*	-	*	*	100.00%
Conffi Sanitaryware Private Limited (CSPL) (merged with Varmora Granito Limited)	*	*	-	*	*	100.00%
Varmora Ceramics Private Limited (merged with Varmora Granito Limited)	*	*	-	*	*	100.00%
Tocco Ceramic Private Limited (TCPL) (merged with Varmora Granito Limited)	*	*	-	*	*	100.00%
Covertek Ceramica Private Limited (CCPL)	0.00%	0.00%	25.00%	100.00%	100.00%	75.00%
Varmora Sanitarywares LLP (VSLLP)	0.01%	0.01%	0.01%	99.99%	99.99%	99.99%
Simola Tiles LLP	41.00%	41.00%	41.00%	59.00%	59.00%	59.00%

* Conffi Sanitaryware Private Limited, Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, merged with Varmora Granito Limited w.e.f appointed date of 1 April 2023.

Particular	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Net assets attributable to NCI/accumulated NCI	156.23	178.96	449.58
Profit allocated to NCI	(44.74)	7.65	41.08
Other comprehensive income allocated to NCI	(0.03)	0.94	0.53
Movement during the year/ derecognition of NCI	-	(31.32)	(312.23)
Total	**111.46**	**156.23**	**178.96**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	VSLLP			CCPL **	Simola Tiles LLP		
	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-23	31-Mar-25	31-Mar-24	31-Mar-23
Current asset	85.98	90.91	131.81	487.48	806.85	715.15	861.80
Current liabilities	61.43	76.44	125.73	408.43	1,166.41	938.44	934.77
Net current asset	24.55	14.47	6.09	79.05	(359.56)	(223.29)	(72.98)
Non-current asset	33.14	38.07	42.87	416.14	838.09	1,043.23	1,105.67
Non-current liabilities	-	-	0.65	396.00	206.67	451.89	655.64
Net Non current asset	33.14	38.07	42.23	20.14	631.42	591.34	450.04
Other adjustments	-	-	-	-	-	12.99	-
Net Asset	57.69	52.54	48.31	99.18	271.86	381.04	377.06
Net assets attributable to NCI/accumulated NCI	0.00	0.00	0.00	24.80	111.46	156.23	154.15

Summarised profit and loss	VSLLP			CCPL**		Simola Tiles LLP		
	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-25	31-Mar-24	31-Mar-23
Revenue	321.18	346.39	411.19	980.98	1,421.77	1,272.19	1,434.50	891.11
Profit for the year	3.88	4.22	4.69	27.80	30.40	(109.12)	0.90	81.24
Other comprehensive income	-	-	-	0.15	0.07	(0.08)	2.19	1.25
Total comprehensive income	3.88	4.22	4.69	28.23	30.47	(109.20)	3.09	82.49
Profit allocated to NCI	0.00	0.00	0.00	7.28	7.77	(44.74)	0.37	33.31
Other comprehensive income allocated to NCI	-	-	-	0.04	0.02	(0.03)	0.90	0.51
Total comprehensive income allocated to NCI	0.00	0.00	0.00	7.32	7.78	(44.77)	1.27	33.82

(0.00 Denotes amount less than ₹ 50,000)
** VGL has acquired 100% stake in CCPL in financial year 2023-24

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58 Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

(i)

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Sale of Products			
Tiles and Allied products	14,342.62	14,213.89	13,239.08
Total	**14,342.62**	**14,213.89**	**13,239.08**

(ii)

Geographical markets	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
India	11,286.35	10,800.68	10,592.74
Outside India	3,056.27	3,413.21	2,646.34
Total	**14,342.62**	**14,213.89**	**13,239.08**

(iii)

Timing of revenue recognition	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
At a point in time	14,342.62	14,213.89	13,239.08
Total	**14,342.62**	**14,213.89**	**13,239.08**

Significant changes in contract asset and contract liability during the period are as follows:

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year' and 'revenue recognised in the reporting year from performance obligations satisfied (or partially satisfied) in previous years.

Trade receivables and contract liabilities

Trade receivables are recorded when the right to consideration becomes unconditional.

Contract liabilities primarily relate to the group's obligation to transfer goods or services to customer for which the group has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the group performs under the contract.

Contract liabilities are presented under Advances from Customers in the note 32 of the Restated Consolidated Financial Information.

Assets and liabilities related to contracts with customers

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Trade receivables	3,822.15	3,329.16	3,614.52
	3,822.15	**3,329.16**	**3,614.52**
Contract liabilities at the beginning of the year	105.70	102.19	112.20
Deferred / (Released) to the income statement, net	29.99	(3.51)	10.01
Contract liabilities at the end of the year	**75.71**	**105.70**	**102.19**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Revenue as per contract	14,654.02	14,549.88	13,531.58
Adjustments	311.40	335.99	292.50
Revenue from contract with customers	**14,342.62**	**14,213.89**	**13,239.08**

59 Additional Disclosures

As per Schedule III, the following additional disclosures are required:

A Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

B Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

C Wilful defaulter

The Group have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

D Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

E Undisclosed income

There is no income surrendered or disclosed as income during the current or previous years in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

F Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the year ended 31 March 2025, 31 March 2024 and 31 March 2023.

G Valuation of property, plant and equipment, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year ended 31 March 2025, 31 March 2024 and 31 March 2023.

H Registration of charges or satisfaction with registrar of companies

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

I Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

60 The Ministry of Corporate Affairs (MCA) has prescribed requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company, its subsidiary, associates and joint venture incorporated under the Act have used accounting software for maintenance of their books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the accounting software.

The audit trail (edit log) feature was enabled from 5 April 2024 at the application level due to implementation of a new accounting software, however, during this period the Holding Company and its subsidiary have not created any entries in the accounting software. The audit trail feature was not enabled at database level for the said accounting software to log any direct data changes in case of Holding Company and its subsidiary.

Further there is no instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Additionally, the audit trail has been preserved by the Holding Company, its subsidiary, associates and joint venture as per the statutory requirements for record retention from the date the audit trail feature was enabled for accounting software except for one of the accounting software used by the Holding Company where the audit trail pertaining to the period from 1 April 2023 to 1 April 2024 have not been preserved and such accounting software is discontinued during the current year.

61 In the board meeting dated 6 December, 2024 the Board of Directors of the Holding Company had approved capital raising comprising of fresh issue and offer for sale of equity shares by the existing shareholders through an Initial Public Offering ('IPO').

In relation to above IPO, the issue related expenses include, among others, legal and professional fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The issue related expenses amounting to ₹ 35.56 Millions (31 March 2024: Nil and 31 March 2023: Nil) are currently classified under other current assets.

All Issue related expenses shall be shared by the Holding Company and the Selling Shareholders in proportion to the number of Equity Shares being issued or offered, as the case may be, by each of them in the Fresh Issue and the Offer for Sale. Any payments by the Holding Company in relation to the Issue on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholders to the Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Issue.

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62 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets as at 31 March 2025		Share in Profit/ (Loss) for the year ended 31 March 2025		Share in OCI for the year ended 31 March 2025		Share in TCI for the year ended 31 March 2025	
	%	Amount	%	Amount	%	Amount	%	Amount
Parent								
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)	99.63%	7,293.05	74.45%	262.41	76.74%	1.65	74.46%	264.06
Subsidiaries								
Covertek Ceramica Private Limited	2.06%	150.50	2.73%	9.64	8.37%	0.18	2.77%	9.82
Varmora Sanitarywares LLP	0.79%	57.69	1.10%	3.88	0.00%	-	1.09%	3.88
Simola Tiles LLP	1.05%	77.14	3.63%	12.78	(3.72%)	(0.08)	3.58%	12.70
Associate								
Fiorenza Granito Private Limited	1.19%	86.98	1.48%	5.21	5.16%	0.11	1.50%	5.32
Sentosa Granito Private Limited	1.14%	83.47	0.85%	2.99	(3.07%)	(0.07)	0.82%	2.92
Joint Venture								
Avalta Granito Private Limited	0.92%	67.69	0.05%	0.19	7.91%	0.17	0.10%	0.36
Renite Vitrified LLP	1.22%	89.39	1.18%	4.17	7.26%	0.16	1.22%	4.33
Elimination and consol adjustments	(6.47%)	(473.96)	1.83%	6.46	(0.05%)	(0.00)	1.82%	6.45
Share of non controlling interest	(1.52%)	(111.46)	12.69%	44.74	1.40%	0.03	12.62%	44.77
Net amount attributable to equity holders of Parent	**100.00%**	**7,320.49**	**100.00%**	**352.47**	**100.00%**	**2.15**	**100.00%**	**354.62**

Name of the entity	Net Assets as at 31 March 2024		Share in Profit/ (Loss) for the year ended 31 March 2024		Share in OCI for the year ended 31 March 2024		Share in TCI for the year ended 31 March 2024	
	%	Amount	%	Amount	%	Amount	%	Amount
Parent								
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)	100.92%	6,940.52	96.43%	425.95	42.27%	2.16	95.81%	428.11
Subsidiaries								
Covertek Ceramica Private Limited	2.05%	140.70	9.35%	41.29	4.31%	0.22	9.29%	41.51
Varmora Sanitarywares LLP	0.76%	52.54	0.96%	4.22	0.00%	-	0.94%	4.22
Simola Tiles LLP	0.94%	64.44	-1.34%	(5.92)	42.86%	2.19	-0.83%	(3.73)
Associate								
Fiorenza Granito Private Limited	1.19%	81.66	3.80%	16.79	32.00%	1.64	4.12%	18.43
Sentosa Granito Private Limited	1.17%	80.54	0.68%	3.02	1.12%	0.06	0.69%	3.08
Joint Venture								
Avalta Granito Private Limited	0.98%	67.33	1.93%	8.53	(0.24%)	(0.01)	1.91%	8.52
Renite Vitrified LLP	1.24%	85.05	1.22%	5.38	(3.87%)	(0.20)	1.16%	5.18
Elimination and consol adjustments	(6.97%)	(479.17)	(11.30%)	(49.92)	(0.03%)	(0.00)	(11.17%)	(49.92)
Share of non controlling interest	(2.27%)	(156.23)	(1.73%)	(7.65)	(18.40%)	(0.94)	(1.92%)	(8.59)
Net amount attributable to equity holders of Parent	**100.00%**	**6,877.38**	**100.00%**	**441.70**	**100.00%**	**5.11**	**100.00%**	**446.81**

Name of the entity	Net Assets as at 31 March 2023		Share in Profit/ (Loss) for the year ended 31 March 2023		Share in OCI for the year ended 31 March 2023		Share in TCI for the year ended 31 March 2023	
	%	Amount	%	Amount	%	Amount	%	Amount
Parent								
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)	88.20%	5,745.39	31.25%	159.24	50.61%	10.86	32.03%	170.10
Subsidiaries								
Varmora Ceramics Private Limited	1.27%	82.87	11.32%	57.70	(3.08%)	(0.66)	10.74%	57.04
Solaris Ceramics Private Limited	8.78%	571.81	17.00%	86.63	14.49%	3.11	16.90%	89.74
Tocco Ceramic Private Limited	3.68%	239.55	6.05%	30.82	11.84%	2.54	6.28%	33.36
Conffi Sanitaryware Private Limited	3.64%	236.95	9.54%	48.63	18.50%	3.97	9.91%	52.60
Nextile Marbosys Private Limited	6.33%	412.04	21.47%	109.41	3.45%	0.74	20.74%	110.15
Covertek Ceramica Private Limited	1.52%	99.18	5.97%	30.40	0.31%	0.07	5.74%	30.47
Varmora Sanitarywares LLP	0.74%	48.31	0.92%	4.69	0.00%	-	0.88%	4.69
Simola Tiles LLP	1.05%	68.17	15.45%	78.71	5.84%	1.25	15.06%	79.96
Associate								
Fiorenza Granito Private Limited	0.97%	63.23	1.54%	7.84	0.01%	0.00	1.48%	7.85
Sentosa Granito Private Limited	1.19%	77.47	0.54%	2.75	0.10%	0.02	0.52%	2.77
Joint Venture								
Avalta Granito Private Limited	0.90%	58.81	1.17%	5.97	0.08%	0.02	1.13%	5.99
Renite Vitrified LLP	1.23%	79.86	0.70%	3.55	0.31%	0.07	0.68%	3.61
Elimination and consol adjustments	(16.75%)	(1,090.91)	(14.86%)	(75.70)	0.00%	0.00	(14.26%)	(75.70)
Share of non controlling interest	(2.75%)	(178.96)	(8.06%)	(41.08)	(2.47%)	(0.53)	(7.84%)	(41.61)
Net amount attributable to equity holders of Parent	**100.00%**	**6,513.78**	**100.00%**	**509.56**	**100.00%**	**21.46**	**100.00%**	**531.02**

Note: Varmora Ceramics Private Limited, Solaris Ceramics Private Limited, Tocco Ceramic Private Limited, Confii Sanitaryware Private Limited, Nextile Marbosys Private Limited merged with Varmora Granito Limited w.e.f appointed date of 1 April 2023 and it is treated as business combination under common control as per Ind AS 103, and hence the subsidiaries have been merged based on the 'Pooling of interest method' as if the such transaction has happed from the beginning of the earliest period (i.e. 1 April 2022).

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. Based on the group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

63 Events occurring after the Balance sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 28 July 2025, there are no subsequent events to be recognized or reported that are not already disclosed.

The accompanying notes are an integral part of these restated consolidated financial information

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 28 July 2025

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Bhavesh Varmora
Director
DIN: 02718600
Place: Ahmedabad
Date: 28 July 2025

Pramodkumar Patel
Director
DIN: 01935197
Place: Ahmedabad

Bhavesh Koshti
Chief Financial Officer
Place: Ahmedabad

Nilesh Sharma - ACS
Company Secretary
M.No. 32273
Place: Ahmedabad

Part A Statement of adjustments to Restated Consolidated Financial information

64 Statement of adjustments to Restated Consolidated Financial information

The difference between the statutory financial statements and special purpose consolidated Ind AS financial statements for the year ended 31 March 2023 is on account of transition to Ind AS as explained in note 2.01 (a) and note 5.

Summarized below are the restatement adjustments made to the statutory financial statements for the year ended 31 March 2025 and 31 March 2024 and special purpose consolidated Ind AS financial statements for the year ended 31 March 2023 and their impact on the profit / (loss) of the Company and equity:

Particulars	31 March 2025	31 March 2024	31 March 2023
Total equity as per statutory financial statements/ special purpose consolidated Ind AS financial statements	**7,431.95**	**7,007.69**	**6,669.24**
Audit qualification	-	-	-
Adjustment due to change in accounting policy / material errors / other adjustments			
Gain on fair value of Differential voting right (DVR)	-	34.64	31.41
Deferred tax on gain on fair value of DVR	-	(8.72)	(7.91)
Total equity as per Restated Consolidated Financial Information	**7,431.95**	**7,033.61**	**6,692.74**

Particulars	31 March 2025	31 March 2024	31 March 2023
Total comprehensive income as per statutory financial statements/ special purpose consolidated Ind AS financial statements	**335.77**	**452.97**	**549.13**
Audit qualification	-	-	-
Adjustment due to change in accounting policy / material errors / other adjustments			
Gain / (Loss) on fair value of DVR	(34.63)	3.23	31.41
Deferred tax on gain / (loss) on fair value of DVR	8.71	(0.80)	(7.91)
Total comprehensive income as per Restated Consolidated Financial Information	**309.85**	**455.40**	**572.63**

Material Regrouping

Appropriate re-groupings have been made in the Restated Statement of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Company for the year ended 31 March 2025 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

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Part B Statement of Non Adjusting items to the Restated Consolidated Financial Information

65 Statement of Non Adjusting items to the Restated Consolidated Financial Information

A) For the year ended 31 March 2025 and 31 March 2024:

The Company has prepared Consolidated Ind AS Financial Statements of the Group, its associates and joint ventures as at and for the years ended 31 March 2025 and 31 March 2024 in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 26 June 2025 and 23 September 2024.

(i) Audit qualifications - Consolidate and Standalone Ind AS Financial Statements

There are no qualifications in auditor's report on the Consolidated Ind AS Financial Statements and Standalone Ind AS Financial Statements for the year ended 31 March 2025 and 31 March 2024.

(ii) Emphasis of matter paragraph - Consolidate and Standalone Ind AS Financial Statements of the Company

There are no Emphasis of matter paragraph in auditor's report on the Consolidated Ind AS Financial Statements and Standalone Ind AS Financial Statements for the year ended 31 March 2025 and on the Consolidated Financial Statements for the year ended 31 March 2024.

Emphasis of Matter – Merger of subsidiaries under common control in Standalone Ind AS Financial Statements for the year ended 31 March 2024

We draw attention to Note 2.01 and 55 to the accompanying standalone financial statements which describes that the Company has prepared the accompanying standalone financial statements after giving effect to the Scheme of amalgamation of Solaris Ceramics Private Limited, Varmora Ceramics Private Limited, Nextile Marbosys Private Limited, Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited (referred to as 'the Transferor Companies') into the Company based on the approval of Regional Director vide order dated 12 October 2023 with an appointed date of 1 April 2023 in accordance with the requirements of the approved Scheme and Appendix C to Ind AS 103, Business Combinations, applicable to common control business combinations. Accordingly, the comparative financial information presented in the accompanying standalone financial statements has been restated from the beginning of the earliest period presented, being 01 April 2022.

Our opinion is not modified in respect of this matter.

(iii) Other matter not requiring adjustments to restated consolidated financial information
(a) Auditor's Report on Consolidated Ind AS Financial Statements
Financial year ended 31 March 2025

We did not audit the financial statements one subsidiary, whose financial statements reflect total assets of ₹ 1,345.64 Millions as at 31 March 2025, total revenues of ₹ 1,250.58 Millions and net cash outflows amounting to ₹ 0.58 Millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 12.94 Millions for the year ended 31 March 2025, as considered in the consolidated financial statement, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports 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 these subsidiary, associates and joint ventures, 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, associates and joint ventures, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Financial year ended 31 March 2024

(1) The Company had prepared separate sets of statutory consolidated financial statements for the year ended 31 March 2023 and 31 March 2022 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 on which we issued auditor's reports to the shareholders of the Company dated 14 September 2023 and 13 December 2022 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us.

Our opinion is not modified in respect of this matter.

(2) The comparative financial information for the year ended 31 March 2023 and the transition date opening balance sheet as at 1 April 2022 includes financial information of 8 subsidiaries and 2 associates and 2 joint ventures. Such financial information for 7 subsidiaries have been prepared in accordance with Ind AS, has been audited by K C Mehta & Co LLP, who has issued unmodified opinions vide their audit reports dated 20 September 2024, which has been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying consolidated Ind AS financial statements. Such financial information for 1 subsidiary have been prepared in accordance with Ind AS, has been audited by G. P. Kapadia & Co., who has issued unmodified opinions vide their audit reports dated 20 September 2024, which has been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying consolidated financial statements. Such financial information for 2 associates have been prepared in accordance with Ind AS, has been audited by N. C. Gandhi & Associates, who have issued unmodified opinions vide their audit reports dated 1 August 2024 and 2 August 2024, which has been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying consolidated financial statements. Such financial information for 2 joint ventures have been prepared in accordance with Ind AS, has been audited by N. C. Gandhi & Associates and B.B. Kalaria & Co., who have issued unmodified opinions vide their audit reports dated 2 August 2024 and 31 July 2024, respectively, which has been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying consolidated financial statements.

Our opinion is not modified in respect of this matter.

(3) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 1,758.38 Millions as at 31 March 2024, total revenues of ₹ 1,423.81 Millions and net cash inflows amounting to ₹ 3.15 Millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 35.21 Millions for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports 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 these subsidiary, associates and joint ventures, 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, associates and joint ventures, are based solely on the reports of the other auditors.

Our opinion is not modified in respect of this matter.

(b) Auditor's Report on Standalone Ind AS Financial Statements

There are no other matter paragraph in auditor's report on the Standalone Financial Statements for the year ended 31 March 2025.

Financial year ended 31 March 2024

(1) The comparative financial information for the year ended 31 March 2023 and the transition date opening balance sheet as at 1 April 2022 has been restated giving effect to the Scheme of amalgamation of the Transferor Companies. Such financial information of Solaris Ceramics Private Limited, Varmora Ceramics Private Limited, Nextile Marbosys Private Limited, Conffi Sanitaryware Private Limited, Tocco Ceramics Private Limited for the year ended 31 March 2023 and 1 April 2022 prepared in accordance with Ind AS, has been audited by K C Mehta & Co LLP who has issued unmodified opinions vide their audit reports dated 20 September 2024, which has been furnished to us by the management and have been relied upon by us for the purpose of our audit of the accompanying standalone financial statements.

Our opinion above on the standalone financial statements is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

(2) The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2022 and 31 March 2023 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 on which we issued auditor's reports to the members of the Company dated 13 December 2022 and 14 September 2023 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us.

(iv) Other matter not requiring adjustments to restated consolidated financial information in Internal Financial Control report on Consolidated Ind AS Financial Statements
For the year ended 31 March 2025

The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 8.60 Millions for the year ended 31 March 2025, in respect of 2 associate companies and 1 joint venture company, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such associate companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company, its associate companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such associate companies and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For the year ended 31 March 2024

The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 35.21 Millions for the year ended 31 March 2024, in respect of 2 associate companies and 1 joint venture company, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such associate companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company, its associate companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such associate companies and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

(v) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020) (Annexure to Auditors' Report on the Standalone Ind AS Financial Statements of the Company for the year ended 31 March 2025 and 31 March 2024, which do not require any corrective adjustments in the Restated Consolidated Financial Information

For the year ended 31 March 2025

Clause (ii) (b) of CARO 2020 order
As disclosed in Note 27(a.2) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

Name of the Bank / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
HDFC Bank	750.00	Inventory and Book Debts	Jun-24	5,653.23	5,327.04	326.19
ICICI Bank	500.00		Sep-24	6,018.05	5,664.34	353.71
			Dec-24	6,161.46	6,211.03	49.57
SBI Bank	800.00		Mar-25	6,142.11	5,740.77	401.34

Clause (iii) (f) of CARO 2020 order
The Company has granted loans which are repayable on demand, as per details below

Particulars	Loans
Aggregate of loans	
-Repayable on demands	503.33
Total	**503.33**
Percentage of loans	100.00

Clause (vii) (a) of CARO 2020 order

In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Clause (vii) (b) of CARO 2020 order
According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following

Name of the statute	Nature of dues	Gross Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	0.19	0.06	AY 2015-16	Commissioner of Income tax (Appeals)
		1.45	-	AY 2016-17	
		51.24	9.00	AY 2018-19	
		0.18	-	AY 2021-22	
Central Excise Act 1944	Excise Duty	55.31	8.00	FY 2004-08	Commissioner of Central Excise
		1.33	-	Feb 2015-Dec 2015	CESTAT, Ahmedabad
Goods and Service Tax Act, 2017	Goods and Service Tax	2.93	1.28	Jul 2017-Mar 2018	Deputy Commissioner State Tax
		3.71	0.18	FY 2018-19	
		2.40	0.10	FY 2021-22	
		0.96	0.05	FY 2019-20	Divisional Deputy Commissioner of State Tax (Appeals)
Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Water and Air	9.66	0.10	FY 2019-20	Deputy Director, DGGI
		22.43	2.24	FY 2019-20	

For the year ended 31 March 2024

Clause (i) (c) of CARO 2020 order
The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 6 and 8 to the standalone financial statements, are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Right of use of assets – Land	81.64	Conffi Sanitaryware Private Limited	No	1 April 2023	Due to merger of the entity into Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Clause (ii) (b) of CARO 2020 order

As disclosed in Note 28B to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following

Name of the Bank / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
HDFC Bank Limited	500.00	Inventory and Book Debts	Jun-23	5,482.59	5,401.01	81.58
			Sep-23	6,248.02	6,135.03	112.99
ICICI Bank	250.00		Dec-23	4,724.60	5,439.00	714.40
			Mar-24	5,122.39	4,409.61	712.78

Clause (vii) (a) of CARO 2020 order

In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Clause (vii) (b) of CARO 2020 order

According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following

Name of the statute	Nature of dues	Gross Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	0.19	0.06	AY 2015-16	Commissioner of Income tax (Appeals), Rajkot
		417.71	42.00	AY 2018-19	
		51.24	9.01	AY 2018-19	Commissioner of Income tax (Appeals)
Central Excise Act 1944	Excise Duty	55.31	8.00	FY 2004-08	Commissioner of Central Excise
		1.33	-	Feb 2015-Dec 2015	CESTAT, Ahmedabad

(vi) Audit Comments in Report on Other Legal and Regulatory Requirements section in the Auditors' report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

For the year ended 31 March 2025

Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) in the Standalone Ind AS Financial Statements

As stated in Note 60 to the standalone financial statements, based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, other than the consequential impact of the exceptions given below, the audit trail has been preserved by the Company as per the statutory requirements for record retention from the date the audit trail was enabled for the accounting software.

I. the audit trail feature was not enabled at the application level for the period 1 April 2024 to 4 April 2024;

II. the audit trail feature was not enabled at database level to log any direct data changes; and

III. The audit trail has not been preserved at the application level for the period from 1 April 2023 to 31 March 2024 for one accounting software which has been discontinued during the current year.

Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) in the Consolidated Ind AS Financial Statements

As stated in Note 59 to the consolidated financial statements, based on our examination which included test checks and that performed by the respective auditors of the associates and joint venture of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company, its subsidiary, associates and joint venture, in respect of financial year commencing on 1 April 2024, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred associates and joint venture did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exceptions given below. Furthermore, other than the consequential impact of the exceptions given below, the audit trail has been preserved by the Holding company, its subsidiary, associates and joint venture of Holding company, as per the statutory requirements for record retention from the date the audit trail was enabled for the accounting software;

a. The audit trail feature was not enabled at the application level for the period 1 April 2024 to 4 April 2024 for accounting software, used for maintenance of books of account by the Holding Company and its subsidiary.

b. The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and its subsidiary.

c. The audit trail has not been preserved at the application level by the Holding Company for the period from 1 April 2023 to 31 March 2024 for one accounting software which has been discontinued during the current year.

For the year ended 31 March 2024

Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) in the Standalone Ind AS Financial Statements

Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enabled at database level for accounting software to log any direct data changes, as described in note 61 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) in the Consolidated Ind AS Financial Statements

As stated in Note 60 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the associates and joint ventures of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances/matters mentioned below, the Holding Company, its subsidiary, associates and joint ventures, in respect of financial years commencing on or after 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred associates and joint ventures did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exceptions given below:

1. The audit trail feature was not enabled at the database level for two accounting software used by the Holding Company and one accounting software used by the subsidiary to log any direct data changes, used for maintenance of their books of account.
2. The audit trail feature was not enabled at the database level for two separate accounting software used by two associates to log any direct data changes, for maintenance of all accounting records. Further, the audit trail was not enabled at the application level in the respective accounting software for revenue, trade receivables, general ledger and property, plant and equipment records.

B) For the year ended 31 March 2023

The Company has also prepared a separate set of General Purpose Consolidated Financial Statements for the year ended 31 March 2023 in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, read with the Companies (Accounting Standards) Rules, 2021 (referred to as "Indian GAAP") and other accounting principles generally accepted in India.

The Company has prepared Special Purpose Consolidated Ind AS Financial Statements of the Group, its associates and joint ventures as at and for the years ended 31 March 2023 in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 28 July 2025.

(i) Audit qualifications

There are no qualifications in auditor's report on the General Purpose Consolidated Financial Statements and Standalone Financial Statements and Special Purpose Ind AS Consolidated Financial Statements for the year ended 31 March 2023. However, the auditor's report on the Internal Financial Controls over Financial Reporting of the Group includes the following qualification.

Qualification in the auditor's report on the Internal Financial Controls over Financial Reporting of the Group for the year ended 31 March 2023

"According to the information and explanation given to us, and consideration of the reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, the following material weakness has been reported by the other auditor on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited, which are subsidiaries of the Holding Company, as at 31 March 2023. The possible effects of the material weakness has been assessed as material but not pervasive to these consolidated financial statements:

"The Company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023."

The report on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited has been qualified with respect to the above matter, issued by another firm of chartered accountants vide their audit report dated 11 September 2023, 12 September 2023, 11 September 2023, 09 September 2023 and 11 September 2023, respectively."

(ii) Emphasis of matter paragraph

There are no Emphasis of matter paragraph in auditor's report on the General Purpose Consolidated Financial Statements and Standalone Financial Statements for the year ended 31 March 2023.

(iii) Other matter not requiring adjustments to restated consolidated financial information on Auditor's Report on General Purpose Consolidated Financial Statements for the year ended 31 March 2023

We did not audit the financial statements of 8 subsidiaries, whose financial statements reflects total assets of ₹ 6,638.82 Millions and net assets of ₹ 1,920.15 Millions as at 31 March 2023, total revenues of ₹ 8,011.86 Millions and net cash outflows amounting to ₹ 18.17 Millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 23.10 Millions for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of 4 associates and, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports 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 these subsidiaries, and associates, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

(iv) Other matter not requiring adjustments to restated consolidated financial information in Internal Financial Control report on General Purpose Consolidated Financial Statements for the year ended 31 March 2023

We did not audit the internal financial controls with reference to financial statements insofar as it relates to 5 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 4,558.42 Millions and net assets of ₹ 1,557.14 Millions as at 31 March 2023, total revenues of ₹ 6,219.69 Millions and net cash inflows amounting to ₹ 5.38 Millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 18.56 Millions for the year ended 31 March 2023, in respect of 3 associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

(v) Other matter not requiring adjustments to restated consolidated financial information on Auditor's Report on Special Purpose Consolidated Ind AS Financial Statements for the year ended 31 March 2023

We did not audit the Special Purpose Ind AS Financial Statements of 8 subsidiaries, whose financial statements reflect total assets of ₹ 6,600.75 Millions as at 31 March 2023, total revenues of ₹ 8,066.12 Millions and net cash outflow amounting to ₹ 18.55 Millions for the year ended on that date, as considered in the Special Purpose Consolidated Ind AS Financial Statements. The Special Purpose Consolidated Ind AS Financial Statements also include the Group's share of net profit (including other comprehensive income) of ₹ 20.22 Millions for the year ended 31 March 2023, in respect of 2 associates and 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Special Purpose Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, associates and joint ventures, are based solely on the reports of the other auditors.

Our opinion above on the Special Purpose Consolidated Ind AS Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

(vi) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020) (Annexure to Auditors' Report on the General Purpose Standalone Financial Statements of the Company for the year ended 31 March 2023, which do not require any corrective adjustments in the Restated Consolidated Financial Information

Clause (ii) (b) of CARO 2020 order

As disclosed in note 7 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

Name of the Bank / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
HDFC Bank Limited	500.00	Inventory and Book Debts	Jun-22	2,699.61	2,702.79	3.18
			Sep-22	2,659.82	2,653.04	6.79
ICICI Bank	250.00		Dec-22	2,735.61	2,712.93	22.68
			Mar-23	3,102.97	3,008.53	94.44

Clause (vii) (a) of CARO 2020 order

In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though income-tax and employees' state insurance have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payables in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Tax deducted at source (Section 194R)	0.02	Jul-22	7 August 2022	5 May 2023
		0.13	Aug-22	7 August 2022	5 May 2023
		0.07	Sep-22	7 October 2022	5 May 2023
	Tax collected at source (Section 206 C(1H))*	0.00	Sep-22	7 October 2022	14 April 2023

*(0.00 Denotes amount less than ₹ 50,000)

Clause (vii) (b) of CARO 2020 order

According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	0.19	0.06	AY 2015-16	Commissioner of Income tax (Appeals), Rajkot
		417.71	42.00	AY 2018-19	
Central Excise Act 1944	Excise Duty	55.31	8.00	FY 2004-08	Commissioner of Central Excise
		1.33	-	Feb 2015-Dec 2015	CESTAT, Ahmedabad

Clause (x) (b) of CARO 2020 order

During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

66 Statement of Non Adjusting items to the Restated Consolidated Financial Information relating to the Subsidiaries
A) For the year ended 31 March 2025 and 31 March 2024:

(A) Covertek Ceramica Private Limited

(i) Other matter

For the year ended 31 March 2024

The comparative financial information for the year ended 31 March 2023 and the transition date opening balance sheet as at 1 April 2022 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2023 and 31 March 2022 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditors whose reports dated 9 September 2023 and 6 September 2022 respectively expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by the predecessor auditor. The report of the predecessor auditor dated 20 September 2024 on the comparative financial information for the year ended 31 March 2023 and the transition date opening balance sheet as at 1 April 2022 prepared in accordance with Ind AS included in these financial statements expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

(ii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

For the year ended 31 March 2025
Clause (ii) (b) of CARO 2020 order

As disclosed in Note 23(b) to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following

Name of the Bank / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
HDFC Bank Limited	150.00	Inventory and Book Debts	Jun-24	388.79	383.22	5.57
			Sep-24	309.67	298.74	10.93
			Dec-24	335.99	356.54	20.55
			Mar-25	423.89	396.45	27.44

Clause (vii) (a) of CARO 2020 order

In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

For the year ended 31 March 2024
Clause (ii) (b) of CARO 2020 order

As disclosed in Note 23(b) to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following

Name of the Bank / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
HDFC Bank Limited	150.00	Inventory and Book Debts	Jun-23	487.30	486.32	0.98
			Sep-23	490.84	488.76	2.08
			Dec-23	498.98	495.60	3.37
			Mar-24	465.37	442.58	22.79

Clause (vii) (a) of CARO 2020 order

In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Clause (xviii) of CARO 2020 order

There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.

(iii) Audit Comments in Report on Other Legal and Regulatory Requirements section in the Auditors' report

Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)

For the year ended 31 March 2025

Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2024, has used an accounting software for maintaining its books Chartered Accountants of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enabled at database level to log any direct data changes, as described in note 54 to the accompanying financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with where such feature is enabled.

For the year ended 31 March 2024

Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enables at database level to log any direct data changes, as described in note 54 to the accompanying financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with where such feature is enabled.

(B) Varmora Sanitarywares LLP

(i) Other matter

For the year ended 31 March 2024

The financial statements of the LLP for the period ended 31 March 2023 were audited by the predecessor auditors, K C Mehta & Co LLP who have expressed an unmodified opinion on those financial statements vide their audit report dated 12 September 2023.

67 Statement of Non Adjusting items to the Restated Consolidated Financial Information for Subsidiaries audited by other auditors

A) For the year ended 31 March 2025 and 31 March 2024:

(A) Simola Tiles LLP

(i) Emphasis of matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2025

Without modifying our opinion, we draw attention to Note 2.1 A to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation financial information of the Company in the financial statements of the Holding Company for the year ended March 31, 2025. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Accounting Standards ("Ind AS") prescribed under Section 133 Of the Companies Act, 2013 read With Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose IndAS Financial Statements as per Division Il of Schedule Ill of the Companies Act, 2013 may not be suitable for any other purpose.

These special Purpose Ind AS Financial Statements have been audited solely at the request of the Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

Special Purpose Ind AS Financial Statements for the year ended 31 March 2024 and 31 March 2023

We draw attention to Note 2.1 (a) to the accompanying Special Purpose Ind AS Financial Statements, which describes the basis of its preparation. These Special Purpose Ind AS Financial Statements have been prepared by the LLP's management solely for the preparation of Special Purpose Consolidated Ind AS Financial Statements of the Holding Company for the year ended 31 March 2023 and preparation of the Restated Financial Information for the period/year ended 31 March 2023 and 31 March 2024, to be used for the preparation of Restated Consolidated Financial Information of the Holding Company, to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Holding Company, which is to be filed with the SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Accordingly, these Special Purpose Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2025

1. The statutory audit of financial statements of the LLP as at March 31, 2025 were prepared in accordance with the Accounting Standards issued by ICAI were conducted by us and we have expressed an unmodified opinion thereon vide our report/financials dated May 21, 2025 on the financial statements.

2. For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards issued by ICAI to the extent applicable for the financial year ended March 31, 2025. Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated May 21, 2025 for the financial year ended March 31, 2025.

Our opinion on these Special Purpose Ind AS financial statements is not modified in respect of the above matters.

Special Purpose Ind AS Financial Statements for the year ended 31 March 2024 and 31 March 2023

The LLP had prepared separate set of statutory financial statements for the year ended 31 March 2024 and special purpose financial statements from 25 August 2022 to 31 March 2023 in accordance with Accounting Standards issued by the ICAI, on which we had issued unmodified opinion vide our audit report dated 05 June 2024 and 22 July 2023, respectively, on the financial statements. The Special Purpose Ind AS Financial Statements for the year ended 31 March 2024 and from 25 August 2022 to 31 March 2023 have been prepared by the management based on aforesaid Indian GAAP financial statements after adjusting for the differences in the accounting principles adopted by the LLP on transition to Ind AS using 25 August 2022 as transition date adopted by the LLP for the preparation its of first Ind AS compliant financial statements, which have been audited by us.

B) For the year ended 31 March 2023

(A) Covertek Ceramica Private Limited

(i) Emphasis of matter

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use of Special Purpose Ind AS Financial Statements for the year ended 31 March 2023

Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation of comparative financial information of the Company in the financial statements of then Holding Company for the year ended March 31, 2024. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose Ind AS Financial Statements do not constitute a complete set of financial statements as per Division II of Schedule III of the Companies Act, 2013 and may not be suitable for any other purpose.

These Special Purpose Ind AS Financial Statements have been audited solely at the request of then Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
a) The statutory audit of financial statements of the Company as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and approved by the Board of Directors in their meeting held on September 9, 2023, was conducted by us and we have expressed an unmodified opinion thereon vide our report dated September 9, 2023 on the financial statements, However, we have expressed modified opinion on Internal Financial Controls with reference to financial statements for the year ended on March 31, 2023.

b) For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent applicable for the financial year ended March 31, 2023. Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated September 9, 2023 for the financial year ended March 31, 2023.

Our opinion on these Special Purpose Ind AS Financial Statements is not modified in respect of the above matters.

(iii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

Clause (ii) (a) of CARO 2020 order
The inventories were physically verified at the end of the year by the management. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account. In our opinion, the company needs to strengthen the coverage and procedure of such verification.

Clause (ii) (b) of CARO 2020 order
The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from bank on the basis of security of current assets. We have observed differences in the quarterly statements filed by the Company with such banks as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences are as below:

Name of Bank	Quarter	Amount as per reported in quarterly returns/ statements	Amount as per books	Amount of Difference
HDFC Bank Limited	June -22	365.58	368.10	2.52
	Sep -22	349.61	349.15	(0.45)
	Dec -22	404.89	403.41	(1.47)
	March -23	479.36	460.32	(19.04)

Clause (xviii) of CARO 2020 order
There has been resignation of the statutory auditors during the year and no objection has been reported to us by the outgoing auditor.

(iv) Qualification in Internal Financial Control report on Financial Statements for the year ended 31 March 2023
According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in operating effectiveness of the company' internal financial controls with reference to financial statements as at March 31, 2023:

The company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023.

(B) Conffi Sanitarywares Private Limited

(i) Emphasis of matter

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use of Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. The Company got merged with Varmora Granito Limited ("Holding Company") with appointed date April 1, 2023 vide Regional Director's Order dated October 12, 2023. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation of comparative financial information of the Company in the financial statements of then Holding Company for the year ended March 31, 2024. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose Ind AS Financial Statements do not constitute a complete set of financial statements as per Division II of Schedule III of the Companies Act, 2013 and may not be suitable for any other purpose.

These Special Purpose Ind AS Financial Statements have been audited solely at the request of then Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
a) The statutory audit of financial statements of the Company as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and approved by the Board of Directors in their meeting held on September 11, 2023, was conducted by us and we have expressed an unmodified opinion thereon vide our report dated September 11, 2023 on the financial statements, However, we have expressed modified opinion on Internal Financial Controls with reference to financial statements for the year ended on March 31, 2023.

b) For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent applicable for the financial year ended March 31, 2023. Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated September 11, 2023 for the financial year ended March 31, 2023.

Our opinion on these Special Purpose Ind AS Financial Statements is not modified in respect of the above matters.

(iii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

Clause (ii) (a) of CARO 2020 order
The inventories were physically verified at the end of the year by the management. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account. In our opinion, the company needs to strengthen the coverage and procedure of such verification.

Clause (ii) (b) of CARO 2020 order
The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from bank on the basis of security of current assets. We have observed differences in the quarterly statements filed by the Company with such banks as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences are as below:

Name of Bank	Quarter	Amount as per reported in quarterly returns/ statements	Amount as per books	Amount of Difference
State Bank of India	June -22	463.34	463.07	(0.27)
	Sep -22	463.60	462.71	(0.89)
	Dec -22	577.88	577.86	(0.02)
	March -23	628.04	623.42	(4.62)

Clause (xviii) of CARO 2020 order
There has been resignation of the statutory auditors during the year and no objection has been reported to us by the outgoing auditor.

(iv) Qualification in Internal Financial Control report on Financial Statements for the year ended 31 March 2023
According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in operating effectiveness of the company' internal financial controls with reference to financial statements as at March 31, 2023:

The company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023.

(C) Nextile Marbosys Private Limited

(i) Emphasis of matter

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use of Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. The Company got merged with Varmora Granito Limited ("Holding Company") with appointed date April 1, 2023 vide Regional Director's Order dated October 12, 2023. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation of comparative financial information of the Company in the financial statements of then Holding Company for the year ended March 31, 2024. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose Ind AS Financial Statements do not constitute a complete set of financial statements as per Division II of Schedule III of the Companies Act, 2013 and may not be suitable for any other purpose.

These Special Purpose Ind AS Financial Statements have been audited solely at the request of then Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
a) The statutory audit of financial statements of the Company as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and approved by the Board of Directors in their meeting held on September 11, 2023, was conducted by us and we have expressed an unmodified opinion thereon vide our report dated September 11, 2023 on the financial statements, However, we have expressed modified opinion on Internal Financial Controls with reference to financial statements for the year ended on March 31, 2023.

b) For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent applicable for the financial year ended March 31, 2023. Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated September 11, 2023 for the financial year ended March 31, 2023.

Our opinion on these Special Purpose Ind AS Financial Statements is not modified in respect of the above matters.

(iii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

Clause (ii) (a) of CARO 2020 order
The inventories were physically verified at the end of the year by the management. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account. In our opinion, the company needs to strengthen the coverage and procedure of such verification.

Clause (ii) (b) of CARO 2020 order
The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from bank on the basis of security of current assets. We have observed differences in the quarterly statements filed by the Company with such banks as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences are as below:

Name of Bank	Quarter	Amount as per reported in quarterly returns/ statements	Amount as per books	Amount of Difference
HDFC Bank Limited	June -22	544.12	549.56	(5.44)
	Sep -22	471.57	477.85	(6.28)
	Dec -22	603.91	610.79	(6.88)
	March -23	705.12	703.30	1.82

Clause (vii) (b) of CARO 2020 order
According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of the dues	Amount	Period to which amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	51.24	2018-19	CIT(A)

Clause (xviii) of CARO 2020 order
There has been resignation of the statutory auditors during the year and no objection has been reported to us by the outgoing auditor.

(iv) Qualification in Internal Financial Control report on Financial Statements for the year ended 31 March 2023
According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in operating effectiveness of the company' internal financial controls with reference to financial statements as at March 31, 2023:

The company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023.

(D) Solaris Ceramics Private Limited

(i) Emphasis of matter

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use of Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. The Company got merged with Varmora Granito Limited ("Holding Company") with appointed date April 1, 2023 vide Regional Director's Order dated October 12, 2023. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation of comparative financial information of the Company in the financial statements of then Holding Company for the year ended March 31, 2024. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose Ind AS Financial Statements do not constitute a complete set of financial statements as per Division II of Schedule III of the Companies Act, 2013 and may not be suitable for any other purpose.

These Special Purpose Ind AS Financial Statements have been audited solely at the request of then Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
a) The statutory audit of financial statements of the Company as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and approved by the Board of Directors in their meeting held on September 12, 2023, was conducted by us and we have expressed an unmodified opinion thereon vide our report dated September 12, 2023 on the financial statements, However, we have expressed modified opinion on Internal Financial Controls with reference to financial statements for the year ended on March 31, 2023.

b) For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent applicable for the financial year ended March 31, 2023. Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated September 12, 2023 for the financial year ended March 31, 2023.

Our opinion on these Special Purpose Ind AS Financial Statements is not modified in respect of the above matters.

(iii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

Clause (ii) (a) of CARO 2020 order
The inventories were physically verified at the end of the year by the management. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account. In our opinion, the company needs to strengthen the coverage and procedure of such verification.

Clause (ii) (b) of CARO 2020 order
The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from bank on the basis of security of current assets. We have observed differences in the quarterly statements filed by the Company with such banks as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences are as below:

Name of Bank	Quarter	Amount as per reported in quarterly returns/ statements	Amount as per books	Amount of Difference
State Bank of India	June -22	563.12	569.94	6.82
	Sep -22	546.43	541.60	(4.83)
	Dec -22	506.68	501.42	(5.25)
	March -23	578.62	578.55	(0.07)

Clause (vii) (b) of CARO 2020 order
According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of the dues	Amount	Period to which amount relates	Forum where dispute is pending
Custom Act, 1962	Custom Duty penalty	20.00	2012-13	Commissioner of Customs

Clause (xviii) of CARO 2020 order
There has been resignation of the statutory auditors during the year and no objection has been reported to us by the outgoing auditor.

(iv) Qualification in Internal Financial Control report on Financial Statements for the year ended 31 March 2023
According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in operating effectiveness of the company' internal financial controls with reference to financial statements as at March 31, 2023:

The company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023.

(E) Tocco Ceramic Private Limited

(i) Emphasis of matter

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use of Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. The Company got merged with Varmora Granito Limited ("Holding Company") with appointed date April 1, 2023 vide Regional Director's Order dated October 12, 2023. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation of comparative financial information of the Company in the financial statements of then Holding Company for the year ended March 31, 2024. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose Ind AS Financial Statements do not constitute a complete set of financial statements as per Division II of Schedule III of the Companies Act, 2013 and may not be suitable for any other purpose.

These Special Purpose Ind AS Financial Statements have been audited solely at the request of then Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
a) The statutory audit of financial statements of the Company as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and approved by the Board of Directors in their meeting held on September 11, 2023, was conducted by us and we have expressed an unmodified opinion thereon vide our report dated September 11, 2023 on the financial statements, However, we have expressed modified opinion on Internal Financial Controls with reference to financial statements for the year ended on March 31, 2023.

b) For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent applicable for the financial year ended March 31, 2023. Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated September 11, 2023 for the financial year ended March 31, 2023.

Our opinion on these Special Purpose Ind AS Financial Statements is not modified in respect of the above matters.

(iii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

Clause (ii) (a) of CARO 2020 order
The inventories were physically verified at the end of the year by the management. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account. In our opinion, the company needs to strengthen the coverage and procedure of such verification.

Clause (ii) (b) of CARO 2020 order
The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from bank on the basis of security of current assets. We have observed differences in the quarterly statements filed by the Company with such banks as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences are as below:

Name of Bank	Quarter	Amount as per reported in quarterly returns/ statements	Amount as per books	Amount of Difference
State Bank of India	June -22	386.25	386.25	-
	Sep -22	341.48	341.48	-
	Dec -22	285.08	285.08	-
	March -23	356.37	336.80	(19.57)

Clause (vii) (b) of CARO 2020 order
According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of the dues	Amount	Period to which amount relates	Forum where dispute is pending
The Central Sales Tax Act	CST	2.70	2012-13	JC(A), Rajkot

Clause (xviii) of CARO 2020 order
There has been resignation of the statutory auditors during the year and no objection has been reported to us by the outgoing auditor.

(iv) Qualification in Internal Financial Control report on Financial Statements for the year ended 31 March 2023
According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in operating effectiveness of the company' internal financial controls with reference to financial statements as at March 31, 2023:

The company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023.

(F) Varmora Ceramics Private Limited

(i) Emphasis of matter

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use of Special Purpose Ind AS Financial Statements for the year ended 31 March 2023

Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. The Company got merged with Varmora Granito Limited ("Holding Company") with appointed date April 1, 2023 vide Regional Director's Order dated October 12, 2023. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation of comparative financial information of the Company in the financial statements of then Holding Company for the year ended March 31, 2024. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose Ind AS Financial Statements do not constitute a complete set of financial statements as per Division II of Schedule III of the Companies Act, 2013 and may not be suitable for any other purpose.

These Special Purpose Ind AS Financial Statements have been audited solely at the request of then Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
a) The statutory audit of financial statements of the Company as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and approved by the Board of Directors in their meeting held on September 12, 2023, was conducted by us and we have expressed an unmodified opinion thereon vide our report dated September 12, 2023 on the financial statements, However, we have expressed modified opinion on Internal Financial Controls with reference to financial statements for the year ended on March 31, 2023.

b) For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent applicable for the financial year ended March 31, 2023. Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated September 12, 2023 for the financial year ended March 31, 2023.

Our opinion on these Special Purpose Ind AS Financial Statements is not modified in respect of the above matters.

(iii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

Clause (ii) (a) of CARO 2020 order
The inventories were physically verified at the end of the year by the management. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were less than 10% in aggregate for each class of inventories and have been properly dealt with in the books of account. In our opinion, the company needs to strengthen the coverage and procedure of such verification.

Clause (ii) (b) of CARO 2020 order
The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from bank on the basis of security of current assets. We have observed differences in the quarterly statements filed by the Company with such banks as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences are as below:

Name of Bank	Quarter	Amount as per reported in quarterly returns/ statements	Amount as per books	Amount of Difference
State Bank of India	June -22	-	-	-
	Sep -22	244.85	244.85	-
	Dec -22	268.53	268.53	-
	March -23	403.06	403.98	0.91

Clause (vii) (b) of CARO 2020 order
According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of the dues	Amount	Period to which amount relates	Due Date	Date of Payment
The Gujarat Professions Tax Act, 1976	Professional Tax	0.04	2022-23	Various	05-07-2023

Clause (xviii) of CARO 2020 order
There has been resignation of the statutory auditors during the year and no objection has been reported to us by the outgoing auditor.

(G) Simola Tiles LLP

(i) Emphasis of matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2024 and 31 March 2023

We draw attention to Note 2.1 (a) to the accompanying Special Purpose Ind AS Financial Statements, which describes the basis of its preparation. These Special Purpose Ind AS Financial Statements have been prepared by the LLP's management solely for the preparation of Special Purpose Consolidated Ind AS Financial Statements of the Holding Company for the year ended 31 March 2023 and preparation of the Restated Financial Information for the period/year ended 31 March 2023 and 31 March 2024, to be used for the preparation of Restated Consolidated Financial Information of the Holding Company, to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Holding Company, which is to be filed with the SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Accordingly, these Special Purpose Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter - Special Purpose Ind AS Financial Statements for the year ended 31 March 2024 and 31 March 2023
The LLP had prepared separate set of statutory financial statements for the year ended 31 March 2024 and special purpose financial statements from 25 August 2022 to 31 March 2023 in accordance with Accounting Standards issued by the ICAI, on which we had issued unmodified opinion vide our audit report dated 05 June 2024 and 22 July 2023, respectively, on the financial statements. The Special Purpose Ind AS Financial Statements for the year ended 31 March 2024 and from 25 August 2022 to 31 March 2023 have been prepared by the management based on aforesaid Indian GAAP financial statements after adjusting for the differences in the accounting principles adopted by the LLP on transition to Ind AS using 25 August 2022 as transition date adopted by the LLP for the preparation its of first Ind AS compliant financial statements, which have been audited by us.

(H) Varmora Sanitarywares LLP

(i) Emphasis of matter

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use of Special Purpose Ind AS Financial Statements for the year ended 31 March 2023

Without modifying our opinion, we draw attention to Note 2(a) to the Special Purpose Ind AS Financial Statements, which describes the basis of accounting. These Special Purpose Ind AS Financial Statements of the company have been prepared solely to facilitate the consolidation of comparative financial information of the Company in the financial statements of then Holding Company for the year ended March 31, 2024. The Company has prepared these Special Purpose Ind AS Financial Statements in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Special Purpose Ind AS Financial Statements do not constitute a complete set of financial statements as per Division II of Schedule III of the Companies Act, 2013 and may not be suitable for any other purpose.

These Special Purpose Ind AS Financial Statements have been audited solely at the request of then Holding company pursuant to above-referred purpose and should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom these Special Purpose Ind AS Financial Statements are shown or into whose hands it may come without our prior consent in writing.

(ii) Other matter

Special Purpose Ind AS Financial Statements for the year ended 31 March 2023
a) The statutory audit of financial statements of the Firm as at August 29, 2022 and the LLP as at and for the year ended March 31, 2023 which were prepared in accordance with the Accounting Standards issued by ICAI were conducted by us and we have expressed an unmodified opinion thereon vide our report dated September 12, 2023 on the respective financial statements.

b) For the purpose of auditing Special Purpose Ind AS Financial Statements, we relied on the work performed during our audit carried out in accordance with the Accounting Standards issued by ICAI to the extent applicable for the financial year ended March 31, 2023, Further, the Special Purpose Ind AS Financial Statements do not reflect the effects of events that may have occurred subsequent to issuance of our audit report dated September 12, 2023 for the financial year ended March 31, 2023.

Our opinion on these Special Purpose Ind AS Financial Statements is not modified in respect of the above matters.

68 Statement of Non Adjusting items to the Restated Consolidated Financial Information for joint ventures and associates
(A) Avalta Granito Private Limited

(i) Emphasis of matter - Special Purpose Ind AS Financial Statements for the year ended 31 March 2025, 31 March 2024 and 31 March 2023

Without modifying our opinion, we draw attention to Note 2 to the accompanying Special Purpose Ind AS Financial Statements, which describes the basis of preparation used for its preparation. These Special Purpose Ind AS Financial Statements have been prepared by the Company's management solely for the preparation of restated financial information for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Varmora Granito Limited (the 'Holding Company'), to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Varmora Granito Limited (the 'Holding Company'). Therefore, these Special Purpose Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

(ii) Audit Comments in Companies (Auditor's Report) Order, 2020 (CARO 2020)

For the year ended 31 March 2025
Clause (ii) (b) of CARO 2020 order
The Company has not provided to us quarterly returns or statements filed to banks or financial institutions.

Clause (Vii) (a) of CARO 2020 order
The Company is largely regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Clause (vii) (b) of CARO 2020 order
As explained to us and based on the audit procedures performed by us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	GST	0.11	2024-25	CIT (A)

For the year ended 31 March 2024
Clause (ii) (b) of CARO 2020 order

As disclosed in Note 14 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ 5 crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company. The Company has not provided to us quarterly returns or statements filed to banks or financial institutions.

Clause (Vii) (a) of CARO 2020 order

In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(B) Sentosa Granito Private Limited

(i) Emphasis of matter - Special Purpose Ind AS Financial Statements for the year ended 31 March 2025, 31 March 2024 and 31 March 2023

Without modifying our opinion, we draw attention to Note 2 to the accompanying Special Purpose Ind AS Financial Statements, which describes the basis of preparation used for its preparation. These Special Purpose Ind AS Financial Statements have been prepared by the Company's management solely for the preparation of restated financial information for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Varmora Granito Limited (the 'Holding Company'), to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Varmora Granito Limited (the 'Holding Company'). Therefore, these Special Purpose Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

(C) Fiorenza Granito Private Limited

(i) Emphasis of matter - Special Purpose Ind AS Financial Statements for the year ended 31 March 2025, 31 March 2024 and 31 March 2023

Without modifying our opinion, we draw attention to Note 2 to the accompanying Special Purpose Ind AS Financial Statements, which describes the basis of preparation used for its preparation. These Special Purpose Ind AS Financial Statements have been prepared by the Company's management solely for the preparation of restated financial information for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Varmora Granito Limited (the 'Holding Company'), to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Varmora Granito Limited (the 'Holding Company'). Therefore, these Special Purpose Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

(D) Renite Vitrified LLP

(i) Emphasis of matter - Special Purpose Ind AS Financial Statements for the year ended 31 March 2025, 31 March 2024 and 31 March 2023

Without modifying our opinion, we draw attention to Note 2 to the accompanying Special Purpose Ind AS Financial Statements, which describes the basis of preparation used for its preparation. These Special Purpose Ind AS Financial Statements have been prepared by the Company's management solely for the preparation of restated financial information for the year ended 31 March 2025, 31 March 2024 and 31 March 2023 to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Varmora Granito Limited (the 'Holding Company'), to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Varmora Granito Limited (the 'Holding Company'). Therefore, these Special Purpose Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No : 001076N/N500013

For and on behalf of the Board of Directors
Varmora Granito Limited (Formerly known as Varmora Granito Private Limited)

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
Place: Ahmedabad
Date: 28 July 2025

Bhavesh Varmora	**Pramodkumar Patel**	**Bhavesh Koshti**	**Nilesh Sharma - ACS**
Director	**Director**	**Chief Financial Officer**	**Company Secretary**
DIN: 02718600	DIN: 01935197	Place: Ahmedabad	M.No. 32273
Place: Ahmedabad	Place: Ahmedabad		Place: Ahmedabad
Date: 28 July 2025			

OTHER FINANCIAL INFORMATION

The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

(in ₹ million other than share data)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Basic Earning per Equity Share [(1)]	1.75	2.19	2.80
Diluted Earning per Equity Share [(2)]	1.74	2.19	2.80
Return on net worth (%)[(3)]	4.88%	6.51%	7.93%
Net asset value per Equity Share (in ₹)[(4)]	35.85	33.66	35.29
EBITDA[(5)]	1,982.91	1,503.30	1,806.81

Notes:

(1) Basic Earning per Equity Share = Profit for the year attributable to the equity holders of our Company/ Weighted average number of equity shares outstanding during the year.

(2) Diluted Earning per Equity Share = Profit for the year attributable to equity holders of our Company/ Weighted average number of equity shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued to satisfy the exercise of the share options by the employees.

(3) Return on net worth (%) = Profit attributable to equity holders of our Company / Net Worth.

(4) Net asset value per Equity Share (in ₹) = Net Asset Value/ Net Worth divided by Weighted average number of equity shares outstanding during the year.

(5) Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) is calculated as Profit before Share of profit of associates and joint venture and tax plus finance cost and depreciation.

Non-GAAP Financial Measures

This section includes Non-GAAP Measures, as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Ind AS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Other financial information

In accordance with the Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited standalone financial statements as at Fiscals ended March 31, 2025, March 31, 2024, and March 31, 2023, respectively, of our Company, our Subsidiary namely Covertek Ceramica Private Limited which is considered 'material' in terms of the aforesaid provision of the SEBI ICDR Regulations, are available at https://varmora.com/investor-relations/. Further, the audited standalone financial statements of our Erstwhile Subsidiaries namely Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("**Audited Financial Statements**") (for the duration before our Erstwhile Subsidiaries were merged with our Company, i.e., for the duration of the parent subsidiary relationship between the Erstwhile Subsidiaries and our Company), which are considered 'material' in terms of the aforesaid provision of the SEBI ICDR Regulations are available at https://varmora.com/investor-relations/. For further details in relation to the scheme of amalgamation between our Company and the Erstwhile Subsidiaries please see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any Bidder should consider while subscribing to or purchasing any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision.

None of the Group or any of its advisors, nor any of the BRLMs or Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Information, which is included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations are based on our Restated Consolidated Financial Information, including the related notes and reports, which are prepared under Ind AS, in accordance with requirements of the Companies Act, and restated in accordance with the SEBI ICDR Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. 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 Ind AS.

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 38 and 14, respectively.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Information for Fiscals 2023, 2024 and 2025 included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 289. Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated, or if the context otherwise requires, in this section, references to "the Company" or "our Company" are to Varmora Granito Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Varmora Granito Limited and its Subsidiaries, Associates and Joint Ventures, on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Industry Report on Tiles, Bathware & Sanitaryware Market in India" dated August 7, 2025 (the "**Technopak Report**") prepared and released by Technopak Advisors Private Limited and exclusively commissioned and paid for by us in connection with the Offer, pursuant to a letter of authorisation dated October 4, 2024. A copy of the Technopak Report is available on the website of our Company at https://varmora.com/investor-relations/industry-report/. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors — Internal Risks — 48. Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which has been prepared exclusively for the Offer and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 61.*

Overview

We are one of the leading players in the Indian tiles market in terms of revenue in Fiscal 2025 among the selected listed peers (*Source: Technopak Report*). According to the Technopak Report, we are the fastest growing among the selected listed peers in India in terms of revenue CAGR, with tiles as its primary segment, between Fiscals 2023 to 2025. The market leading growth is driven by our forefront position in tile innovation and premiumization in India (*Source: Technopak Report*). We have consistently leveraged technology to pioneer design and quality advancements in the industry. For instance, according to the Technopak Report, we were the first to launch digitally printed wall tiles in 2010 and one of the first in the industry to introduce homogenous-body slabs ((i) 1170 x 1770 mm; and (ii) 1185 x 1785 mm full-body slabs) in 2006, double charge tiles in 2012, high gloss and rocker in 2017 and kitchen slabs (80x260) in 2020. We are also the first company to commercialize integrated stone technology in Asia in 2024 (*Source: Technopak Report*), with a technology partnership with SACMI Imola S.C., an Italian tile equipment provider.

For an overview of our business, see "*Our Business - Overview*" on page 203.

Significant Factors Affecting our Financial Condition and Results of Operations

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including the following:

Diversification of Product Portfolio

Our product portfolio comprises a wide range of tiles and bathware as well as tile adhesives and other application equipment accessories. As of March 31, 2025, our product portfolio included over 3,500 stock-keeping units ("**SKUs**") for tiles including

GVT, PVT and ceramic tiles. Our tiles are provided across 20 different surface types, as of March 31, 2025. For further information, see "*Our Business – Description of our Business*" on page 221. Set out below are details of our revenues generated from each of our product offerings for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
GVT	10,058.44	69.56%	9,408.85	65.54%	8,045.06	**60.27%**
PVT	1,560.40	10.79%	1,820.28	12.68%	1,993.76	14.94%
Ceramics	1,160.50	8.03%	1,254.86	8.74%	1,561.28	11.70%
Total - Tiles	**12,779.34**	**88.38%**	**12,483.99**	**86.97%**	**11,600.10**	**86.90%**
Bathware	1,287.55	8.90%	1,432.83	9.98%	1,427.47	10.69%
Adhesive	209.27	1.45%	203.81	1.42%	130.21	0.98%
Others	184.13	1.27%	234.18	1.63%	191.68	1.44%
Revenue from operations	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

** Others include sale of broken tile and samples, revenue from dealer display, insurance facilitation charges and export incentive income*

The continuous expansion and diversification of our product portfolio is critical to our growth and profitability. This may be subject to various factors such as availability of adequate funds, financial risk-bearing capacity, availability of skilled workforce, prevailing economic environment and competition. Our ability to expand our product portfolio will also depend on new product development based on emerging market trends and customer needs. Further, a diverse product mix increases sales, reduces risks of dependency on any single or few products or product categories and optimizes costs and resources. It also enables us to meet a wider range of customer needs and creates new sources of revenue leading to economies of scale. In addition, diversification ensures sufficient cash flow from mature product categories to build the market share of newer categories.

Moreover, our primary focus is on selling premium products such as GVT. Moreover, GVT also has a 15-30% higher realisation than ceramic and PVT tiles and changing product mix in favour of GVT is helping manufacturers improve their realization and gross margins (*Source: Technopak Report*). Accordingly, any fluctuation in the demand and sales of GVT tiles would significantly impact our revenues and profitability.

Distribution network and market penetration

Our distribution network is a critical driver of our market penetration, revenue growth, and overall financial performance. We sell our products through a multi-channel distribution network including B2C retail channel (through EBOs and MBOs which are operated on a franchisee-owned-franchisee-operated model) and B2B channel comprising partnerships with various builders, contractors and government agencies. For further information, see "*Our Business – Distribution Network*" on page 227. The breadth and depth of our distribution network, particularly our B2C channel, enable us to reach a wide spectrum of customers and reduces our dependency on a single or few distributors or geographies.

Set out below are certain details of our revenues from operations by products for the years indicated:

	Fiscal					
	2025		2024		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
India						
EBO	2,631.22	18.20%	2,269.03	15.81%	1,878.97	14.08%
MBO	7,130.94	49.31%	6,841.77	47.66%	7,116.14	53.31%
Total domestic tiles	**9,762.16**	**67.51%**	**9,110.80**	**63.47%**	**8,995.11**	**67.38%**
Bathware	1,287.55	8.90%	1,432.83	9.98%	1,427.47	10.69%
Adhesives	209.27	1.45%	203.81	1.42%	130.21	0.98%
Others	184.13	1.27%	234.18	1.63%	191.68	1.44%
Exports						
Total exports tiles	3,017.18	20.87%	3,373.19	23.50%	2,604.99	19.51%
Revenue from operations	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

Set out below are certain details of our revenues by B2C and B2B channels for the years indicated:

	Fiscal					
	2025		2024		2023	
	(₹ million)	% of total domestic sales	(₹ million)	% of total domestic sales	(₹ million)	% of total domestic sales
India						
B2B	3,519.02	31.18%	2595.99	24.04%	2,074.78	19.59%
B2C	7,767.33	68.82%	8,204.69	75.96%	8,517.96	80.41%
Total domestic sale	**11,286.35**	**100.00%**	**10,800.68**	**100.00%**	**10,592.74**	**100.00%**

As of March 31, 2025, our network comprised 286 EBOs and over 2,000 MBOs in India and outside India. Set out below are details of revenue from operations generated from our top 10 EBOs and MBOs for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Top 10 MBOs	1,047.56	7.24%	961.31	6.70%	846.89	6.34%
Top 10 EBOs	841.60	5.82%	702.09	4.89%	540.60	4.05%

The expansion of our EBOs and MBOs can be impacted by several factors. Fluctuations in consumer demand and changes in consumer preferences can influence the need for additional EBOs or MBOs. Moreover, changes in economic conditions, such as economic downturns and unemployment rates can affect consumer spending habits and consequently, the viability of expanding our EBO or MBO presence. Disruptions or constraints within the supply chain, including issues related to sourcing materials, logistics, or inventory management, can also affect the pace and scale of our B2C retail channel expansion.

Demand for tiles and macroeconomic market conditions

According to the Technopak Report, the Indian domestic tiles market has witnessed significant growth over the past years. Valued at approximately ₹360.0 billion in Fiscal 2019, the market expanded to ₹531.0 billion by Fiscal 2025, growing at a CAGR of 6.7% (*Source: Technopak Report*). The Indian domestic tiles market is projected to further grow to ₹769.0 billion by Fiscal 2029, representing a CAGR of 9.7% from Fiscals 2025 to 2029 (*Source: Technopak Report*) Macroeconomic and other market conditions in end-use industries will influence the demand for our products. Our financial performance is significantly impacted by demand for tile products and the general health of the real estate, infrastructure, construction and related sectors.

Cost management and availability and cost of raw materials and packing materials

Our profitability is significantly dependent on our manufacturing excellence, which in turn is dependent on our ability to leverage our advanced technologies, equipment and machinery, together with stringent standards, processes and protocols. Further, continuous cost reduction and cost modification measures are critical to improve our profit margins, including through process optimization and innovation. Our ability to manage our operating costs will significantly impact our manufacturing efficiencies and consequently, our profitability.

We depend on the availability and supply of raw materials including clays, glaze, ink, feldspar, frit and bentonite and packing materials including wooden pallets (for export materials), box/ cartons, corners, strapping rolls and paper sheets from third parties, for our manufacturing processes. We procure our raw materials and packing materials from our suppliers through purchase orders. Our financial condition is dependent upon, among other things, our ability to anticipate and react to any interruptions in the supply of raw materials and packing materials and any fluctuations in the costs of our raw materials and packing materials. Raw material and packing material prices are influenced by changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by individual producers to capture market share and also by speculation in the market. In addition, we purchase low-complexity products such as ceramic and PVT tiles from contract manufacturers.

Moreover, our manufacturing processes require substantial quantities of power and fuel, the cost of which can fluctuate and constitutes a considerable portion of our expenditures. In addition, the geographic spread between the raw materials we use for manufacturing purposes and the distribution channels we use to sell our products is susceptible to the costs of freight and transportation. Lack of availability of transport or a spike in transportation costs could disrupt our production and have a material impact on our results of operations.

Set out below are details of our cost of materials consumed, purchase of stock-in-trade, power and fuel and freight outward and transportation charges for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income
Cost of materials consumed	4,381.71	29.35%	3,442.51	23.38%	3,447.05	24.62%
Purchase of stock-in-trade	1,985.93	13.30%	3,283.33	22.30%	2,543.74	18.17%
Power and fuel	3,650.72	24.46%	2,844.29	19.31%	3,244.64	23.18%
Freight outward and transportation charges	437.14	2.93%	393.04	2.67%	281.88	2.01%

Increasing our brand image and sales and promotion expenses

Brand recognition has played a significant role in the growth and development of our business. We implement a range of sales and marketing initiatives designed to increase awareness and strengthen the reputation of our brand, "Varmora." Our approach includes a combination of above-the-line (ATL) and below-the-line (BTL) marketing strategies, as well as multimedia and digital campaigns. We advertise our products across various channels, including social media, news outlets, cinema, television platforms, and outdoor media, to reach a broad and diverse customer base.

The recognition and reputation of our brand among customers have contributed meaningfully to our business performance. To support future growth, we intend to continue investing in activities that preserve and enhance our brand value. These activities may include substantial investments in television and digital marketing campaigns, as well as other promotional initiatives aligned with market opportunities. For further information, see "*Our Business - Marketing*" on page 228. We launched and produced our marketing and advertising campaigns in Fiscal 2023. Set out below are details of our advertisement and promotion expense for the years indicated:

Particulars	Fiscal					
	2025		2024		2023	
	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income	Amount (₹ million)	% of Total income
Advertisement and promotion expense	332.36	2.23%	375.59	2.55%	357.60	2.55%

Sustained investment in marketing and advertising is fundamental to increasing brand recall, supporting the introduction of new products, and expanding our market presence. As a result, marketing and advertising expenses are expected to remain a significant component of our operating costs. The effectiveness and timing of these initiatives, as well as external factors such as market perception and regulatory developments, may influence the overall impact of our brand-related activities on our results of operations.

Manufacturing capacity and capacity utilization

We operate nine strategically located manufacturing facilities in the Morbi cluster in Gujarat, as of March 31, 2025. In Fiscals 2025, 2024 and 2023, 78.55%, 66.83% and 72.51%, respectively, of our products were manufactured in-house. Moreover, to efficiently produce high-volume and offer a wide product portfolio, we outsource low-complexity products such as ceramic and PVT tiles from external third-party contract manufacturers. Our ability to manage our capacity utilization is critical to maintaining our operating efficiencies, which in turn impacts our competitiveness and profitability. Optimum levels of capacity utilization and an enhanced standard of quality at our manufacturing facilities is essential to sustain the growth of our operations. Attaining and maintaining this level of utilization and quality requires considerable expense and planning. Moreover, our actual production volumes may differ from our estimates due to variations in customer demand for our products. Our capacity utilization is also dependent upon our ability to optimally manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions and natural disasters.

The key driver in the growth of our revenue from operations has been the sales volume of products manufactured and sold by us. Increased sales volume, specifically for GVT, favourably affects our results of operations as it enables us to benefit from economies of scale in procurement and manufacturing and improves our operating margins through our ability to leverage our relatively fixed cost base. For details of our actual production volumes and capacity utilization, see "*Our Business - Description of our Business - Installed Capacity and Capacity Utilization*" on page 224.

Inorganic growth through acquisitions and expansion

Our growth and economies of scale are dependent on our ability to expand our operations. These acquisitions enable expansion in our business and operations including through diversification of product offerings in existing and newer categories, and expansion of our distribution network to newer regions together with consolidation of existing market share. Our ability to succeed will depend on the synergies we are able to achieve through the integration of our acquired businesses. The acquisition of new businesses may also expose us to various challenges including supply chain integration and optimization, alignment of overall operations and restructuring of the organization structure, integration of processes and technology, retention and building of relationships with newly acquired employees and customers, navigation of rules, regulations and other processes customary in the newly expanded geographies. However, once we are able to integrate our strategic acquisitions, we believe that the effect of our acquisitions and the consolidation of the acquired businesses' financial results in our financial statements will strengthen our financial performance.

Government regulations

We are subject to extensive regulatory requirements with respect to our products in India. Any change in the laws governing the manufacturing of our products, imposition of additional duties by target markets or laws governing the infrastructure or real estate sector, may have an impact on our operations. Further, our business is also subject to various statutory and regulatory permits, licenses, registrations and approvals. For more details, see "*Government and Other Approvals*" on page 433. These permits, licenses, registrations and approvals are subject to periodic renewals and may impose certain terms and conditions, both of which require us to incur significant costs. In addition, government regulations and policies of India as well as the other jurisdictions from which where we import our raw materials or export our products can affect the availability of raw materials that are critical to our operations. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These regulations and policies and the tax regimes to which we are subject could change at any time, with little or no warning or time for us to prepare. Any changes in government policies relating to the tile manufacturing industry could adversely affect our business and results of operations.

Competition

The industry in which we operate is characterized by intense competition and is sensitive to broader macroeconomic market conditions. We face competition from large, organized and branded players. We also compete with smaller, regional and unbranded players in the market that may have more flexibility in responding to changing business and economic conditions than us. Competition in our business is based on various factors including pricing, distribution network, product quality, customization and innovation. Further, the competitive landscape encourages continuous improvement and provides opportunities to differentiate our brands through targeted marketing, product development, and customer engagement initiatives. For further information, see "*Industry Overview – Operational Benchmarking*" on page 185.

Material Accounting Policies

Summary of Material Accounting Policies

Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Freehold land is carried at cost and is not depreciated. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the PPE and is recognised in the Statement of Profit and Loss.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April, 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

Based on technical assessment by the management or as useful life prescribed in Schedule II of the Companies Act, 2013, the Group has used following useful lives to provide depreciation of different class of its property, plant and equipment. Freehold land is not depreciated. Depreciation on PPE other than freehold land has been provided on diminishing balance method over the useful lives of the assets except by Simola Tiles LLP.

Simola Tiles LLP provides depreciation using straight line method.

Property, plant and equipment	Useful Lives
Factory building	30 years
Admin building	60 years
Plant and Machinery (Solar Power generating plant)	25 years
Plant and Machinery (Wind Mill)	22 years
Plant and Machinery (Other)	15 years
Electric Installation	10 years
Office equipment	5 years
Computers	3 years
Furniture and fixtures	10 years
Vehicle (Two Wheeler)	10 years
Vehicle (Others)	8 years

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Property, Plant and Equipment's, depreciation is provided as aforesaid over the residual life of the respective assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' and 'Other Expenses'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Capital work in progress

Projects under which property, plant and equipment's are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

Intangible Assets and Amortisation

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

Goodwill represents the cost of the acquired business in excess of the fair value of identifiable net assets purchase. Goodwill is not amortised; however it is tested annually for impairment and whenever there is an indication that the unit may be impaired, and carried at cost less accumulated impairment losses. If the recoverable amount of cash generation unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April, 2022 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Group amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful Life	Amortisation method
Brand	5 Years	Straight Line
Design	5 years	Straight Line
ERP software	10 years	Straight Line

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Foreign Currency Transactions

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements with the exception being when it facilitates insurance services for the customer. In this scenario, the Group acts as an agent.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

(i) **Revenue from sale of goods**

The Group manufactures and sells ceramic tiles. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers at factory premise. The Group is working as a principal in this arrangement and revenue is being recognised on gross basis. No significant element of financing is deemed present as the sales are made on standard credit period, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group also offer volume and cash discount to the customers. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on dispatch/ delivery of the goods or terms as agreed with the customer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The Group is working as a principal in this arrangement and revenue is being recognised on gross basis. No significant element of financing is deemed present as the sales are made on standard credit period, which is consistent with market practice.

Revenue from arranging Insurance service to customer:

The Group is providing services in the capacity of agent and hence revenue is being recognised on net basis.

Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Group is providing services in the capacity of agent and hence revenue is being recognised on net basis.

Variable consideration:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the time of completion of performance obligation and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract assets:

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs its obligation by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets i.e. Financial instruments – initial recognition and subsequent measurement.

Contract liabilities:

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(ii) **Interest Income**

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Interest income from financial assets is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is recorded using the effective interest rate (EIR). Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) **Revenue from export incentive**

Revenue from export incentive are recognised in the year when the right to receive credit is established in respect of export made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realisation/ utilisation of such benefits/ duty credit.

Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(i) **Current income tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) **Deferred tax**

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

Leases

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

The Group's lease asset classes primarily consist of leases for land, office building and godowns. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

- the contract involves the use of an identified asset;
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

Inventories

a) Raw material, packing material and stores and spare parts (including Fuel)

Raw materials, packing material and stores & spare parts are carried at cost. Cost includes purchase price excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. The carrying cost of raw materials and packing material are appropriately written down when there is a decline in replacement cost of such materials and finished products in which they will be incorporated are expected to be sold below cost.

b) Finished goods, stock-in-trade and work in progress

Finished goods, stock-in-trade and work in progress are valued at the lower of cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

In determining the cost of raw materials, packing materials, stock-in-trade, stores and spares, trading and other products, weighted average cost method is used.

The basis of determining the value of each class of inventory is as follows:

Inventories	Determination of cost
Work in Process	Raw material cost plus conversion cost and overheads wherever applicable.
Finished Goods	Raw material cost plus conversion cost and overheads wherever applicable.

Impairment of non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. The recoverable amount is the greater of the asset's fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

a) **Initial recognition and measurement**

At initial recognition, all financial assets, except trade receivables, are measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

b) **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- at amortized cost; or
- at fair value through other comprehensive income; or
- at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derivative financial Assets: Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

c) **Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

d) **Derecognition of financial assets**

A financial asset is derecognized only when

- the rights to receive cash flows from the financial asset is transferred; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

b) Financial liabilities

(i) **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

e) Derivative financial liability

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Employee Benefits

a) Short-term obligations

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of Profit and Loss in the period in which such services are rendered.

b) Other long-term employee benefit obligations

(i) **Defined contribution plan**

Provident Fund: The Group's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) **Defined benefit plan**

The Group provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled.

Remeasurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge/credit recognised in Other Comprehensive Income ("OCI") in the period in which they occur.

Remeasurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to profit or loss in subsequent periods.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. In case of grants relating to assets, the cost of the asset is shown as gross value and grant there on is treated as Government Grant Liability, which are recognized as "Other Income" in the Statement of Profit and Loss over the period.

Government grants includes grants on account of duty saved on import of capital goods (property, plant and equipment) under the EPCG (Export Promotion Capital Goods) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time and accounted in revenue on fulfilment of export obligation. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

Borrowing costs directly attributable to the acquisition or construction of assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Segment reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the group falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country.

Employee stock option scheme compensation

Employees of the Group receive share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (ESOP reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity- settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Business combination

Business combinations - common control transactions

Business combinations arising from transfers of interests in entities that are under the common control are accounted in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103) Business combinations of entities under common control, notified under the Companies Act, 2013.

The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

Business combinations - acquisition method

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by- acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Principal Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statement.

Income

Revenue from operations. Revenue from operations includes sale of products and other operating revenue. Sale of products includes the sale of tiles and allied products, such as bathware and adhesives. Other operating revenue includes insurance facilitation charges (which refers to commissions/ services fees earned by us for acting as a facilitator or intermediary in arranging insurance products for our customers) and export incentive income.

Set out below is the disaggregation of our revenue from contracts with customers by geographical markets for the years indicated:

	Fiscal					
	2025		**2024**		**2023**	
	(₹ million)	**% of Sale of products**	**(₹ million)**	**% of Sale of products**	**(₹ million)**	**% of Sale of products**
Geographical markets						
India	11,286.35	78.69%	10,800.68	75.99%	10,592.74	80.01%
Outside India	3,056.27	21.31%	3,413.21	24.01%	2,646.34	19.99%
Sale of Products	**14,342.62**	**100.00%**	**14,213.89**	**100.00%**	**13,239.08**	**100.00%**

Other income. Other income primarily includes reversal of expected credit loss, government grant income, net gain on foreign currency transactions and interest income on, amongst others, fixed deposits with banks and interest corporate loans.

Expenses

Cost of materials consumed. Cost of materials consumed includes the cost of purchasing: (i) raw materials such as several types of clays, glaze, ink, feldspar, frit and bentonite; and (ii) packing materials such as wooden pallet (for export material), box/ cartons, corners, strapping roll and paper sheet.

Purchase of stock in trade. Purchases of stock in trade primarily consist of cost of procuring low-complexity products such as ceramic and PVT tiles from contract manufacturers.

Changes in inventories of finished goods, work in progress and stock in trade. Changes in inventories of finished goods, work in progress and stock in trade represent the difference between our inventories at the start of the year and the end of the year.

Employee benefits expenses. Employee benefit expenses comprise salaries, wages and bonuses, defined benefit plans, contribution to provident and other funds, share based payment expense and staff welfare expenses.

Finance cost. Finance costs primarily comprise interest expense on borrowings, interest expense on CCPS liability, interest expense on lease liabilities, and other finance costs.

Depreciation and amortisation expenses. Depreciation and amortisation expenses comprise depreciation on property, plant and equipment, depreciation on right of use of assets and amortisation on intangible assets.

Other expenses. Other expenses primarily include: (i) power and fuel; (ii) labour work contract expense; (iii) selling and distribution expense comprising sales promotion expense with respect to EBOs and MBOs; (iv) consumption of stores and spares; (v) freight outward and transportation charges; (vi) expected credit loss; (vii) advertisement and promotion expense; and (viii) repairs and maintenance.

Results of Operations

The following table sets forth selected financial data from our restated consolidated statement of profit and loss for Fiscals 2025, 2024, and 2023, the components of which are expressed as a percentage of total income for such years.

	Fiscal					
	2025		2024		2023	
	(₹ million)	% of Total income	(₹ million)	% of Total income	(₹ million)	% of Total income
Income						
Revenue from operations	14,460.29	96.88%	14,354.81	97.48%	13,349.46	95.36%
Other income	466.46	3.12%	371.01	2.52%	649.69	4.64%
Total Income	**14,926.75**	**100.00%**	**14,725.82**	**100.00%**	**13,999.15**	**100.00%**
Expenses						
Cost of materials consumed	4,381.71	29.35%	3,442.51	23.38%	3,447.05	24.62%
Purchase of stock-in-trade	1,985.93	13.30%	3,283.33	22.30%	2,543.74	18.17%
Changes in inventories of finished goods, work in progress and stock-in-trade	(906.01)	(6.07%)	(36.64)	(0.25%)	(483.13)	(3.45%)
Employee benefits expenses	1,091.16	7.31%	975.06	6.62%	909.16	6.49%
Finance costs	424.90	2.85%	290.56	1.97%	417.28	2.98%
Depreciation and amortisation expense	1,194.08	8.00%	616.11	4.18%	561.52	4.01%
Other expenses	6,391.05	42.82%	5,558.26	37.74%	5,775.52	41.26%
Total expenses	**14,562.82**	**97.56%**	**14,129.19**	**95.95%**	**13,171.14**	**94.09%**
Profit before share of profit of associates and joint venture and tax	**363.93**	**2.44%**	**596.63**	**4.05%**	**828.01**	**5.91%**
Share of profit of associates and joint venture, net of tax	12.57	0.08%	33.73	0.23%	20.11	0.14%
Profit before tax	**376.50**	**2.52%**	**630.36**	**4.28%**	**848.12**	**6.06%**
Tax expense						
Current tax	98.20	0.66%	186.64	1.27%	253.63	1.81%
Deferred tax	(26.95)	(0.18%)	(2.29)	(0.02%)	42.72	0.31%
Earlier year tax adjustments	(2.48)	(0.02%)	(3.34)	(0.02%)	1.13	0.01%
Total Tax Expense	**68.77**	**0.46%**	**181.01**	**1.23%**	**297.48**	**2.12%**
Profit for the year	**307.73**	**2.06%**	**449.35**	**3.05%**	**550.64**	**3.93%**
Other comprehensive income for the year, net of tax	2.12	0.01%	6.05	0.04%	21.99	0.16%
Total comprehensive income for the year	**309.85**	**2.08%**	**455.40**	**3.09%**	**572.63**	**4.09%**

Fiscal 2025 compared to Fiscal 2024

Total Income

Our total income increased by 1.36% from ₹14,725.82 million in Fiscal 2024 to ₹14,926.75 million in Fiscal 2025 for the reasons discussed below.

Revenue from operations

Our revenue from operations marginally increased by 0.73% from ₹14,354.81 million in Fiscal 2024 to ₹14,460.29 million in Fiscal 2025 primarily on account on increase in sale of tiles. Sale of products – tiles and allied products marginally increased by 0.91% from ₹14,213.89 million in Fiscal 2024 to ₹14,342.62 million in Fiscal 2025 on account of an increase in demand for tiles in India. The increase in sales of our tiles in India in Fiscal 2025 was primarily driven by higher GVT sales and increase in sales through EBOs. In Fiscal 2025, we also experienced an increase in sales from our B2B channels, which are sold either directly to builders or through our EBOs and MBOs.

Set out below are details of our revenues generated from each of our product offerings (including GVT) for the years indicated:

Particulars	Fiscal			
	2025		2024	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
GVT	10,058.44	69.56%	9,408.85	65.54%
PVT	1,560.40	10.79%	1,820.28	12.68%
Ceramics	1,160.50	8.03%	1,254.86	8.74%
Total - Tiles	**12,779.34**	**88.38%**	**12,483.99**	**86.97%**
Bathware	1,287.55	8.90%	1,432.83	9.98%

Particulars	Fiscal			
	2025		2024	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Adhesive	209.27	1.45%	203.81	1.42%
Others	184.13	1.27%	234.18	1.63%
Revenue from operations	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**

**Others include sale of broken tile and samples, revenue from dealer display, insurance facilitation charges and export incentive income*

Set out below are certain details of our revenues from operations by EBO and MBOs, products and geography for the years indicated:

	Fiscal			
	2025		2024	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
India				
EBO	2,631.22	18.20%	2,269.03	15.81%
MBO	7,130.94	49.31%	6,841.77	47.66%
Total domestic tiles	**9,762.16**	**67.51%**	**9,110.80**	**63.47%**
Bathware	1,287.55	8.90%	1,432.83	9.98%
Adhesives	209.27	1.45%	203.81	1.42%
Others	184.13	1.27%	234.18	1.63%
Exports				
Total exports tiles	3,017.18	20.87%	3,373.19	23.50%
Revenue from operations	**14,460.29**	**100.00%**	**14,354.81**	**100.00%**

Set out below are certain details of our revenues by B2C and B2B channels for the years indicated:

	Fiscal			
	2025		2024	
	(₹ million)	% of total domestic sales	(₹ million)	% of total domestic sales
India				
B2B	3,519.02	31.18%	2595.99	24.04%
B2C	7,767.33	68.82%	8,204.69	75.96%
Total domestic sales	**11,286.35**	**100.00%**	**10,800.68**	**100.00%**

The increase in revenue from operations was marginally offset by a decrease in other operating revenue – insurance facilitation charges by 24.13%, from ₹50.02 million in Fiscal 2024 to ₹37.95 million in Fiscal 2025 and other operating revenue – export incentive income by 12.30% from ₹90.90 million in Fiscal 2024 to ₹79.72 million in Fiscal 2025 primarily due to a decrease in export sales.

Other Income

Our other income increased by 25.73% from ₹371.01 million in Fiscal 2024 to ₹466.46 million in Fiscal 2025 primarily driven by reversal of expected credit loss of ₹210.45 million in Fiscal 2025 compared to nil in Fiscal 2024 on account of improved collection cycles. This increase was offset by a decrease in government grant income by 42.00% from ₹152.53 million in Fiscal 2024 to ₹88.47 million in Fiscal 2025 primarily due to a decrease in export sales and interest income on fixed deposits with banks by 41.45% from ₹127.76 million in Fiscal 2024 to ₹74.80 million in Fiscal 2025 primarily due to non-renewal of fixed deposits post maturity.

Total Expenses

Total expenses increased by 3.07%, from ₹14,129.19 million in Fiscal 2024 to ₹14,562.82 million in Fiscal 2025 for the reasons discussed below.

Cost of Materials Consumed

Our costs of material consumed increased by 27.28% from ₹3,442.51 million in Fiscal 2024 to ₹4,381.71 million in Fiscal 2025 primarily driven by the increase in in-house manufacturing in Fiscal 2025 on account of the full-year operations of Varmora – Unit 2 manufacturing facility and Varmora Unit – 3, which commenced operations in the final quarter of Fiscal 2024. The contribution of in-house manufacturing to our revenue from operations increased from 66.83% in Fiscal 2024 to 78.55% in Fiscal 2025.

Purchase of Stock-in-Trade

Our purchase of stock-in-trade decreased by 39.51% from ₹3,283.33 million in Fiscal 2024 to ₹1,985.93 million in Fiscal 2025 primarily due to the reduction in sourcing of products from contract manufacturers as a result of the full-year operations of Varmora – Unit 2 manufacturing facility and Varmora Unit – 3, which commenced operations in the final quarter of Fiscal 2024. This resulted in the share of our revenue from outsourced products decreasing from 32.19% in Fiscal 2024 to 20.64% in Fiscal 2025.

Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

Changes in inventories of finished goods, work in progress and stock-in-trade was ₹(36.64) million in Fiscal 2024 compared to ₹(906.01) million in Fiscal 2025 primarily due to higher closing stock at the end of Fiscal 2025.

Employee Benefit Expenses

Employee benefit expenses increased by 11.91% from ₹975.06 million in Fiscal 2024 to ₹1,091.16 million in Fiscal 2025. This was primarily driven by an increase in share based payment expense by 180.24% from ₹31.58 million in Fiscal 2024 to ₹88.50 million in Fiscal 2025 due to ESOP related expense being recorded for the full year in Fiscal 2025 compared to only a certain portion in Fiscal 2024. Salaries, wages and bonus also increased by 5.19% from ₹902.63 million in Fiscal 2024 to ₹949.45 million in Fiscal 2025 primarily on account of increase in the number of employees as a result of our two new manufacturing facilities, *i.e.* Varmora – Unit 2 and Varmora Unit – 3.

Finance Costs

Finance costs increased by 46.23% from ₹290.56 million in Fiscal 2024 to ₹424.90 million in Fiscal 2025. This was primarily due to an increase in interest expense on borrowings by 50.83% from ₹263.98 million in Fiscal 2024 to ₹398.17 million in Fiscal 2025 primarily owing to the full year interest charged on the loans availed to set up our two new manufacturing facilities, *i.e.* Varmora – Unit 2 and Varmora Unit – 3.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by ₹93.81%, from ₹616.11 million in Fiscal 2024 to ₹1,194.08 million in Fiscal 2025. This was primarily driven by depreciation on property, plant and equipment on account of our two new manufacturing facilities, *i.e.* Varmora – Unit 2 and Varmora Unit – 3.

Other Expenses

Other expenses increased by 14.98% from ₹5,558.26 million in Fiscal 2024 to ₹6,391.05 million in Fiscal 2025. This increase was primarily due to an increase in:

- power and fuel by 28.35% from ₹2,844.29 million in Fiscal 2024 to ₹3,650.72 million in Fiscal 2025 primarily due to increase in in-house manufacturing given the commencement of our two new manufacturing facilities, *i.e.* Varmora – Unit 2 and Varmora Unit – 3;

- labour work contract expense by 30.59% from ₹581.53 million in Fiscal 2024 to ₹759.41 million in Fiscal 2025 primarily due to increase in in-house manufacturing given the commencement of our two new manufacturing facilities, *i.e.* Varmora – Unit 2 and Varmora Unit – 3.

This increase in other expenses was offset primarily due to a decrease in: (i) expected credit loss to nil in Fiscal 2025 compared to ₹194.07 million in Fiscal 2024 since no additional expected credit loss was recognized in Fiscal 2025 due to changes in management estimates; and (ii) advertisement and promotion expense by 11.51% from ₹375.59 million in Fiscal 2024 to ₹332.36 million in Fiscal 2025 on account of reduction in exhibition expenses.

Profit before Tax

For the reasons discussed above, primarily driven by strategic capital expenditures incurred in establishing two additional facilities as well as the related increase in depreciation and amortisation expenses and interest expense from borrowings used to fund these capital investments, our profit before tax significantly decreased by 40.27%, from ₹630.36 million in Fiscal 2024 to ₹376.50 million in Fiscal 2025. Share of profit of associates and joint venture, net of tax decreased by 62.73% from ₹33.73 million in Fiscal 2024 to ₹12.57 million in Fiscal 2025 driven by the decrease in the share of profits from our Joint Venture, Avalta Granito Private Limited and our Associate, Fiorenza Granito Private Limited.

Total Tax Expense

Our tax expenses decreased by 62.01% from ₹181.01 million in Fiscal 2024 to ₹68.77 million in Fiscal 2025 primarily driven by a decrease in current tax on account of decrease in profit before tax.

Profit for the Year

For the reasons discussed above, our profit for the year decreased by 31.52% from ₹449.35 million in Fiscal 2024 to ₹307.73 million in Fiscal 2025.

Total Comprehensive Income for the Year

For the various reasons discussed above, our total comprehensive income for the year decreased by 31.96% from ₹455.40 million in Fiscal 2024 to ₹309.85 million in Fiscal 2025. Other comprehensive income, net of tax decreased by 64.96% from ₹6.05 million in Fiscal 2024 to ₹2.12 million in Fiscal 2025.

Fiscal 2024 compared to Fiscal 2023

Total Income

Our total income increased by 5.19% from ₹13,999.15 million in Fiscal 2023 to ₹14,725.82 million in Fiscal 2024 for the reasons discussed below.

Revenue from Operations

Our revenue from operations increased by 7.53% from ₹13,349.46 million in Fiscal 2023 to ₹14,354.81 million in Fiscal 2024 primarily on account on increase in sale of tiles. Sale of products – tiles and allied products increased by 7.36% from ₹13,239.08 million in Fiscal 2023 to ₹14,213.89 million in Fiscal 2024 primarily driven by demand for tiles in India as well as increase in export sales. The increase in tile sales was also due to the full-year operations of Simola Tiles LLP in Fiscal 2024. We acquired a majority stake in Simola Tiles LLP, which manufactures tiles and has global distribution capabilities, in Fiscal 2023. For further information, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247.

The increase in sales of our tiles in India in Fiscal 2024 was primarily driven by higher GVT sales and increase in sales through EBOs. We also experienced an increase in sales from our B2B channels (which are sold either directly to builders or through our EBOs and MBOs) in Fiscal 2024.

Set out below are details of our revenues generated from each of our product offerings (including GVT) for the years indicated:

Particulars	Fiscal			
	2024		2023	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
GVT	9,408.85	65.54%	8,045.06	**60.27%**
PVT	1,820.28	12.68%	1,993.76	14.94%
Ceramics	1,254.86	8.74%	1,561.28	11.70%
Total - Tiles	**12,483.99**	**86.97%**	**11,600.10**	**86.90%**
Bathware	1,432.83	9.98%	1,427.47	10.69%
Adhesive	203.81	1.42%	130.21	0.98%
Others	234.18	1.63%	191.68	1.44%
Revenue from operations	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

** Others include sale of broken tile and samples, revenue from dealer display, insurance facilitation charges and export incentive income*

Set out below are certain details of our revenues from operations by EBO and MBOs, products and geography for the years indicated:

	Fiscal			
	2024		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
India				
EBO	2,269.03	15.81%	1,878.97	14.08%
MBO	6,841.77	47.66%	7,116.14	53.31%
Total domestic tiles	**9,110.80**	**63.47%**	**8,995.11**	**67.38%**
Bathware	1,432.83	9.98%	1,427.47	10.69%
Adhesives	203.81	1.42%	130.21	0.98%

	Fiscal			
	2024		2023	
	(₹ million)	% of revenue from operations	(₹ million)	% of revenue from operations
Others	234.18	1.63%	191.68	1.44%
Exports				
Total exports tiles	3,373.19	23.50%	2,604.99	19.51%
Revenue from operations	**14,354.81**	**100.00%**	**13,349.46**	**100.00%**

Set out below are certain details of our revenues by B2C and B2B channels for the years indicated:

	Fiscal			
	2024		2023	
	(₹ million)	% of total domestic sales	(₹ million)	% of total domestic sales
India				
B2B	2595.99	24.04%	2,074.78	19.59%
B2C	8,204.69	75.96%	8,517.96	80.41%
Total domestic sales	**10,800.68**	**100.00%**	**10,592.74**	**100.00%**

In addition, other operating revenue – insurance facilitation charges increased by 27.60% from ₹39.20 million in Fiscal 2023 to ₹50.02 million in Fiscal 2024 primarily due to an increase in domestic sales and other operating revenue – export incentive income by 27.70%, from ₹71.18 million in Fiscal 2023 to ₹90.90 million in Fiscal 2024 primarily due to increase in export sales.

Other Income

Our other income decreased by 42.89% from ₹649.69 million in Fiscal 2023 to ₹371.01 million in Fiscal 2024 primarily driven by fair value gain of embedded derivative liability (CCPS) of ₹213.26 million in Fiscal 2023 compared to nil in Fiscal 2024 and amortisation of deferral gain on issue of CCPS of ₹185.32 million in Fiscal 2023 compared to nil in Fiscal 2024, on account of conversion of CCPS in Fiscal 2023. This decrease was offset by an increase in government grant income by 132.91% from ₹65.49 million in Fiscal 2023 to ₹152.53 million in Fiscal 2024 primarily due to receiving the 'Export Promotion Capital Goods' licenses for fulfilling export obligations for our two new manufacturing units, i.e. Varmora – Unit 2 and Varmora Unit – 3 and interest income on fixed deposits with banks by 61.13% from ₹79.29 million in Fiscal 2023 to ₹127.76 million in Fiscal 2024 primarily due to an increase in new fixed deposits created in Fiscal 2024.

Total Expenses

Total expenses increased by 7.27% from ₹13,171.14 million in Fiscal 2023 to ₹14,129.19 million in Fiscal 2024 for the reasons discussed below.

Cost of Materials Consumed

Our costs for material consumed marginally decreased by 0.13%, from ₹3,447.05 million in Fiscal 2023 to ₹3,442.51 million in Fiscal 2024. This was primarily due to an increase in outsourcing of products from contract manufactures. This resulted in the share of our revenue from products were manufactured in-house decreasing from 72.51% in Fiscal 2023 to 66.83% in Fiscal 2024.

Purchase of Stock-in-Trade

Our purchase of stock-in-trade increased by 29.07% from ₹2,543.74 million in Fiscal 2023 to ₹3,283.33 million in Fiscal 2024. This was largely due to increase in sourcing of products from contract manufacturers as a result of the disruption to our manufacturing operations caused by cyclones in the Morbi cluster, where all our manufacturing facilities are located, during the first quarter of Fiscal 2024 and the supply chain disruptions on account of macro-economic developments that delayed commencement of operations for our two new manufacturing units, i.e. Varmora – Unit 2 and Varmora Unit – 3. This resulted in the share of our revenue from outsourced products increasing from 26.67% in Fiscal 2023 to 32.19% in Fiscal 2024.

Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

Changes in inventories of finished goods, work in progress and stock-in-trade was ₹(36.64) million in Fiscal 2024 compared to ₹(483.13) million in Fiscal 2023 primarily due to lower closing stock at the end of Fiscal 2024, owing to higher demand and consumption of opening inventory.

Employee Benefits Expenses

Employee benefit expenses increased by 7.25% from ₹909.16 million in Fiscal 2023 to ₹975.06 million in Fiscal 2024. This was primarily driven by an increase in share based payment expense of ₹31.58 million in Fiscal 2024 compared to nil in Fiscal 2023 on account of ESOPs granted in December 2023 resulting in ESOP related expense being recorded in Fiscal 2024. Salaries, wages and bonus also increased by 3.10% from ₹875.50 million in Fiscal 2023 to ₹902.63 million in Fiscal 2024 primarily on account of increase in manpower and annual increments.

Finance Costs

Finance costs decreased by 30.37% from ₹417.28 million in Fiscal 2023 to ₹290.56 million in Fiscal 2024. This was primarily on account of conversion of CCPS in Fiscal 2023, which resulted in ₹182.09 million in interest expense on CCPS liability in Fiscal 2023 compared to nil in Fiscal 2024. The interest expense on CCPS liability is recognised as a non-cash interest expense.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by 9.72% from ₹561.52 million in Fiscal 2023 to ₹616.11 million in Fiscal 2024. This was primarily driven by depreciation on property, plant and equipment on account of our two new manufacturing facilities, *i.e.* Varmora – Unit 2 and Varmora Unit – 3, which started in the final quarter of Fiscal 2024.

Other Expenses

Other expenses decreased by 3.76% from ₹5,775.52 million in Fiscal 2023 to ₹5,558.26 million in Fiscal 2024. This was primarily due to a decrease in:

- power and fuel expenses by 12.34% from ₹3,244.64 million in Fiscal 2023 to ₹2,844.29 million in Fiscal 2024 on account of reduction in natural gas and propane prices as well as higher outsourcing of products from contract manufacturing;

- loss on extinguishment of liability on CCPS from ₹216.48 million in Fiscal 2023 compared to nil in Fiscal 2024 on account of conversion of CCPS in Fiscal 2023;

- loss on fair value of call option on non controlling interest of Simola Tiles LLP measured at fair value through profit or loss by 95.76% from ₹106.20 million in Fiscal 2023 compared to ₹4.50 million in Fiscal 2024; and

- legal and professional charges by 59.73% from ₹103.72 million in Fiscal 2023 to ₹41.77 million in Fiscal 2024 on account of the stamp duty paid in relation to the merger of certain erstwhile subsidiaries under common control in Fiscal 2024 (for further details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247).

This decrease was offset by an increase in: (i) selling & distribution by 96.68% from ₹198.83 million in Fiscal 2023 to ₹391.05 million in Fiscal 2024 on account of increases in sales promotion expenses in relation to our MBOs and EBOs; (ii) freight outward and transportation charges by 39.44% from ₹281.88 million in Fiscal 2023 to ₹393.04 million in Fiscal 2024 on account of increase in sales; (iii) expected credit loss by 116.28% from ₹89.73 million in Fiscal 2023 to ₹194.07 million in Fiscal 2024 on account of lower collections in trade receivables; and (iv) labour work contract expense by 30.79% from ₹444.63 million in Fiscal 2023 to ₹581.53 million in Fiscal 2024 on account of increase in outsourcing of products from contract manufacturers.

Profit before Tax

For the reasons discussed above, primarily driven by an increase in the share of outsourcing products, our profit before tax decreased by 25.68%, from ₹848.12 million in Fiscal 2023 to ₹630.36 million in Fiscal 2024. Share of profit of associates and joint venture, net of tax increased by 67.73% from ₹20.11 million in Fiscal 2023 to ₹33.73 million in Fiscal 2024. This was primarily driven by the increase in the share of profits from our Associate, Fiorenza Granito Private Limited.

Total Tax Expense

Our tax expenses decreased by 39.15% from ₹297.48 million in Fiscal 2023 to ₹181.01 million in Fiscal 2024 primarily driven by a decrease in current tax on account of decrease in profit before tax.

Profit for the Year

For the reasons discussed above, our profit for the year decreased by 18.39% from ₹550.64 million in Fiscal 2023 to ₹449.35 million in Fiscal 2024.

Total Comprehensive Income for the Year

For the various reasons discussed above, our total comprehensive income for the year decreased by 20.47% from ₹572.63 million in Fiscal 2023 to ₹455.40 million in Fiscal 2024. Other comprehensive income, net of tax decreased by 72.49%, from ₹21.99 million in Fiscal 2023 to ₹6.05 million in Fiscal 2024.

Liquidity and Capital Resources

Our primary liquidity requirements have been for financing our capital expenditure, working capital and repayment of debt needs. In recent periods, we have met these requirements through cash flows from operations, as well as term loans. As of March 31, 2025, we had ₹821.03 million in cash and cash equivalents. We believe that, after taking into account the expected cash to be generated from operations and our borrowings, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure, working capital, interest obligations and other operating needs under our current business plans for the next 12 months. We continue to assess our liquidity requirements depending on business growth and market developments and take appropriate actions to manage the liquidity through various sources, internal and external.

Cash Flows

The following table sets forth our cash flows for the years indicated:

Particulars	Fiscal		
	2025	2024	2023
	(₹ million)		
Net cash flows from/ (used in) operating activities (A)	632.13	882.91	(101.78)*
Net cash flow used in investing activities (B)	(1,199.47)	(3,365.60)	(833.14)
Net cash flows from financing activities (C)	466.22	1,150.57	2,900.07
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(101.12)	(1,332.12)	1,965.15
Cash and cash equivalents at the end of the year	**821.03**	**922.15**	**2,254.27**

* *We reported negative cash flows in Fiscal 2023 primarily attributable to the business operations of Simola Tiles LLP, which was acquired during the year.*

Net cash flows from/ (used in) operating activities

Fiscal 2025

Net cash flows from operating activities was ₹632.13 million in Fiscal 2025. Our profit before tax was ₹376.50 million in Fiscal 2025, which was adjusted primarily for:

- depreciation and amortisation expenses of ₹1,194.08 million;
- interest expenses on borrowings of ₹398.17 million; and
- expected credit loss of ₹(210.45) million.

Our operating profit before working capital changes was ₹1,693.98 million in Fiscal 2025. Our changes in operating assets and liabilities in Fiscal 2025 were primarily due to an increase in:

- trade payables of ₹174.57 million;
- other current and non current liabilities of ₹81.71 million; and
- other current and non-current financial liabilities of ₹51.06 million.

This was offset by an increase in inventories of ₹956.61 million on account of launch of new products and the full-year operations of Varmora – Unit 2 manufacturing facility and Varmora Unit – 3, which commenced operations in the final quarter of Fiscal 2024, and increase in trade receivables of ₹282.54 million.

Cash generated from operations amounted to ₹762.39 million and income taxes paid, net was ₹(130.26) million.

Fiscal 2024

Net cash flows from operating activities was ₹882.91 million in Fiscal 2024. Our profit before tax was ₹630.36 million in Fiscal 2024, which was adjusted primarily for:

- depreciation and amortisation expenses of ₹616.10 million;

- interest expenses on borrowings of ₹263.98 million;
- expected credit loss of ₹194.07 million;
- interest income on fixed deposits with banks of ₹(127.76) million; and
- government grant income of ₹(152.53) million.

Our operating profit before working capital changes was ₹1,436.58 million in Fiscal 2024. Our changes in operating assets and liabilities in Fiscal 2024 were primarily due to:

- increase in other current and non current financial liabilities of ₹154.98 million; and
- decrease in trade receivables of ₹91.29 million.

This was offset by a decrease in trade payables of ₹463.81 million on account of payment of MSME creditors outstanding and increase in other current and non current assets of ₹73.62 million.

Cash generated from operations amounted to ₹1,084.09 million and income taxes paid, net was ₹(201.18) million.

Fiscal 2023

Net cash flows used in operating activities was ₹101.78 million in Fiscal 2023 primarily attributable to the business operations of Simola Tiles LLP, which was acquired during the year. Our profit before tax was ₹848.12 million in Fiscal 2023, which was adjusted primarily for:

- depreciation and amortisation expenses of ₹561.52 million;
- interest expenses on borrowings of ₹214.14 million;
- loss on fair value of call option measured at FVTPL of ₹106.20 million; and
- expected credit loss of ₹89.73 million.

Our operating profit before working capital changes was ₹1,653.01 million in Fiscal 2023. Our changes in operating assets and liabilities in Fiscal 2023 were primarily due to an increase in:

- trade receivables of ₹1,103.80 million primarily attributable to the business operations of Simola Tiles LLP, which was acquired during the year; and
- increase in inventories of ₹441.36 million.

This was partially offset by an increase in trade payables of ₹102.70 million.

Cash generated from operations amounted to ₹148.22 million and income taxes paid, net was ₹(250.00) million.

Net cash flows used in investing activities

Fiscal 2025

Net cash flows used in investing activities in Fiscal 2025 was ₹1,199.47 million, which primarily consisted of:

- payment of property, plant and equipment and capital work in progress (including capital creditors and capital advances) amounting to ₹1,116.69 million in relation to capitalisation of remaining property, plant and equipment of Varmora – Unit 2 manufacturing facility and Varmora Unit – 3; and
- investment in fixed deposit, net amounting to ₹243.38 million.

Fiscal 2024

Net cash flows used in investing activities in Fiscal 2024 was ₹3,365.60 million, which primarily consisted of:

- payment of property, plant and equipment and capital work in progress (including capital creditors and capital advances) amounting to ₹3,482.97 million in relation to capitalisation of property, plant and equipment of Varmora – Unit 2 manufacturing facility and Varmora Unit – 3; and

- payment towards acquisition of additional interest in subsidiaries amounting to ₹146.10 million relating to Covertek Ceramica Private Limited, resulting in it becoming a wholly owned subsidiary (for further details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247).

This was partially offset by interest received of ₹143.76 million.

Fiscal 2023

Net cash flows used in investing activities in Fiscal 2023 was ₹833.14 million, which primarily consisted of:

- payment towards acquisition of interest in subsidiaries, net of cash acquired amounting to ₹487.73 million in relation to acquisition of majority stake in Simola Tiles LLP;

- payment of property, plant and equipment and capital work in progress (including capital creditors and capital advances) amounting to ₹201.37 million;

- payment towards acquisition of additional interest in subsidiaries amounting to ₹193.94 million in relation to Solaris Ceramics Private Limited, Nextile Marbosys Private Limited, Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited (for further details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 247); and

- payments towards purchase of call options amounting to ₹147.80 million in relation to acquisition of majority stake in Simola Tiles LLP.

This was offset by net proceeds from inter corporate loans of ₹91.61 million and proceeds from sale of investment of ₹95.72 million in relation to sale of investment in Sicer India Private Limited and proceeds from sale of property, plant and equipment of ₹74.00 million.

Net cash flows from financing activities

Fiscal 2025

Net cash flows from financing activities in Fiscal 2025 was ₹466.22 million, which primarily included:

- proceeds from current borrowings, net of ₹1,090.62 million; and

- proceeds from long term borrowings of ₹313.44 million.

This was offset by repayment of long term borrowings of ₹483.40 million and interest expense paid of ₹410.48 million.

Fiscal 2024

Net cash flows from financing activities in Fiscal 2024 was ₹1,150.57 million, which primarily included:

- proceeds from long term borrowings of ₹2,256.20 million.

This was offset by repayment of long term borrowings of ₹652.43 million, interest expense paid of ₹277.46 million and repayment of current borrowings, net of ₹147.68 million.

Fiscal 2023

Net cash flows from financing activities in Fiscal 2023 was ₹2,900.07 million, which primarily included:

- proceeds from issue CCPS of ₹3,515.17 million received from Katsura Investments;

- proceeds from issue of equity share capital of ₹427.29 million received pursuant to a rights issue; and

- proceeds from long term borrowings of ₹262.02 million.

This was offset by repayment of long term borrowings of ₹793.39 million, buy back of shares by subsidiaries of ₹245.00 million, interest expense paid of ₹217.90 million and redemption of non-cumulative redeemable preference shares (NCRPS)/ redeemable preference shares of ₹131.81 million.

Capital Expenditures

In Fiscals 2025, 2024 and 2023, our capital expenditures towards additions to property, plant and equipment and intangible assets (including capital work in progress and capital advances) were ₹1,116.69 million, ₹3,482.97 million and ₹201.37 million, respectively.

Indebtedness

The following table sets forth a summary of our aggregate outstanding borrowings as of March 31, 2025:

	As of March 31, 2025 (₹ million)
Current borrowings	2,838.84
Non-current borrowings	2,212.71
Total Borrowings	**5,051.55**

For further information on our indebtedness, see "*Financial Indebtedness*" on page 424.

Contractual Obligations, Contingent Liabilities and Commitments

Contractual Obligations

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2025:

	As of March 31, 2025			
	Less than 1 year	1 - 5 years	More than 5 years	Total
	(₹ million)			
Borrowings	2,838.84	1,822.07	390.64	5,051.55
Trade payables	2,098.85	-	-	2,098.85
Lease liabilities	18.01	36.52	105.36	159.89
Other financial liabilities	412.08	-	-	412.08
Total	**5,367.78**	**1,858.59**	**496.00**	**7,722.37**

Contingent Liabilities

The following sets forth the principal components of our contingent liabilities as of the dates indicated:

	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
	(₹ million)		
Claims against the company not acknowledged as a debt			
- Claims under Central Sales Tax Act	-	2.70	2.70
- Claims under Central Excise Duty Act	58.96	56.64	56.64
- Claims under Income Tax Act	139.44	556.71	556.71
- Claims under Goods and Service Tax Act	18.65	-	-
- Penalty demanded by Joint Director General of Foreign Trade Rajkot for non-submission of documents of EODC against EPCG authorisation	-	-	20.00
- Others (National Green Tribunal)	13.68	13.68	13.68
- Interim Compensation demanded by National Green Tribunal and GPCB for the usage of Coal Gasifier Plant	18.40	18.40	18.40
- Other business litigation	0.11	61.34	61.34
Bank Guarantee			
- Guarantee given by Company to Bank on behalf of the subsidiaries	-	-	959.41

For further information, see "*Restated Consolidated Financial Information – Note 46(a) Contingent Liabilities*" on page 349.

Commitments

The following table sets forth our commitments as of the dates indicated:

	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
	(₹ million)		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	108.01	244.17	820.00

For further information, see "*Restated Consolidated Financial Information – Note 46(b) Capital Commitments*" on page 349.

Non-GAAP Measures

EBITDA, EBITDA margin, Gross Profit, Gross Profit Margin, Profit for the Year Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Net Worth, Net Debt, Return on Capital Employed, Return on Equity, Net Asset Value per Equity Share and other non-GAAP measures, (together, "**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, such Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation for the following non-GAAP financial measures (based on Restated Consolidated Financial Information) included in this Draft Red Herring Prospectus are set out below for the years indicated:

Reconciliation of EBITDA and EBITDA Margin

Particulars	Fiscal		
	2025	2024	2023
	(₹ million)		
Profit before Share of profit of associates and joint venture and tax (A)	363.93	596.63	828.01
Finance costs (B)	424.90	290.56	417.28
Depreciation and amortisation expense (C)	1,194.08	616.11	561.52
EBITDA (D = A+B+C)	**1,982.91**	**1,503.30**	**1,806.81**
Total income (E)	14,926.75	14,725.82	13,999.15
EBITDA Margin (F=D/E)	**13.28%**	**10.21%**	**12.91%**

Reconciliation of Gross Profit and Gross Margin

Particulars	As of and for the financial year ended March 31,		
	2025	2024	2023
	(₹ million)		
Revenue from operations (A)	14,460.29	14,354.81	13,349.46
Other income (B)	466.46	371.01	649.69
Total Income (C=A+B)	**14,926.75**	**14,725.82**	**13,999.15**
Cost of materials consumed (D)	4,381.71	3,442.51	3,447.05
Purchases of stock-in-trade (E)	1,985.93	3,283.33	2,543.74
Change in inventories of finished goods, work in progress and stock-in-trade (F)	(906.01)	(36.64)	(483.13)
Power & Fuel (G)	3,650.72	2,844.29	3,244.64
Gross Profit (H=C-D-E-F-G)	**5,814.40**	**5,192.33**	**5,246.85**
Total income (C)	14,926.75	14,725.82	13,999.15
Gross Margin (I=H/C)	**38.95%**	**35.26%**	**37.48%**

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

Particulars	Fiscal		
	2025	2024	2023
	(₹ million)		
Profit before Share of profit of associates and joint venture and tax (A)	363.93	596.63	828.01
Finance costs (B)	424.90	290.56	417.28
Depreciation and amortisation expense (C)	1,194.08	616.11	561.52
EBITDA (D = A+B+C)	**1,982.91**	**1,503.30**	**1,806.81**
Share based payment expense (E)	88.50	31.58	-
Adjusted EBITDA (F = D+E)	**2,071.41**	**1,534.88**	**1,806.81**
Total income (G)	14,926.75	14,725.82	13,999.15
Adjusted EBITDA Margin (H=F/G)	**13.88%**	**10.42%**	**12.91%**

Reconciliation of Return on Capital Employed

Particulars	As of and for the financial year ended March 31,		
	2025	2024	2023
	(₹ million)		
Profit before Share of profit of associates and joint venture and tax (A)	363.93	596.63	828.01
Finance Cost (B)	424.90	290.56	417.28
Earnings Before Interest and Tax (C=A+B)	**788.83**	**887.19**	**1,245.29**
Total equity (D)	7,431.95	7,033.61	6,692.74
Non-current Borrowings (E)	2,212.71	2,623.55	994.52
Current Borrowings (F)	2,838.84	1,505.33	1,681.97
Capital Employed (G=D+E+F)	**12,483.50**	**11,162.49**	**9,369.23**
Return on Capital Employed (H = C/G)	**6.32%**	**7.95%**	**13.29%**

Reconciliation of Net Debt

Particulars	As of March 31,		
	2025	2024	2023
	(₹ million)		
Non-current Borrowing (A)	2,212.71	2,623.55	994.52
Current Borrowings (B)	2,838.84	1,505.33	1,681.97
Total Borrowings (C=A+B)	**5,051.55**	**4,128.88**	**2,676.49**
Cash and cash equivalents (D)	821.03	922.15	2254.27
Bank balance other than cash and cash equivalent (E)	330.42	61.06	117.42
Net Debt (F=C-D-E)	**3,900.10**	**3,145.67**	**304.80**

Reconciliation of Net Worth and Return on Net Worth

Particulars	As of and for the financial year ended March 31,		
	2025	2024	2023
	(₹ million)		
Equity share capital (A)	403.25	399.66	133.22
Instruments entirely equity in nature (B)	-	175.76	175.76
Other equity (C)	6,917.24	6,301.96	6,204.80
Capital reserve (D)	25.77	25.77	25.77
Capital redemption reserve account (E)	65.74	65.74	65.74
Net Worth (F= A+B+C-D-E)	**7,228.98**	**6,785.87**	**6,422.27**
Profit attributable to the owners of the Holding Company (G)	352.47	441.70	509.56
Return on Net Worth (%) (H=G/F)	**4.88%**	**6.51%**	**7.93%**

Reconciliation of Net Asset Value per Equity Share

Particulars	As of March 31,		
	2025	2024	2023
	(₹ million)		
Equity share capital (A)	403.25	399.66	133.22
Instruments entirely equity in nature (B)	-	175.76	175.76
Other equity (C)	6,917.24	6,301.96	6,204.80
Capital reserve (D)	25.77	25.77	25.77
Capital redemption reserve account (E)	65.74	65.74	65.74
Net Asset Value (F= A+B+C-D-E)	**7,228.98**	**6,785.87**	**6,422.27**
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (G) (numbers in million)	201.63	201.62	182.00
Net Asset Value per Equity Share (₹) (H= F/G)	**35.85**	**33.66**	**35.29**

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that we believe have or are reasonably likely to have a current or future material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Related party transactions principally include the buyback of shares and remuneration, commissions, and advances given to certain key managerial personnel, the purchase and sale of goods with enterprises controlled by key management personnel or their relatives, and the purchase and sale of goods as well as advances, loans and deposit interest with partners, associates or joint ventures. For further information relating to our related party transactions, see "*Restated Consolidated Financial Information – Note 50 Related Party Disclosures*" on page 355.

Auditor's Observation

Our Statutory Auditor's reports on our consolidated financial statements contain certain modifications, qualifications, emphasis of matter for Fiscal 2023 which do not require any adjustments in the Restated Consolidated Financial Information, as set forth below:

- Our Statutory Auditor's audit report on the audited Indian GAAP consolidated financial statements of our Company as of and for the year ended March 31, 2023 includes the following qualification with respect to the adequacy of the internal financial controls:

  For year ended March 31, 2023:

  <u>Qualification</u>

  According to the information and explanation given to us, and consideration of the reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, the following material weakness has been reported by the other auditor on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited, which are subsidiaries of the Holding Company, as at 31 March 2023. The possible effects of the material weakness has been assessed as material but not pervasive to these consolidated financial statements:

  "The Company is working on strengthening/enhancing supporting documentation to facilitate thorough testing of the operating effectiveness of internal financial controls pertaining to processes viz. customer creation, credit evaluation, establishing customer credit limits for sales, vendor creation, approval of sales/purchase order and recording of issuance of material. In light of above, we have not been able to obtain sufficient appropriate audit evidence on operating effectiveness of above-referred controls for the year ended March 31, 2023."

  The report on internal financial controls with reference to financial statements of Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited has been qualified with respect to the above matter, issued by another firm of chartered accountants vide their audit report dated 11 September 2023, 12 September 2023, 11 September 2023, 09 September 2023 and 11 September 2023, respectively.

  Company response

  In response to the material weakness identified in our Statutory Auditor's audit report on our consolidated financial statements for the year ended March 31, 2023, our Subsidiaries, i.e., Nextile Marbosys Private Limited, Solaris Ceramics Private Limited, Conffi Sanitaryware Private Limited, Covertek Ceramica Private Limited and Tocco Ceramic Private Limited undertook remedial actions, including increasing the frequency of internal audits, updating the risk control matrix, conducting meetings on a quarterly basis with the internal auditors and conducting third-party physical verification of inventory. As a result of these measures, the identified weakness was addressed and, accordingly, was not included in our Statutory Auditor's audit report on the consolidated financial statements for the years ended March 31, 2024 and 2025.

- Our Statutory Auditor's audit report on the audited special purpose consolidated Ind AS financial statements of our Company as of and for the year ended March 31, 2023 includes the following emphasis of matter and other matter paragraphs:

  For year ended March 31, 2023:

  <u>Emphasis of Matter- Basis of Accounting and Restriction on Distribution or Use</u>

  We draw attention to Note 2.01(a) to the accompanying Special Purpose Consolidated Ind AS Financial Statements, which describes the basis of its preparation. These Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Holding Company's management solely for the preparation of Restated Consolidated Financial Information of the Group, its associates and its joint ventures for the year ended 31 March 2023, to be included in the Draft Red Herring Prospectus ('DRHP') as per the requirements of Section 26 of Part I of Chapter Ill of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time and the general directions issued by Securities and Exchange Board of India ("SEBI") on 28 October 2021 through the Association of Investment Banking of India to the Lead Managers of the Holding Company, which is to be filed with the SEBI, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company. Accordingly, these Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

Other Matter

The Holding Company had prepared separate set of statutory consolidated financial statements for the year ended 31 March 2023 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 (as amended) (hereinafter referred to as 'Indian GAAP financial statements') on which we had issued unmodified opinion vide our audit report dated 14 September 2023 to the members of the Holding Company. The Special Purpose Consolidated Ind AS Financial Statements for the year ended 31 March 2023 has been prepared by the management based on aforesaid Indian GAAP financial statements after adjusting for the differences in the accounting principles adopted by the Group on transition to Ind AS using 1 April 2022 as transition date adopted by the Group for the preparation its of first Ind AS compliant financial statements, which have been audited by us and the other auditors of subsidiaries, associates and joint ventures, as mentioned in paragraph 12 below. Our opinion is not modified in respect of this matter.

For further details, see "*Risk Factors – Internal Risks – 16. Our Statutory Auditors have included certain qualifications (with respect to the adequacy of internal financial controls) and emphasis of matter in their audit report for Fiscal 2023. Further, our audit reports include certain observations in the annexure to the report prescribed under the Companies (Auditor's Report) Order, 2020 for Fiscals 2025, 2024 and 2023. There can be no assurance that our audit reports for any future periods or financial years will not contain qualifications, matters of emphasis or other observations, including any observations that may have an effect on our financial statements and which could adversely affect our business, financial condition, cash flows and results of operations*" on page 48.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. Our risk management is coordinated by our Board of Directors and focuses on securing long term and short term cashflows. We do not engage in trading of financial assets for speculative purposes. Our Board of Directors has overall responsibility for the establishment and oversight of our risk management framework.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of our financial instruments as of March 31, 2025 to interest rate risk is as follows:

Particulars	As of March 31, 2025			
	Floating rate financial	Fixed rate financial instruments	Non-interest bearings	Total
	(₹ million)			
Financial liabilities				
Current borrowings	2,830.32	8.52	-	2,838.84
Non-current borrowings	2,021.73	8.14	182.84	2,212.71

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to any purchase or sale denominated in a foreign currency. Our foreign currency transactions are mainly in United States Dollars

(USD), Australian Dollars (AUD), Ruble (RUB) and Euro (EUR). Consequently, we are exposed to the risk that the exchange rate of the Indian Rupee (INR) relative to these currencies may change in a manner which has a material effect on the reported values of our INR-denominated assets and liabilities.

Foreign currency denominated financial assets and liabilities (unhedged) which expose us to currency risk are disclosed below:

Particulars	As of March 31, 2025		As of March 31, 2024		As of March 31, 2023	
	Receivable/ (Payable) in Foreign Currency	Receivable/ (Payable) in ₹	Receivable/ (Payable) in Foreign Currency	Receivable/ (Payable) in ₹	Receivable/ (Payable) in Foreign Currency	Receivable/ (Payable) in ₹
	(million)					
AUD	0.10	5.47	-	-	-	-
EUR	1.57	145.17	3.51	316.38	1.28	114.29
USD	13.22	1,131.64	9.19	763.46	12.00	984.38
GBP	0.37	40.96	-	-	0.15	14.39
RUB	7.86	7.93	1.17	1.05	-	-

Credit Risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The objective of managing counterparty credit risk is to prevent losses in financial assets. We assess the credit quality of our counterparties, taking into account their financial position, past experience and other factors.

Our expected credit loss in respect of trade receivables as of March 31, 2025:

Ageing	Less than 90 days	90-180 days	180-270 days	271-360 days	361 days and above	Total
Gross Carrying amount	3,618.32	148.14	83.47	55.47	380.23	4,285.63
Expected credit losses (loss allowance provision)	(28.80)	(27.71)	(39.95)	(31.84)	(335.18)	(463.48)
Expected loss rate	0.80%	18.71%	47.86%	57.40%	88.15%	10.81%
Carrying amount of trade receivables (net of impairment)	**3,589.52**	**120.43**	**43.52**	**23.63**	**45.05**	**3,822.15**

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We manage our liquidity risk by ensuring, as far as possible, that we will have sufficient liquidity to meet our liabilities when due.

Capital Management

For the purpose of our capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of our capital management is to maximize the shareholder value and to ensure our ability to continue as a going concern.

For further information, see "*Restated Consolidated Financial Information – Note 54. Business Combination*" on page 369.

Unusual or Infrequent Events or Transactions

Except as disclosed in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent" that led to a material adverse effect on our business and operations.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes. To our knowledge, except as discussed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on income from our continuing operations. For further information regarding trends and uncertainties, please see "- *Significant Factors Affecting Our Financial Condition and Results of Operations*" on page 391 and "*Risk Factors*" on page 38.

Future Relationship between Cost and Income

Except as disclosed in this Draft Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations and finances. For further information, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 38, 203 and 391, respectively.

Seasonality of Business

Our operations are not impacted by seasonality.

Significant Dependence on a Single or Few Customers or Suppliers

We depend on certain of our suppliers for a portion of our raw materials. In Fiscals 2025, 2024 and 2023, our top 10 suppliers accounted for 11.83%, 14.53% and 16.29% of our total expenses, respectively. For further information, see "*Risk Factors - Internal Risks - Our operations are subject to volatility in the supply and pricing of raw materials and packing materials. We are also dependent on our top suppliers for the supply for certain raw materials (top 10 suppliers contributed to 11.83% of our total expenses in Fiscal 2025). Any loss of suppliers or interruptions in the timely delivery of supplies or price escalations could have an adverse impact on our business, financial condition, cash flows and results of operations*" on page 42.

Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. Our business activity falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and non-current assets are within India.

Significant Economic Changes

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. See "*Risk Factors" and "—Significant Factors Affecting Our Financial Condition and Results of Operations*" on pages 38 and 391, respectively.

New Products or Business Segment

Apart from the disclosures in "*Our Business*" on page 203, we currently have no plans to develop new products or establish new business segments that are expected to have a material impact on our business, results of operations or financial condition.

Competitive Conditions

We operate in a competitive environment. Please refer to the sections "*Industry Overview*", "*Our Business*", and "*Risk Factors*" on pages 151, 203 and 38, respectively, for further information on our industry and competition.

Significant Developments subsequent to March 31, 2025

Except as disclosed elsewhere in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2025, on the basis of amounts derived from the Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Financial Information*" and "*Risk Factors*" on pages 391, 289 and 38, respectively.

(₹ in million, except ratios)

Particulars	As at March 31, 2025*	As adjusted for the proposed Offer(#)
Borrowings		
Current borrowings (I)	2,838.84	[●]
Non-current borrowings (II)	2,212.71	[●]
Total Borrowings (III = I + II)^	**5,051.55**	**[●]**
Equity		
Equity share capital (IV)	403.25	[●]
Non controlling interest (V)	111.46	[●]
Other Equity (VI)	6,917.24	[●]
Total equity (VII = IV + V + VI)	**7,431.95**	**[●]**
Total Borrowings/ Total Equity (III/VII) (in times)	**0.68**	**[●]**
Total Non-current borrowings/ Total Equity (II/VII) (in times)	**0.30**	**[●]**

* *As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

\# *The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

^ *Total borrowings is computed as current borrowings plus non-current borrowings.*

Notes:

1) *These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.*
2) *Borrowings with original contractual maturity of more than one year are classified as non-current borrowings as per guidance of Schedule III of the Companies Act, 2013. All other borrowings have been classified as current borrowings.*

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail fund based and non-fund-based facilities in the ordinary course of business for purposes such as, *inter alia*, meeting our working capital requirements or business requirements. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, *inter alia*, for effecting a change in our shareholding pattern, for effecting a change in the composition of our Board, and for amending our constitutional documents.

Set forth below is a brief summary of our aggregate outstanding borrowings amounting to ₹ 4,883.45 million (excluding the amount of partners current account share in the limited liability partnership), as on March 31, 2025 on a consolidated basis*:

(in ₹ million)

Category of Borrowing	Sanctioned amount as on March 31, 2025 (to the extent applicable)	Amount outstanding as on March 31, 2025*
OUR COMPANY		
Secured borrowings		
Term loan	3,239.60	2,217.61
Working capital	2,980.00	1,855.35
Fund based limits	6,219.60	4,072.96
Non-fund based limits	-	-
Total (A)	**6,219.60**	**4,072.96**
Unsecured borrowings		
Term loan	-	-
Working capital facilities	-	-
Fund based limits	-	-
Non-fund based limits	-	-
Total (B)	-	-
OUR SUBSIDIARIES		
Secured borrowings		
Term loan	655.45	413.83
Working capital	432.50	396.66
Fund based limits	1,087.95	810.49
Non-fund based limits	-	-
Total (C)	**1,087.95**	**810.49**
Unsecured borrowings		
Term loan	-	-
Working capital facilities	-	-
Fund based limits	-	-
Non-fund based limits	-	-
Total (D)	-	-
Total borrowings (A+B+C+D)	**7,307.55**	**4,883.45**

* *As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*

Principal terms of the borrowings currently availed by us:

Brief details of the terms of our various borrowing arrangements of the Company and its Subsidiaries are provided below and there may be similar/ additional terms, conditions and requirements under the borrowing arrangements entered into by us with our lenders:

1. ***Interest:*** The term loan and working capital facilities availed by our Company and our Subsidiary typically have floating rates of interest, ranging from 7.51% to 9.25%, linked to a base rate as specified by respective lenders with a spread for the fund-based facilities and commission for non-fund based facilities, which are subject to mutual discussions between the relevant lenders and our Company.

2. ***Tenor:*** The tenor of the term loans availed by our Company and our Subsidiary typically ranges from a period of 30 months to 84 months. Further, the working capital facilities availed by our Company and Subsidiaries are typically repayable on demand.

3. ***Security:*** The borrowings availed by our Company and our Subsidiaries are secured by, *inter alia*, the following:

   (a) exclusive charges created on entire current assets, including all immovable property owned by the Company and its Subsidiaries;

   (b) hypothecation over assets and collateral of our property;

   (c) corporate guarantee by the Company; and

   (d) personal guarantees from our Promoters, certain members of the Promoter Group and their relatives.

   There may be additional requirements for creation of security under the various borrowing arrangements entered into by the Company and its Subsidiaries.

4. ***Re-payment:*** The working capital facilities availed by the Company and its Subsidiary are typically repayable on demand or on their respective due dates within the maximum tenure. In case of pre-payment, we may have to incur pre-payment penalties, as specified in the relevant lender documents.

5. ***Restrictive Covenants:*** Certain of the borrowing arrangements of our Company and of our Subsidiary provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities. For instance, certain corporate actions for which we require the prior written consent from the relevant lender include:

   (a) effecting any change in ownership, control, management and constitution by the Company or its Subsidiary;

   (b) effecting any changes to the capital structure or shareholding pattern;

   (c) entering into any merger, de-merger, amalgamation, reorganisation or consolidation or formulating any scheme of reconstruction, arrangement or compromise with the creditors;

   (d) making any amendment to the constitutional documents;

   (e) diversifying, modernising or substantially expanding of any of its existing business, operations or project;

   (f) undertaking any new project, implementing any scheme of expansion or investing in any other entity, or changing the general nature of business;

   (g) declaring or paying dividends in the year that any default has occured;

   (h) investing in, or extending any advance/ loans to, any Group Companies/ Associates/ Subsidiaries any other third party;

   (i) repaying subordinated loans availed from Directors/ Group Companies;

   (j) enter into certain business transactions, such as opening of current accounts and merchant banking transactions, with any other banks other than the existing lenders; or

   (k) disposing of the majority of our properties and assets.

6. ***Events of Default:*** The borrowing arrangements entered into by the Company and its Subsidiaries with the lenders contain certain instances, occurrence of which may result into 'event of default', including:

   (a) failure or delay in making payment/repayment of any principal amount or interest on the relevant due dates;

   (b) failure to observe or comply with the terms and conditions, breach of ownership, management, financial or other covenants, breach of representations and warranties under the borrowing arrangements;

   (c) utilisation of the facilities or any part thereof for purposes other than as sanctioned by the lender;

   (d) change in ownership, management or control of the Company or its Subsidiaries without prior consent of the lender;

   (e) any notice or action in relation to actual or threatened liquidation or dissolution or bankruptcy or insolvency against the Company or its Subsidiary;

   (f) any change or threat to change the general nature or scope of the business of the Company or its Subsidiary;

(g) change in constitutional documents without prior consent of the lender, which is prejudicial to the interests of the lender;

(h) failure to create security within the specified time period under the borrowing arrangements;

(i) breach or default under any other agreement involving borrowing of money by the Company or its Subsidiary; and

(j) any circumstance or event which would or is likely to prejudicially or have a material adverse effect in any manner the capacity of the Company or its Subsidiary to repay any loans or any part thereof.

This is an indicative list and there may be additional instances that may amount to an event of default under the various borrowing arrangements entered into by the Company and its Subsidiaries.

7. ***Consequences of events of default:*** In terms of our borrowing arrangements, as a consequence of occurrence of events of default, our lenders may:

(a) demand immediate repayment and withdraw/cancel the undrawn facility;

(b) suspend further access/drawdowns, either in whole or in part, of the facility;

(c) impose penal interest;

(d) invoke the corporate/ personal guarantees;

(e) appoint a nominee director/observer on the board of directors;

(f) issue a notice for conversion of outstanding loan obligations into equity or other securities;

(g) enforce their security interest; and

(h) disclose details of borrowings and default to regulators/third parties.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by the Company and its Subsidiaries.

For further details on the principal terms of our borrowings, see "*Restated Consolidated Financial Information*" on page 289 and for further details on financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – 14. Our business is capital intensive and we have incurred indebtedness. Further, our lenders have created charges over our movable and immovable properties in respect of finance availed by us. Our inability to obtain further financing or meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, cash flows and results of operations."* on page 46.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no pending: (i) criminal proceedings (including first information reports ("**FIR**"), even if no cognizance has been taken by any court); (ii) actions by statutory and/ or regulatory authorities (including all outstanding penalties and show cause notices); (iii) claims relating to direct and indirect taxes, in a consolidated manner; or (iv) any other pending litigation, including civil/ arbitration/ tax proceeding which have been determined to be material pursuant to the Materiality Policy (as disclosed herein below), each involving our Company, Subsidiaries, Directors or Promoters (collectively, "**Relevant Parties**", and individually, "**Relevant Party**"). Further, except as disclosed in this section, there are no pending: (i) criminal proceedings (including first information reports ("**FIR**"), even if no cognizance has been taken by any court); and (ii) actions issued by statutory and/ or regulatory authorities (including all outstanding penalties and show cause notices), each involving our Key Managerial Personnel or Senior Management.*

For the purposes of (i) above, to the extent such matters relate to cases filed against our Company and Subsidiaries under Section 138 of the Negotiable Instruments Act, 1881, disclosures in a consolidated manner giving details of number of cases and total amount involved in such cases are included in this section.

For the purpose of (iv) above, our Board in its meeting held on July 28, 2025 has considered and adopted the Materiality Policy for identification of material outstanding litigation involving Relevant Parties. In accordance with the Materiality Policy:

(i) *all outstanding civil /arbitration/ tax proceedings involving the Relevant Parties in which the value or expected impact in terms of value involved is in excess of (a) 2% of the turnover of our Company as per the Restated Consolidated Financial Information for the preceding financial year, equivalent to ₹* 289.21 *million; or (b) 2% of the net worth of our Company as per the Restated Consolidated Financial Information as at the end of the preceding financial year, except in case the arithmetic value of net worth is negative, equivalent to ₹* 146.41 *million; or (c) 5% of the average of the absolute value of the profit/ loss after tax of our Company as per the Restated Consolidated Financial Information for the preceding three financial years, equivalent to ₹* 21.80 *million, whichever is lower ("**Threshold**"). Accordingly, ₹* 21.80 *million has been considered as the Threshold for determining other material pending litigation as per point (iv) in the paragraph above;*

(ii) *any such proceedings wherein monetary liability is not determinable or quantifiable, or which does not fulfil the Threshold as specified in (i) above, but the outcome of such a proceeding could have a material adverse effect on the financial position, business, operations, performance, prospects, or reputation of the Company, in the opinion of our Board; or*

(iii) *any such proceedings wherein the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative value or expected impact in terms of value involved in such proceedings exceeds the Threshold, even though the value or expected impact in terms of value involved in an individual proceeding may not exceed the Threshold.*

For the purposes of the above, pre-litigation notices received by the Relevant Parties, KMPs, Senior Management or Group Companies from third parties (excluding notices issued by statutory or regulatory or governmental or taxation authorities, as applicable) or police complaints, unless otherwise decided by our Board, shall not be considered as outstanding litigation until such time the Relevant Party, KMPs, Senior Management or Group Company is impleaded as a party in the proceedings before any judicial or arbitral forum or any governmental authority.

Further, except as disclosed in this section, there are no (a) disciplinary actions (including penalties imposed) imposed by SEBI or a stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action; or (b) no pending litigations involving our Group Companies which may have a material impact on our Company, in the opinion of our Board. Further, except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no findings/ observations of any inspections by the SEBI or any other regulator involving any Relevant Party which are material and need to be disclosed or non-disclosure of which may have bearing on the investment decision.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as at the end of the most recent period covered in the Restated Consolidated Financial Information. The consolidated trade payables of our Company as on March 31, 2025, was ₹ 2,098.85 million as per the Restated Consolidated Financial Information. Accordingly, a creditor has been considered 'material' if the amount due to such creditor is equal to or exceeds ₹ 104.94 *million (being 5% of the consolidated trade payables of our Company as on March 31, 2025, as per the Restated Consolidated Financial Information). For outstanding dues to any creditor which is a micro, small or medium enterprise, the disclosure will be based on information available with the Company* *regarding the status of the creditor as defined under Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.*

Unless stated to the contrary, all terms defined in a particular litigation disclosure below are for that particular litigation only.

i. Litigation involving our Company

A. *Criminal proceedings by our Company*

1. Our Company has filed 57 criminal complaints against various persons before various courts/ judicial fora under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, as amended, alleging dishonour of cheques in relation to recovery of dues of our Company. These matters are currently pending at different stages of adjudication before various courts and judicial fora. The aggregate amount involved in these matters is ₹ 42.57 million as on the date of this Draft Red Herring Prospectus.

B. *Criminal proceedings against our Company*

1. Vikraman P, proprietor of M.s V,K. Traders ("**Complainant**"), filed a criminal complaint against our Company, Bhavesh Vallabhdas Varmora (in his capacity as Managing Director of our Company) and certain employees of our Company ("**Accused**") before the Judicial First Class Magistrate Court-II, Neyyattinkara, Kerala, on November 22, 2024, ("**Complaint**") under section 190 and 200 of the Code of Criminal Procedure, 1973, for offences, inter alia, cheating and dishonestly inducing delivery of property and making of false documents, punishable under section 420, 464, 467, 468, 469, 470, 471 read with 34 of the Indian Penal Code, 1860. The Complainant alleged that certain undated blank cheques given by him to our Company in the form of dealership security on July 27, 2018 ("Cheques"), were illegally filled in by our Company for an amount of ₹ 0.07 million and presented before the bank for payment. When the Cheques were returned dishonoured by the bank, our Company filed proceedings under section 138 of the Negotiable Instruments Act, 1881, against the Complainant. For further details of the criminal cases filed by our Company under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, as amended, please see "*Outstanding Litigation and Material Developments – Criminal proceedings by our Company*" on page 428. In light of the above, the Complainant has filed the Complaint praying *inter alia* to take cognizance of the offences mentioned hereinbefore and issue necessary summons to the Accused. The matter is currently pending.

C. *Actions by statutory or regulatory authorities against our Company*

1. The National Green Tribunal, Principal Bench, New Delhi ("**NGT**"), *vide* order dated March 6, 2019 ("**NGT Order**"), ordered (i) closure of all coal gasifier industries; (ii) units operating with the help of coal gasifiers to switch to non-coal gasifiers; and (iii) Gujarat Pollution Control Board ("**GPCB**") to initiate immediate steps for prosecution and recovery of compensation from such industries for the damage caused to the environment and public health. Pursuant to the NGT Order, our Company along with two of our Erstwhile Subsidiaries, Tocco Ceramic Private Limited and Solaris Ceramics Private Limited, were served with notices (each) dated September 11, 2019 ("**Notice/s**"), to make payment of an interim compensation of ₹ 9.65 million, ₹ 4.03 million and ₹ 18.40 million, respectively ("**Interim Compensation**") which were responded to by our Company and Tocco Ceramic Private Limited *vide* replies (each) dated October 11, 2019. Thereafter, our Company, Tocco Ceramic Private Limited and Solaris Ceramics Private Limited were served *vide* further notices (each) dated December 11, 2019, for payment of the Interim Compensation. Being aggrieved by the Notices, our Company has filed special civil application on December 21, 2019, before the High Court of Gujarat at Ahmedabad, Morbi ("**Court**") praying *inter alia* the Notice be quashed and set aside. Thereafter, GPCB issued further notices (each) dated April 11, 2022, for payment of 25.00% of the Interim Compensation, which was followed by another set of notices (each) dated August 2, 2024. The matter is currently pending. Pursuant to a scheme of amalgamation, Tocco Ceramic Private Limited and Solaris Ceramics Private Limited have been taken over/ amalgamated into our Company with effect from April 1, 2023, therefore, any sum payable by Tocco Ceramic Private Limited and Solaris Ceramics Private Limited would be borne by our Company. For further details see "*History and Certain Corporate Matters – Scheme of amalgamation between our Company ("Transferee"), Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("Transferor Companies)" ("Scheme")*". No order has been passed by the Court to quash the Notices yet and the matter is currently pending.

D. *Other material proceedings by our Company*

Nil

E. *Other material proceedings against our Company*

Nil

F. *Tax proceedings involving our Company*

Nature of case	Number of cases	Amount in dispute/ demand (*in ₹ million*)*
Direct tax	9	139.44
Indirect tax	9	77.61
Total	**18**	**217.05**

**To the extent quantifiable.*

In addition, set forth hereunder is a description of the material tax matters involving our Company:

1. Our Company was served *vide* demand-cum-show cause notice dated November 24, 2008, ("**SCN**") from the Directorate General of Central Excise Intelligence, Ahmedabad Zonal Unit, Department of Revenue, Government of India ("**DGCEI**"), alleging non-compliance with section 4A of the Central Excise Act, 1944, resulting in inadequate payment of excise duty and calling upon our Company to show cause as to why central excise duty to the value of ₹ 55.31 million shall not be demanded/ recovered from us, together with interest and penalty thereon. Our Company responded to the SCN vide reply dated June 8, 2010, stating that the DGCEI has not computed the excise duty payable by our Company, in the manner prescribed under the Central Excise Act, 1944. The matter is currently pending.

2. The Commissioner of Income Tax, Income Tax Department, Government of India, *vide* assessment order dated May 7, 2021, ("**Order**") made an addition of ₹ 223.49 million to the total income of our Erstwhile Subsidiary, Nextile Marbosys Private Limited ("**Nextile**") as the credit worthiness of certain share subscribers with regards to certain fresh issue of equity and preference shares of Nextile was not explained, and accordingly, initiated penalty proceedings under section 271AAC of the Income Tax Act, 1961. Thereafter the Tax Department, by way of notice of demand also dated May 7, 2021, ("**Demand Notice**") directed Nextile to pay a sum of ₹ 238.25 million for assessment year 2018-19. Aggrieved by the Order and the Demand Notice, Nextile filed an appeal before the Commissioner of Income Tax (Appeals) ("**Appellate Authority**") on May 18, 2021. Thereafter, Nextile also filed a stay petition dated December 31, 2021 before the Principal Commissioner of Income Tax ("**PCIT**"). Pursuant to the stay petition, PCIT *vide* letter dated February 18, 2022, excluded an amount of ₹ 181.15 million out of the total tax demand raised in the Demand Notice and kept the balance tax demand of ₹ 45.02 million in abeyance subject to payment of 25% of the balance tax demand of ₹ 9.00 million in three equal monthly instalments. The matter is currently pending. Pursuant to a scheme of amalgamation, Nextile have been taken over/ amalgamated into our Company with effect from April 1, 2023, therefore, any sum payable by Nextile would be borne by our Company. For further details see "*History and Certain Corporate Matters – Scheme of amalgamation between our Company ("Transferee"), Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited ("Transferor Companies)" ("Scheme")*"

ii. Litigation Involving our Subsidiaries

A. *Criminal proceedings by our Subsidiaries*

Our Subsidiary, Covertek Ceramica Private Limited, has filed 9 criminal complaints against various persons before various courts/ judicial fora under Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881, as amended, alleging dishonour of cheques in relation to recovery of its dues. These matters are currently pending at different stages of adjudication before various courts and judicial fora. The aggregate amount involved in these matters is ₹ 4.39 million as on the date of this Draft Red Herring Prospectus.

B. *Criminal proceedings against our Subsidiaries*

Nil

C. Actions by statutory or regulatory authorities against our Subsidiaries

Nil

D. Other material proceedings by our Subsidiaries

Nil

E. Other material proceedings against our Subsidiaries

Nil

F. *Tax proceedings involving our Subsidiaries*

Nature of case	Number of cases	Amount in dispute/ demand (*in ₹ million*)*
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	Nil	Nil

**To the extent quantifiable.*

There are no material tax proceedings involving our Subsidiaries as on the date of this Draft Red Herring Prospectus.

iii. **Litigation Involving our Directors**

A. *Criminal proceedings by our Directors*

Nil

B. *Criminal proceedings against our Directors*

1. A sessions case has been filed by the State of Uttar Pradesh, through its Drug Inspector against the directors and employees of Hester Biosciences Limited (including Sandhya Maulik Patel in her capacity as the director of Hester Biosciences Limited) in the District and Sessions Court, Lucknow, accusing the company of supplying spurious drugs as against the tender for the supply of PPR vaccine. An interim Stay order has been issued by the High Court of Lucknow. Since then, no further trial has been conducted at the District and Sessions Court. The matter is yet to be listed in the High Court of Lucknow.

2. Vikraman P, proprietor of M.s V. K. Traders ("**Complainant**"), filed a criminal complaint against our Company, Bhavesh Vallabhdas Varmora (in capacity as Managing Director of our Company) and certain employees of our Company before the Judicial First Class Magistrate Court-II, Neyyattinkara, Kerala, on November 22, 2024, ("**Complaint**") under section 190 and 200 of the Code of Criminal Procedure, 1973, for offences punishable under section 420, 464, 467, 468, 469, 470, 471 read with 34 of the Indian Penal Code, 1860. For further details of the criminal complaint filed by Vikraman P., please see, "- *Criminal proceedings against our Company*" on page 428.

C. *Actions by statutory or regulatory authorities against our Directors*

Nil

D. *Other material proceedings by our Directors*

Nil

E. *Other material proceedings against our Directors*

Nil

F. *Tax proceedings involving our Directors*

Nature of case	Number of cases	Amount in dispute/ demand (*in ₹ million*)*
Direct tax	1	Nil
Indirect tax	Nil	Nil

Nature of case	Number of cases	Amount in dispute/ demand (*in ₹ million*)*
Total	Nil	Nil

*To the extent quantifiable.

There are no material tax proceedings involving our Directors as on the date of this Draft Red Herring Prospectus.

iv. Litigation Involving our Promoters

A. Criminal proceedings by our Promoters

Nil

B. Criminal proceedings against our Promoters

Vikraman P, proprietor of M.s V,K. Traders ("**Complainant**"), filed a criminal complaint against our Company, Bhavesh Vallabhdas Varmora (in capacity as Managing Director of our Company) and certain employees of our Company before the Judicial First Class Magistrate Court-II, Neyyattinkara, Kerala, on November 22, 2024, ("**Complaint**") under section 190 and 200 of the Code of Criminal Procedure, 1973, for offences punishable under section 420, 464, 467, 468, 469, 470, 471 read with 34 of the Indian Penal Code, 1860. For further details of the criminal complaint filed by Vikraman P., please see, "- *Criminal proceedings against our Company*" on page 428.

C. Actions by statutory or regulatory authorities against our Promoters

Nil

D. Disciplinary actions including penalties imposed by SEBI or stock exchange in the last five Fiscals

Nil

E. Other material proceedings by our Promoters

Nil

F. Other material proceedings against our Promoters

Nil

G. *Tax proceedings involving our Promoters*

Nature of case	Number of cases	Amount in dispute/ demand (*in ₹ million*)*
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	Nil	Nil

*To the extent quantifiable.

There are no material tax proceedings involving our Promoters as on the date of this Draft Red Herring Prospectus.

v. Litigation Involving our KMP

A. Criminal proceedings by our KMP

Nil

B. Criminal proceedings against our KMP

Nil

C. Actions by statutory or regulatory authorities against our KMP

Nil

vi. Litigation Involving our Senior Management

A. *Criminal proceedings by our Senior Management*

Nil

B. *Criminal proceedings against our Senior Management*

Nil

C. *Actions by statutory or regulatory authorities against our Senior Management*

Nil

Outstanding Dues to Creditors

In accordance with the Materiality Policy, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 104.94 million, being 5% of the consolidated trade payables of our Company as on March 31, 2025 ("**Material Creditor**") as per the Restated Consolidated Financial Information.

As of March 31, 2025, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors, on a consolidated basis, is as follows*:

Sr. No.	Type of creditor	No. of creditors	Amount involved (in ₹ million)
1.	Dues to micro, small and medium enterprises**	20	28.74
2.	Dues to Material Creditors	1	178.75
3.	Dues to other creditors	1,467	1,886.15
	Total	**1,488**	**2,093.64**

** As certified by M/s Doshi Doshi & Co. Chartered Accountants, with firm registration number 153683W, pursuant to their certificate dated August 7, 2025.*
***As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended. This does not include interest payable to Micro, Small and Medium Enterprise creditors amounting to ₹ 5.21 million.*

The details pertaining to outstanding overdues to Material Creditors, along with the name and amounts involved for each such Material Creditor, are available on the website of our Company at https://varmora.com/investor-relations/material-creditors/.

It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, would be doing so at their own risk.

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Position and Results of Operations – Significant Developments subsequent to March 31, 2025*" on page 422 and as disclosed in this Draft Red Herring Prospectus, there have been no other material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect, the operations, trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking their business activities and operations. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. Except as disclosed herein, our Company has obtained all material consents, licenses, registrations, permissions and approvals from the relevant governmental, statutory and regulatory authorities, which are necessary for undertaking their respective business activities and operations.

In addition, certain of our material 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.

We have also disclosed below (i) the material approvals for which fresh applications/ renewal applications have been made by our Company; and (ii) the material approvals for which fresh applications/ renewal applications are yet to be made by our Company. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors- 23. We are subject to governmental regulation in India and we may incur material liabilities under, or costs in order to comply with, existing or future laws and regulation, and our failure to comply may result in enforcements, recalls, and other adverse actions." on page 52.

For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies" on page 237. For Offer related approvals, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 538. For incorporation details of our Company, see "History and Certain Corporate Matters – Brief history of our Company" on page 245.

Material approvals in relation to our Company

I. Material tax related approvals

1. The permanent account number issued by the Income Tax Department, Government of India.

2. The Tax Deduction Account Number issued by the Income Tax Department as per the Income Tax Act, 1961.

3. Goods and services tax registration issued by the Government of India under the Central Goods and Services Tax Act, 2017 read with the Gujarat Goods and Services Tax Act, 2017.

4. Registrations under the Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976.

II. Material approvals in relation to our business and operations

In furtherance of our business operations, our Company is required to obtain various approvals, licenses and registrations. The material registrations and approvals required and obtained by our Company are:

a. Regulatory approvals

1. Legal entity identifier code number issued by Legal Entity Identifier India Limited.

2. Importer-exporter code, issued by the Office of the Joint Director General of Foreign Trade, Rajkot, Ministry of Commerce and Industry, Government of India.

b. Material labour/ employment related approvals

1. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 issued by the Sub-Regional Office, Employees' Provident Fund Organisation.

2. Registration certificate under the Employees' State Insurance Act, 1948, issued by the Regional Office, Employees' State Insurance Corporation.

3. Registration certificate under the Contract Labour (Regulation & Abolition) Act, 1970, issued by the Labour Commissioner's Office.

4. Registration certificate under the Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 issued by the Assistant Labour Commissioner Office, Morbi, Government of Gujarat.

c. Business approvals

1. Consolidated consent and authorization under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974, Environment (Protection) Act, 1986 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

2. Registrations as a manufacturer/ importer issued under the Legal Metrology Act, 2009 issued by the Assistant Controller of Legal Metrology, Legal Metrology Department.

3. Factory license issued by the Directorate Industrial Safety & Health under the Factories Act, 1948 for our manufacturing unit at Wankaner, Morbi.

4. Approvals issued by the Controller of Explosives, Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, to our manufacturing plant situated at Wankaner, Morbi.

5. Certificate of permission for installation standby generating set(s) and associated equipment under the Central Electricity Authority (Measures relating to Safety & Electric Supply), Regulation, 2010.

III. Material approvals or renewals applied for but not received

As on the date of this Draft Red Herring Prospectus, there are no material approvals applied for, including renewal applications, that have not been received by our Company.

IV. Material approvals for which fresh applications/renewal applications are yet to be made

As on the date of this Draft Red Herring Prospectus, there are no material approvals for which fresh/ renewal applications are yet to be made by our Company.

V. Intellectual property related approvals

For details in relation to the intellectual property held by our Company and Subsidiaries, see "*Our Business – Intellectual Property"* on page 232 and for risks associated with our intellectual property, see "*Risk Factors- 35.We may be unable to adequately obtain, maintain, protect and enforce our intellectual property rights. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.*" on page 56.

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 there were 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 (i) above, all such companies (other than our Subsidiaries) with which our Company there were related party transactions during the period covered in the Restated Consolidated Financial Information, as covered under the applicable accounting standards, shall be considered as Group Companies.

In addition, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than our Subsidiaries and companies categorized under (i) above) has been considered "material" and has been disclosed as a 'Group Company' in this Draft Red Herring Prospectus if: such company is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and our Company has entered into one or more transactions with such company during the last completed Fiscal, for which Restated Consolidated Financial Information are being included, which individually or cumulatively in value exceeds 10% of the consolidated revenue from operations of our Company for the last completed Fiscal or stub period as per the Restated Consolidated Financial Information i.e. Fiscal 2025.

Based on the above, our Group Companies are set forth below:

1. Fiorenza Granito Private Limited
2. Avalta Granito Private Limited
3. Sentosa Granito Private Limited
4. Varmora Plastech Private Limited

Details of our Group Companies

1. Fiorenza Granito Private Limited

Registered office

The registered office of Fiorenza Granito Private Limited is situated at Survey no 139P1/P1, 139P2 & 139P3 at: Ratavirada, Taluka: Wankaner, Rajkot, Morbi, Gujarat, India 363 621.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of Fiorenza Granito Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are available on the website of our Company at https://varmora.com/investor-relations/group-companies/.

2. Avalta Granito Private Limited

Registered Office

The registered office of Avalta Granito Private Limited is situated at Survey No. 159, At: Ratavirda, Sartanpur Road, Wankaner, Morbi, Gujarat, India – 363 621.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of Avalta Granito Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are available on the website at https://varmora.com/investor-relations/group-companies/.

3. Sentosa Granito Private Limited

Registered office

The registered office of Sentosa Granito Private Limited is situated at Survey No. 168 P1 and 169, Taluka: Wankaner, Lakaddhar, Gujarat, India 363 622**.**

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of Sentosa Granito Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are available on the website at https://varmora.com/investor-relations/group-companies/.

4. Varmora Plastech Private Limited

Registered office

The registered office of Varmora Plastech Private Limited is situated at Pot no. 3, survey/ block no 86, Po: Vasna Chacharvadi, near Divya Bhaskar press, Bavla Changodar highway, 382 213.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited standalone financial statements of Varmora Plastech Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are available on the website at https://varmora.com/investor-relations/group-companies/.

Such information provided on the website given above does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any Bidder should consider to purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Nature and extent of interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion or formation of our Company.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc. entered into by our Company

Common pursuits

Except as stated below, the Group Companies which are involved in the business of manufacturing and trading of tiles, there are no common pursuits between our Group Companies and our Company, as on the date of this Draft Red Herring Prospectus:

(a) Avalta Granito Private Limited ("**Avalta**") is engaged in the same line of business as the Company and accordingly, there are certain common pursuits between Avalta and our Company. However, as on the date of this Draft Red Herring Prospectus, there is no conflict of interest between Avalta and our Company. Avalta shall adopt necessary procedures and practices as permitted by law to address any conflict of interest, if and when they may arise;

(b) Fiorenza Granito Private Limited ("**Fiorenza**") is engaged in the same line of business as the Company and accordingly, there are certain common pursuits between Fiorenza and our Company. However, as on the date of this Draft Red Herring Prospectus, there is no conflict of interest between Fiorenza and our Company. Fiorenza shall adopt necessary procedures and practices as permitted by law to address any conflict of interest, if and when they may arise; and

(c) Sentosa Granito Private Limited ("**Sentosa**") is engaged in the same line of business as the Company and accordingly, there are certain common pursuits between Sentosa and our Company. However, as on the date of this Draft Red Herring Prospectus, there is no conflict of interest between Sentosa and our Company. Sentosa shall adopt necessary procedures and practices as permitted by law to address any conflict of interest, if and when they may arise.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Except the transactions disclosed in "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" on page 355, there are no other related business transactions with our Group Companies.

Litigation

There are no litigation proceedings involving our Group Companies which may have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in "*Restated Consolidated Financial Information – Note 50. Related Party Disclosures*" on page 355, none of our Group Companies have any business interest in our Company.

Confirmations

None of our Group Companies have their securities listed on any stock exchange.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of the Company) and our Group Companies (including their respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of the Company) and our Group Companies (including their respective directors).

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised pursuant to the resolutions passed by our Board dated July 21, 2025 and July 28, 2025 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated July 23, 2025. Further, the Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution dated July 28, 2025.

This Draft Red Herring Prospectus has been approved by our Board of Directors, pursuant to resolution dated August 7, 2025, for filing with SEBI and the Stock Exchanges.

The Selling Shareholders confirmed and approved their participation in the Offer for Sale and confirm that they have authorized the sale of the Offered Shares in the Offer for Sale as set out below:

Selling Shareholder	Total No. of Offered Shares	Aggregate Value of Offer for Sale	Date of corporate approval	Date of consent letter
Katsura Investments	Up to 49,156,579 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	July 28, 2025	July 28, 2025
Ramanbhai Jivrajbhai Varmora	Up to 1,092,896 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	N.A.	July 28, 2025
Vallabhbhai Jivrajbhai Varmora	Up to 1,092,896 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	N.A.	July 28, 2025
Parsotambhai Jivrajbhai Patel	Up to 1,092,897 Equity Shares of face value of ₹2 each	Up to ₹ [●] million	N.A.	July 28, 2025

The Equity Shares being offered by the Selling Shareholders in the Offer for Sale have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, our Subsidiaries, our Directors, our Promoters (the persons in control of our Company) and the members of the Promoter Group are not prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

The Selling Shareholders, severally and not jointly, confirm that they are not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of our Company, Promoters or Directors have been declared as Wilful Defaulters or Fraudulent Borrowers.

None of our Promoters or Directors have been declared as Fugitive Economic Offenders.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner as on the date of this Draft Red Herring Prospectus.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Each of our Company, our Promoters, the members of the Promoter Group and the Selling Shareholders, confirm that, as on the date of this Draft Red Herring Prospectus, they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2025, 2024 and 2023, of which not more than 50% of the net tangible assets are held as monetary assets;

- Our Company has an average operating profit of at least ₹150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), *i.e.*, as at and for the Financial Years 2025, 2024 and 2023, with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10.00 million in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2025, 2024 and 2023, calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits average operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals are set forth below:

(*in ₹ million, unless otherwise stated*)

Particulars	As at and for the Fiscal ended March 31,		
	2025	2024	2023
Net tangible assets (1)	6,871.18	6,387.98	5,986.00
Monetary assets (2)	1,167.75	1,025.49	2,404.37
Monetary assets as restated as a percentage of the net tangible assets (3)	16.99%	16.05%	40.17%
Operating profits (4)	334.94	549.91	615.71
Average operating profit	500.19		
Net worth (5)	7,228.98	6,785.87	6,422.27

Notes:

(1) *"Net Tangible Assets" means the sum of all net assets of our Company excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by ICAI, in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations*

(2) *"Monetary assets" represent the sum of cash and cash equivalents and other bank balances*

(3) *"Monetary assets as a percentage of the net tangible assets" means monetary assets as restated divided by Net Tangible Assets, as restated, expressed as a percentage*

(4) *"Operating profits" is defined as profit before finance costs, other income and tax expense*

(5) *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations*

Further, our Company confirms that it is eligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, fulfils requirements set out in Regulation 7(1) of the SEBI ICDR Regulations and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The details of our compliance with Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations are as follows:

(a) none of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.

(b) none of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

(c) none of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower.

(d) neither our Promoters nor any of our Directors are a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

(e) other than outstanding options issued in terms of the ESOP Plan, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus.

(f) our Company along with Registrar to the Offer has entered into tripartite agreements dated June 6, 2022, and March 18, 2025, with NSDL and CDSL, respectively, for dematerialization of the Equity Shares.

(g) all the securities of our Company are in the dematerialised form.

(h) all the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of filing of this Draft Red Herring Prospectus.

(i) Our Company has applied for in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholders confirmed that they are in compliance with Regulation 8 of the SEBI ICDR Regulations and approved their participation in the Offer for Sale in relation to the Offered Shares.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 7, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the RoC in terms of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://varmora.com/investor-relations/, or the respective websites of our Subsidiaries or of any of the Group Companies or of Selling Shareholders, would be doing so at his or her own risk.

Each of the Selling Shareholders is providing information in this Draft Red Herring Prospectus only in relation to itself as a selling shareholder and their respective portion of the Offered Shares, and the Selling Shareholders, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a selling shareholder, in relation to itself and its respective portion of the Offered Shares in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent the information pertains to the Selling Shareholders and their respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

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

Disclaimer in respect of jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

This Offer is being made in India to persons resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to permission from RBI) or systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, and permitted Non-Residents including FPIs and Eligible NRIs, QIBs, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares offered in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares offered in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The offer and sale of the Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction 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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Eligible Investors

The Equity Shares are being offered and sold:

(a) within the United States to investors that are U.S. QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and

(b) outside the United States in "offshore transactions" as defined in, and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case on the basis that each such purchaser is deemed to have made the representations set forth immediately below.

Equity Shares Offered in the Offer within the United States

Each purchaser that is acquiring the Equity Shares offered in the Offer within the United States, by submitting a Bid cum Application Form, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and each of the Book Running Lead Managers that it has received a copy of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(a) the purchaser is authorised to consummate the purchase of the Equity Shares offered in the Offer in compliance with all applicable laws and regulations;

(b) the purchaser acknowledges that the offer and sale of the Equity Shares in the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States except in an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(c) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;

(d) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(e) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred, only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act, or (ii) in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the state securities laws in the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

(f) the purchaser acknowledges that the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;

(g) the purchaser will not deposit or cause to be deposited such Equity Shares into any unrestricted depositary receipt facility established or maintained by a depositary bank, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(h) neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), is acquiring the Equity Shares as a result of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any form of "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in connection with any offer or sale of the Equity Shares;

(i) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS AND ACCORDINGLY, THE EQUITY SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED (1) WITHIN THE UNITED STATES, SOLELY TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (2) OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" AS DEFINED IN AND IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR."

(j) the purchaser acknowledges that our Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(k) the purchaser acknowledges that our Company, the Selling Shareholders, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the Book Running Lead Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in the Offer

Each purchaser that is acquiring the Equity Shares offered in the Offer outside the United States, by submitting a Bid cum Application Form, will be deemed to have acknowledged, represented to and agreed with our Company, each of the Selling Shareholders and the Book Running Lead Managers that it has received a copy of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(a) the purchaser is authorised to consummate the purchase of the Equity Shares offered in the Offer in compliance with all applicable laws and regulations;

(b) the purchaser acknowledges that the offer and sale of the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of or other jurisdiction of the United States and accordingly, may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(c) the purchaser is purchasing the Equity Shares offered in the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(d) the purchaser was located outside the United States at the time (i) the offer for such Equity Shares was made to it, and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States;

(e) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(f) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

(g) neither the purchaser nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), is acquiring the Equity Shares as a result of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

(h) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933(THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES."

(i) the purchaser acknowledges that our Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(j) the purchaser acknowledges that our Company, the Selling Shareholders, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the Book Running Lead Managers, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Our Company, the Selling Shareholders, the Book Running Lead Managers and their affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of BSE Limited

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of National Stock Exchange of India Limited

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being offered and transferred in the Offer and [●] will be the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI.

Our Company and the Selling Shareholders shall refund the money raised in the Offer, together with any interest on such money as required under applicable laws, to the Bidders if required to do so for any reason under applicable laws, including due to failure to obtain listing or trading approval or pursuant to any direction or order of SEBI or any other governmental authority, however, the Selling Shareholders are liable to refund money raised in the Offer, only to the extent of their respective portion of the Offered Shares, together with any interest on such amount as per applicable laws. Provided that, in accordance with applicable laws, the Selling Shareholders shall not be responsible to pay such interest unless such delay is caused solely by, or is directly attributable, to their act or omission, severally and not jointly, in relation to the Offered Shares.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsel to our Company, the BRLMs, the Registrar to the Offer, bankers to our Company, lenders to our Company (wherever applicable), Technopak, Chartered Engineer, independent chartered accountant, practising company secretary in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, Monitoring Agency, Sponsor Bank(s), Escrow Collection Bank(s), Public Offer Account Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents obtained under (a) have not be withdrawn as on the date of this Draft Red Herring Prospectus.

Experts

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

Our Company has received the written consent dated August 7, 2025 from our Statutory Auditor, Walker Chandiok & Co LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report dated July 28, 2025 on the Restated Consolidated Financial Information; and (ii) the statement of special tax benefits available to the Company, and its shareholders, under the direct and indirect laws in India dated August 7, 2025 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and “consent” does not represent an “expert” or “consent” within the meaning under the U.S. Securities Act.

Our Company has also received written consent dated August 7, 2025, from the Independent Chartered Accountant, namely M/s Doshi Doshi & Co., bearing firm registration number 153683W, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in relation to the certificates dated August 7, 2025, issued by them in their capacity as an independent chartered accountant to our Company and details derived therefrom as included in this Draft Red Herring Prospectus. However, the term “expert” and “consent” does not represent an “expert” or “consent” within the meaning under the U.S. Securities Act.

Our Company has also received written consent dated August 7, 2025, from the independent chartered engineer, namely Nimesh Upadhyay bearing chartered engineer registration number CE/IET/LM/111996-24, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the certificate dated August 7, 2025, issued by them in their capacity as an independent chartered engineer to our Company and details derived therefrom as included in this Draft Red Herring Prospectus. However, the term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – public/ rights issue of our Company, listed subsidiaries/ promoters

We do not have a corporate promoter, nor have any of our subsidiaries listed their securities on any stock exchanges as on date of this Draft Red Herring Prospectus.

Commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed Group Companies, Subsidiaries, Associate or Joint Ventures during the previous three years

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries, Associates, Joint Ventures or Group Companies have listed their securities on any stock exchange.

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

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

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Price information of past issues handled by the BRLMs

A. JM Financial Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) overseen by JM Financial Limited*:

Sr. No.	Issue name	Issue Size (` million)	Issue price (`)	Listing Date	Opening price on Listing Date (in `)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Brigade Hotel Ventures Limited*11	7,596.00	90.00	July 31, 2025	81.10	Not Applicable	Not Applicable	Not Applicable
2.	GNG Electronics Limited*	4,604.35	237.00	July 30, 2025	355.00	Not Applicable	Not Applicable	Not Applicable
3.	Indiqube Spaces Limited*7	7,000.00	237.00	July 30, 2025	216.00	Not Applicable	Not Applicable	Not Applicable
4.	Anthem Biosciences Limited#9	33,950.00	570.00	July 21, 2025	723.10	Not Applicable	Not Applicable	Not Applicable
5.	Smartworks Coworking Spaces Limited*10	5,825.55	407.00	July 17, 2025	435.00	Not Applicable	Not Applicable	Not Applicable
6.	HDB Financial Services Limited*	1,25,000.00	740.00	July 2, 2025	835.00	2.51%[-2.69%]	Not Applicable	Not Applicable
7.	Kalpataru Limited*8	15,900.00	414.00	July 1, 2025	414.00	-2.83% [-2.69%]	Not Applicable	Not Applicable
8.	Ellenbarrie Industrial Gases Limited*	8,525.25	400.00	July 1, 2025	486.00	41.09% [-2.69%]	Not Applicable	Not Applicable
9.	Arisinfra Solutions Limited*	4,995.96	222.00	June 25, 2025	205.00	-33.84% [-0.72%]	Not Applicable	Not Applicable
10.	Oswal Pumps Limited*	13,873.40	614.00	June 20, 2025	634.00	17.96% [-0.57%]	Not Applicable	Not Applicable

Source: www.nseindia.com and www.bseindia.com

 # BSE as Designated Stock Exchange

** NSE as Designated Stock Exchange*

Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 22 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 38 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of Rs. 50 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *A discount of Rs. 37 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
11. *A discount of Rs. 3 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

2. *Summary statement of price information of past issues handled by JM Financial Limited:*

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025	12	2,92,078.51	-	1	1	-	1	2	-	-	-	-	-	-

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-2024	13	2,55,434.10	-	-	5	5	2	1	1	3	1	4	1	2
2022-2023	24	2,88,746.72	-	-	7	4	5	8	-	-	5	7	5	7

B. *Goldman Sachs (India) Securities Private Limited*

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Goldman Sachs (India) Securities Private Limited:*

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	HDB Financial Services Limited	125,000.00	740	July 02, 2025	835	+2.51% / [-2.69%]	NA	NA
2	Bajaj Housing Finance Limited	65,600.00	70	September 16, 2024	150	+99.86% / [-1.29%]	+89.23%/[-2.42%]	+64.64% / [-11.77%]
3	Ola Electric Mobility Limited	61,455.59	76	August 9, 2024	76	+44.17% / [+1.99%]	-2.11% / [+0.48%]	-1.51% / [-2.58%]
4	TBO Tek Limited	15,508.09	920	May 15, 2024	1,426	+69.94% / [+5.40%]	+84.90% / [+9.67%]	+85.23% / [+8.77%]

Source: www.nseindia.com and www.bseindia.com

Notes:

1. *Benchmark index considered is NIFTY 50*
2. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the preceding trading day.*
3. *In Ola Electric Mobility Limited, the issue price to eligible employees was ₹ 69 after a discount of ₹ 7 per equity share*

2. *Summary statement of price information of past issues handled by Goldman Sachs (India) Securities Private Limited:*

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2025-26	1	125,000.00	NA	NA	NA	NA	NA	1	NA	NA	NA	NA	NA	NA
2024-25	3	142,563.68	NA	NA	NA	2	1	NA	NA	NA	1	2	NA	NA
2023-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*

2. *The information for each of the financial years is based on issues listed during such financial year.*

C. SBI Capital Markets Limited

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBI Capital Markets Limited:

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	National Securities Depository Limited@(1)	40,109.54	800.00	August 06, 2025	880.00	-	-	-
2	Schloss Bangalore Limited#	35,000.00	435.00	June 02, 2025	406.00	-6.86% [+3.34%]	-	-
3	Belrise Industries Limited#	21,500.00	90.00	May 28, 2025	100.00	+14.08% [+3.22%]	-	-
4	Ajax Engineering Limited#(2)	1,269.35	629.00	February 17, 2025	576.00	-2.86% [-0.55%]	+6.78% [+8.97%]	-
5	Laxmi Dental Limited@	6980.58	428.00	January 20, 2025	528.00	-18.04% [-1.44%]	-4.98% [+1.92%]	+12.24% [+6.08%]
6	Ventive Hospitality Limited#(3)	16,000.00	643.00	December 30, 2024	716.00	+5.51% [-2.91%]	+10.80% [-0.53%]	+7.10% [+8.43%]
7	International Gemmological Institute (India) Limited#(4)	42,250.00	417.00	December 20, 2024	510.00	+24.24% [-1.63%]	-21.39% [-2.88%]	-11.45% [+5.37%]
8	One Mobikwik Systems Limited #	5,720.00	279.00	December 18, 2024	440.00	+69.50% [-3.67%]	-11.00% [-6.98%]	-4.34% [+2.15%]
9	Suraksha Diagnostic Limited@	8,462.49	441.00	December 06, 2024	437.00	-14.32% [-2.81%]	-37.11% [-9.54%]	-23.90% [-0.95%]
10	Afcons Infrastructure Limited#	54,300.00	463.00	November 04, 2024	430.05	+6.56% [+1.92%]	+2.18% [-2.14%]	-9.29% [+1.46%]

Source: www.nseindia.com and www.bseindia.com

Notes:

* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

** *The information is as on the date of this document.*

* *The information for each of the financial years is based on issues listed during such financial year.*

@ *The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange*

The Nifty 50 index is considered as the Benchmark Index, NSE being the designatsed stock exchange

1. *Price for eligible employee was ₹ 76.00 per equity share*
2. *Price for eligible employee was ₹ 570.00 per equity share*
3. *Price for eligible employee was ₹ 613.00 per equity share*
4. *Price for eligible employee was ₹ 378 per equity share*

(i) Summary statement of price information of past public issues (during the current Fiscal and the two Fiscals immediately preceding the current Financial Year):

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2025-26*	3	96,609.54	-	-	1	-	-	1	-	-	-	-	-	-
2024-25	16	4,00,550.30	-	-	6	6	3	1	-	1	5	5	1	3
2023-24	12	1,32,353.46	-	-	6	2	3	1	-	-	3	5	2	2

** The information is as on the date of this Offer Document.*

 # Date of Listing for the issue is used to determine which financial year that particular issue falls into

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular bearing reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Name	Website
JM Financial Limited	www.jmfl.com
Goldman Sachs (India) Private Limited	www.goldmansachs.com
SBI Capital Markets Limited	www.sbicaps.com

For further details in relation to the BRLMs, please see "*General Information – Book Running Lead Managers*" on page 81.

Stock market data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Bidders can contact the Company Secretary and the Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non- credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non- receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.

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

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

Pursuant to the SEBI ICDR Master Circular, SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular and subsequent circulars issued by the SEBI, as may be applicable, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working

Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, pursuant to SEBI ICDR Master Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, for grievance redressal contact details of the BRLMs pursuant to the March 2021 Circular, see "*Offer Procedure– General Instructions*" on page 476.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain SCORES authentication and shall comply with the SEBI ICDR Master Circular, as applicable, in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders Relationship Committee, see *"Our Management – Committees of the Board"* on page 270.

Our Company has appointed Nilesh Sharma, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information- Company Secretary and Compliance Officer*" on page 81.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. No investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Further, our Company does not have any listed subsidiaries, group companies, joint ventures or associates, as on the date of filing of this Draft Red Herring Prospectus.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

There is no conflict of interest between the lessors of our immovable properties of our Company (which are crucial for operations of our Company) and us.

There is no conflict of interest between suppliers of raw materials or any third-party service providers of our Company (which are crucial for operations of our Company), and us.

SECTION VIII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer – Offer Related Expenses*", on page 124.

Ranking of the Equity Shares

The Equity Shares being offered, issued, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividend, voting and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 487.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Description of Equity Shares and Terms of the Articles of Association"* on pages 288 and 487, respectively.

Face Value, Floor Price, Price Band and Offer Price

The face value of the Equity Shares is ₹2. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band and minimum Bid Lot for the Offer will be decided by our Company, in consultation with the Book Running Lead Managers and in compliance with the SEBI ICDR Regulations, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers and in compliance with the SEBI ICDR Regulations, after the Bid / Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- the right to receive dividend, if declared;

- the right to attend general meetings and exercise voting rights, unless prohibited by law;
- the right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- the right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, consolidation and splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 487.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- tripartite agreement dated June 6, 2022, entered into amongst our Company, NSDL and Registrar to the Offer; and
- tripartite agreement dated March 18, 2025, entered into amongst our Company, CDSL and Registrar to the Offer.

Market lot and Trading lot

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 465.

Joint holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The competent courts/authorities of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

The offer and sale of the Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Period of subscription list of the public issue

See "*– Bid/Offer Programme*" on page 456.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity

Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid/ Offer Programme

EVENT	INDICATIVE DATE
BID/OFFER OPENS ON(1)	On or about [●]
BID/OFFER CLOSES ON(2)(3)	On or about [●]
FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	On or about [●]

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

(2) *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIB one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the Self Certified Syndicate Bank(s), to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/CFD/PoD- 1/P/CIR/2024/0154 dated November 11, 2024.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs. While our Company shall ensure that all steps for

the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid / Offer Closing Date, or such other period as prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend reasonable assistance as required by our Company and the BRLMs to the extent of their portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid / Offer Closing Date, or within such other period as prescribed.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid / Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“**IST**”)
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and NIIs	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹500,000	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors#	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

** UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*
 # QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(a) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(b) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs.

On Bid / Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Investors, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and are advised to submit their Bids no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days, in compliance with the SEBI ICDR Regulations.

Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/ Offer Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI ICDR Master Circular. If there is a delay beyond such time as prescribed under applicable law, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

Subject to applicable law, in the event of under-subscription in the Offer, the Equity Shares will be allotted in the following order: (i) such number of Equity Shares comprising 90% of the Fresh Issue, or such other number as required to comply with the minimum subscription to be received in the Offer under applicable law, will be Allotted prior to the sale of Equity Shares in the Offer for Sale; (ii) next all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer will be Allotted; and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the remaining 10% of the Fresh Issue.

In terms of the SEBI ICDR Master Circular, our Company shall within two days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond such time period as prescribed under applicable law, interest at the rate of 15% per annum shall be paid.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall, severally and not jointly, reimburse any refunds made, interest borne and expenses incurred (with regard to payment of refunds) by our Company on their behalf and in relation to their respective portion of the Offered Shares, will be adjusted or reimbursed by the Selling Shareholders, severally and not jointly, to our Company as agreed among our Company and the Selling Shareholders, in writing in accordance with applicable law.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 89, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of the Articles of Association*" at page 487.

Option to receive Equity Shares in dematerialized form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Fresh Issue is not subscribed.

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer and price band advertisements were published, within two days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer and price band advertisement has appeared, and the Stock Exchanges will also be informed promptly. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be filed again with SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer is being made through the Book Building Process in compliance with Regulation 31 of the SEBI ICDR Regulations. The Offer is of up to [●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,000.00 million by our Company and an Offer of Sale of up to 52,435,268 Equity Shares face value of ₹ 2 each aggregating up to ₹[●] million by the Selling Shareholders. The Offer shall constitute [●]%, of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, and subject to approval of Selling Shareholders, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), of up to [●] Equity Shares for an amount aggregating up to ₹ 800.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

Particulars	QIBs [(1)]	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment / allocation* [(2)]	Not more than [●] Equity Shares of face value of ₹2 each	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment / allocation	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors was available for allocation, out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above (c) Up to 60% of the QIB portion (of up to [●] Equity Shares of face value of ₹2	The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion shall not be less than the minimum application size and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with an application size of more than	The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see *"Offer Procedure"* on page 465.

Particulars	QIBs [(1)]	Non-Institutional Investors	Retail Individual Investors
	each) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" on page 465.	
Minimum Bid	[●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each such that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each such that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares of face value of ₹2 each thereafter	[●] Equity Shares of face value of ₹2 each
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each not exceeding the size of the Offer (excluding the Anchor Portion), subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid Amount does not exceed ₹0.20 million
Bid Lot	[●] Equity Shares of face value of ₹10 each and in multiples of [●] Equity Shares of face value of ₹10 each thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Share of face value of ₹2 each thereafter		
Trading Lot	One Equity Share bearing face value of ₹2		
Who can apply[(3)(4)(5)(6)]	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250.00 million, pension funds with minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies family offices, trusts, FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) applying for Equity Shares such that the Bid amount does not exceed ₹0.20 million in value.

Particulars	QIBs [(1)]	Non-Institutional Investors	Retail Individual Investors
	established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies, in accordance with applicable laws including FEMA Rules.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding^	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including UPI Mechanism for Bids up to ₹0.50 million)	ASBA only (including the UPI Mechanism)

* *Assuming full subscription in the Offer*

^ *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NII and Retail and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company may, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to having been (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion was up to ₹ 100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹100.00 million but up to ₹2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million or part thereof was permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor could make a minimum Bid of such number of Equity Shares, that the Bid Amount was at least ₹100.00 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received at or above the Anchor Investors Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion.*

(2) *This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer will be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion will be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation to Non-Institutional Investors, of which (a) one-third portion will be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹1.00 million; and (b) two-thirds portion are reserved for applicants with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories are allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Offer are made available for allocation to RII in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form contained only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder will be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the Confirmation of Allotment Note.*

(5) *Bids by FPIs with certain structures as described under "Offer Procedure – Bids by Foreign Portfolio Investors ("FPIs")" on page 472 and having the same PAN are collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) have been proportionately distributed.*

(6) *Bidders are required to confirm and are deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 454.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification

to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

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 Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) price discovery and allocation; (xiv) designated date and (xv) interest in case of delay in Allotment or refund.

*SEBI, through the UPI Circulars, has introduced an alternate payment mechanism using 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 timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 0.20 million to ₹ 0.50 million for all the individual investors applying in public issues.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

*SEBI vide its circular no. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/5 dated May 24, 2024 **("AV Circular")** has introduced the disclosure of audiovisual presentation of disclosures made in Offer Documents. Pursuant to the AV Circular, investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by finfluencers.*

*Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 ("**SEBI RTA Master Circular**") and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars and the provisions of SEBI ICDR Master Circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Furthermore, the SEBI RTA Master Circular has consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus.*

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application size are up to ₹0.50 million shall use the UPI Mechanism and 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. 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable *law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, our Company, the Selling Shareholders and the BRLMs are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company will request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to applicable laws and valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories on proportionate basis, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar ID and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and

the Client ID and the PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of UPI for Bids by RIIs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

(c) **Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis)

Pursuant to the SEBI ICDR Master Circular and UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLMs will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

The processing fees for application made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks make an application to the BRLMs with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer bidding process.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

(i) Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below: a syndicate member;

(ii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building process on a regular basis before the closure of the Offer.

(b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges' platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchanges' platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

(d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders using the ASBA process to participate in the Offer must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIB and NII and also for all modes through which the applications are processed.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis[1]	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors[2]	[●]

** Excluding electronic Bid cum Application Forms*

Notes:

1. *Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and the BSE (www.bseindia.com).*
2. *Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI ICDR Master Circular.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the

UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

(a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 p.m. on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;

(b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;

(c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 4.00 p.m. 4:00 p.m. for QIBs and Non-Institutional Investors categories and up to 5.00 p.m. for Retail Individual category on the initial public offer closure day;

(d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids;

(e) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

The offer and sale of the Equity Shares issued in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act, and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction 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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoter, Promoter Group, the Book Running Lead Managers, associates and affiliates of the Book Running Lead Managers and the Syndicate Members and the persons related to Promoter, Promoter Group, Book Running Lead Managers and the Syndicate Members and Bids by Anchor Investors

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associates of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers;

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Managers; or

(v) Pension funds with minimum corpus of ₹ 250 million and registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013 sponsored by entities which are associate of the Book Running Lead Managers.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made, subject to applicable law.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their NRE Account, or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their NRO Accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis of a listed Indian company or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by a listed Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis by a listed Indian company or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant of a listed Indian company. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 485.

Bids by Hindu Undivided Families ("HUFs")

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs will be considered at par with Bids from individuals.

Bids by Foreign Portfolio Investors ("FPIs")

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer equity share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increase beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;

(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level / sub fund level where a collective investment scheme or fund has multiple investment strategies / sub-funds with identifiable differences and managed by a single investment manager.

- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Collecting Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The SEBI AIF Regulations, as amended prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations as amended prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), and (iii) such other approval as may be required by the Systemically Important NBFCs must be attached to the Bid-cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250.00 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

Bids by provident funds / pension funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason therefor.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100.00 million.

(c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date, and will be completed on the same day.

(e) Our Company in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100.00 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor; and
- in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million, subject to minimum Allotment of ₹50.00 million per Anchor Investor.

(f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bid / Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid / Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs or pension funds with minimum corpus of ₹250 million and registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013 sponsored by the entities which are associates of the BRLMs) can apply in the Offer under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

(k) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and [●] editions of [●], a widely circulated Gujarati daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders shall enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid / Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID;

4. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;

9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

11. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

13. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the

case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

26. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

27. In case of QIBs and NIIs (other than for Anchor Investor and UPI Bidder), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

28. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

29. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;

30. UPI Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

31. UPI Bidders Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;

32. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the ASBA Account;

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

34. Ensure that ASBA bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs;

35. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid / Offer Closing Date.

36. Investors must ensure that their PAN is linked with Aadhaar ID and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 or in the list displayed on SEBI's website is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid for a Bid Amount which exceeds ₹ 0.20 million (for Bids by RIIs);

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

7. Bids by HUFs not mentioned correctly as provided in "- *Bids by Hindu Undivided Families ("HUFs")*" on page 472;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

16. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

17. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million;

18. Do not submit the General Index Register (GIR) number instead of the PAN;

19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid / Offer Closing Date;

22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

24. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

25. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

26. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

27. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

28. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

30. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);

31. Do not Bid if you are an OCB;

32. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);

33. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Bidders);

34. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and

35. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, see "*General Information – Book Running Lead Managers*" on page 81.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Rejection

In addition to the grounds for rejection of Bids as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIIs with Bid Amount of a value of more than ₹ 0.20 million (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs and by Non-Institutional Investors after 4:00 p.m. on the Bid/ Offer Closing and Bids by RIIs after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

In case of any pre-Offer or post Offer related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information – Company Secretary and Compliance Officer*" on page 81.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Investor category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors. The allotment to each Non-Institutional Investor shall not be less than the Minimum NII Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Pre-Offer and Price Band Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer and price band advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located).

In the pre-Offer and price band advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of a widely circulated English national daily newspaper, [●], [●] editions of a widely circulated Hindi national daily newspaper, [●] and [●] editions of a widely circulated Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located).

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated June 6, 2022, amongst our Company, NSDL and Registrar to the Offer.

- Tripartite agreement dated March 18, 2025, amongst our Company, CDSL and Registrar to the Offer.

Undertaking by our Company

Our Company undertakes:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days from the Bid / Offer Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company, in consultation with the BRLMs, withdraws the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or the Selling Shareholders subsequently decide to proceed with the Offer thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) that, except for any (a) allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the ESOP Plans; and (b) allotment of Equity Shares pursuant to the Pre-IPO Placement, no further issue of Equity Shares shall be made by the Company until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake the following in respect of itself as a selling shareholder, and their respective portion of the Offered Shares:

(i) that the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

(ii) that they are the legal and beneficial owner of the Offered Shares, and the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;

(iii) that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer;

(iv) that they shall deposit their Equity Shares offered for sale in the Offer in an escrow demat in accordance with the Share Escrow Agreement to be executed between the parties to such Share Escrow Agreement;

(v) that they shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in their favour, until final listing and trading approvals have been received from the Stock Exchanges; and

(vi) that they will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its Offered Shares.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who –***

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see "*Key Regulations and Policies*" on page 237.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

In terms of the FEMA Rule and the FDI Policy, a person resident outside India may make investments into India, subject to certain terms and conditions, and further provided that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India, who is situated in or is a citizen of any such country, shall invest only with the approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the above restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

Foreign Exchange Laws

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the resolution dated January 27, 2025 the aggregate investment limit by NRIs and OCIs was increased from 10% to 24% of the paid-up equity share capital of our Company, provided however, that the shareholding of each NRI or OCI shall not exceed 5% of the total paid-up equity capital of our Company on a fully diluted basis and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

As per the existing policy of the Government, OCBs cannot participate in this Offer. For more information on bids by FPIs and Eligible NRIs, see "*Offer Procedure*" on page 465. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by Foreign Portfolio Investors ("FPIs")*" on pages 471 and 472, respectively.

The offer and sale of the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, or (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

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

As on the date of this Draft Red Herring Prospectus, the provisions of the Articles of Association of our Company are in compliance with the Companies Act.

*The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of receipt of the final listing and trading approval from the stock exchanges for commencement of trading of the equity shares of our Company in relation to the proposed initial public offering of the equity shares of the Company (the "**IPO**" of the "**Equity Shares**" of the Company). In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail and be applicable. All articles of Part B shall automatically terminate and cease to have any force and effect from the date of receipt of the final listing and trading approvals from the stock exchanges for commencement of trading of the equity shares of the Company in relation to the proposed Offer of our Company and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.*

PART A

1. **DEFINITIONS AND INTERPRETATION**

In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

a. "***Act***" means the Companies Act, 2013 and the rules enacted and any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

b. "***Annual General Meeting***" means the annual general meeting of the Company convened and held in accordance with the Act.

c. "***Articles of Association***" **or** "***Articles***" mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.

d. "***Board***" or "***Board of Directors***" means the board of directors of the Company in office at applicable times.

e. "**Chairman**" or "**Chairperson**" means a Director designated as the Chairman or Chairperson of the Company by the Board of Directors for the time being;

f. "***Company***" means Varmora Granito Limited, a company incorporated under the laws of India.

g. "***Depository***" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

h. "***Director***" shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles.

i. "***Shares***" means the Equity shares and Preference shares of the Company unless otherwise mentioned.

j. "***Equity Shares***" shall mean the issued, subscribed and fully paid-up equity shares of the Company as per the Memorandum of Association.

k. "***Exchange***" shall mean BSE Limited and the National Stock Exchange of India Limited.

l. "***Extraordinary General Meeting***" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

m. "***General Meeting***" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

n. “***IPO***” means the initial public offering of the Equity Shares of the Company;

o. “***Member***” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

p. “***Memorandum***” or “***Memorandum of Association***” means the memorandum of association of the Company, as may be altered from time to time, in accordance with the Act;

q. “***Office***” means the registered office, for the time being, of the Company;

r. “***Officer***” shall have the meaning assigned thereto by the Act;

s. “***Ordinary Resolution***” shall have the meaning assigned thereto by the Act;

t. “***Register of Members***” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository; and

u. “***Special Resolution***” shall have the meaning assigned thereto by the Act.

Except where the context requires otherwise, these Articles will be interpreted as follows:

a. headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.

b. where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;

c. words importing the singular shall include the plural and vice versa;

d. all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;

e. the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

f. the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, ***include*** and ***including*** will be read without limitation;

g. any reference to a ***person*** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;

h. a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

i. references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs.

j. a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:

    i. that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and

    ii. any subordinate legislation or regulation made under the relevant statute or statutory provision;

k. references to writing include any mode of reproducing words in a legible and non-transitory form; and

l. references to ***Rupees, Rs., INR, ₹*** are references to the lawful currency of India.

m. save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles

SHARE CAPITAL AND VARIATION OF RIGHTS

2. **AUTHORISED SHARE CAPITAL**

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles , subject to the provisions of applicable law for the time being in force.

3. **NEW CAPITAL PART OF THE EXISTING CAPITAL**

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

4. **KINDS OF SHARE CAPITAL**

The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

a. Equity Share capital:

   i. with voting rights; and/or

   ii. with differential rights as to dividend, voting or otherwise in accordance with the Act; and

b. Preference share capital.

5. **SHARES AT THE DISPOSAL OF THE DIRECTORS**

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares, as may be permitted under applicable laws. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

6. **CONSIDERATION FOR ALLOTMENT**

The Board of Directors may issue and allot shares of the Company as payment in full or in part, for any property/assets purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares.

7. **SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CAPITAL**

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

b. sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

c. cancel shares which at the date of such General Meeting 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;

d. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

e. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

f. The cancellation of Shares under point (c) above shall not be deemed to be a reduction of the authorised share capital.

8. **FURTHER ISSUE OF SHARES**

8.1. Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

a.

i. to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

ii. The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under applicable law) and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

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 favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

iv. After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

b. to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or

c. to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in Article 8.1 (a) or Article 8.1 (b) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder; provided that in respect of issue of shares as aforesaid, subsequent to listing of the equity shares of the Company on the Exchange(s) pursuant to the IPO, the price of the shares shall be determined in accordance with applicable provisions of regulations made by Securities and Exchange Board of India and/or other applicable laws and the requirement for determination of price through valuation report of a registered valuer under the Act and the rules made thereunder shall not be applicable unless otherwise required under the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

8.2. Nothing in Article 8.1(a)(iii) shall be deemed:

a. To extend the time within which the offer should be accepted; or

b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

8.3. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.

8.4. Notwithstanding anything contained in Article 8.3 hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

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 and the rules made thereunder.

9. **ISSUE OF FURTHER SHARES NOT TO AFFECT RIGHTS OF EXISTING MEMBERS**

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari-passu therewith.

10. **RIGHT TO CONVERT DEBENTURES AND LOANS INTO CAPITAL**

Notwithstanding anything contained in sub-clauses(s) of Article 8 above, but subject, however, to the provisions of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

11. **ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES**

Any 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 name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

12. **RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT**

The Board shall observe the restrictions as regards allotment of shares to the public contained in the Act, and as regards return on allotments, the Directors shall comply with applicable provisions of the Act.

13. **MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY**

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, shall immediately on the inscription of the name of allottee in the Register as 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.

14. **INSTALLMENTS ON SHARES**

If, by the conditions of allotment of any shares, whole or part of the amount or 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 to time, shall be the registered holder of the share or his legal representative.

15. **MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS**

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Articles require or fix for the payment thereof.

16. **VARIATION OF SHAREHOLDERS' RIGHTS**

a. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth 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 issued shares of that class, as prescribed by the Act.

b. Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

17. **PREFERENCE SHARES**

a. **Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

b. **Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such securities on such terms as they may deem fit.

c. **Compulsorily Convertible Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis compulsorily convertible preference shares, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion of such shares into such securities on such terms as they may deem fit.

18. **PAYMENTS OF INTEREST OUT OF CAPITAL**

The Company shall have the power to pay interest out of its capital on so much of the shares which have been issued for the purpose of raising money to defray the expenses of the construction of any work or building for the Company in accordance with the Act.

19. **COMPROMISE, ARRANGEMENTS AND AMALGAMATIONS**

Subject to the applicable provisions of the Act, the Company is empowered to enter into any Schemes of Arrangement or compromises with its creditors and/or members of the Company and/or any class of such creditors or members, including but not limited to hive-off or demerger of any of its business or units and also to amalgamate or cause itself to be amalgamated with any other person, firm or body corporate.

SHARE CERTIFICATES

20. **ISSUE OF SHARE CERTIFICATE**

Every Member shall be entitled, without payment, to one or more share certificates in marketable lots for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several share certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such share certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within three (3) months from the date of allotment unless the conditions of issue thereof otherwise provide, or within two (2) months of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture or within such other period as may be prescribed under applicable laws. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate, and delivery of a share certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders. Every certificates of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and 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 or several joint holders shall be a sufficient delivery to all such holder.

New share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such share certificate shall be issued in the manner prescribed under Section 46 of the Act and the rules framed thereunder.

Particulars of every share certificate issued shall be entered in the register of members against the name of the person, to whom it has been issued, indicating the date of issue. Every share certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary.

21. **RULES TO ISSUE SHARE CERTIFICATES**

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format and signing of the share certificates and records of the share certificates issued shall be maintained in accordance with the said Act.

22. **ISSUE OF NEW SHARE CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED**

If any share certificate be worn out, defaced, mutilated or torn or 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 share certificate may be issued in lieu thereof, and if any share certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new share certificate in lieu thereof shall be given to the party entitled to such lost or destroyed share certificate. Every share certificate under the Article shall be issued upon on payment of fees (not exceeding INR 2 for each share certificate) as prescribed by the Directors, or such other amount as may be prescribed under applicable laws. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Exchanges or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

UNDERWRITING & BROKERAGE

23. **COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.**

a. Subject to the provisions of the Act and other applicable laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any shares or debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares or debentures of the Company and provisions of the Act shall apply.

b. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.

c. The Company may also, in any issue, pay such brokerage as may be lawful.

d. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

LIEN

24. **COMPANY'S LIEN ON SHARES / DEBENTURES**

The Company shall subject to applicable law have a first and paramount lien:

(a) on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect; and

(b) on all shares/debentures (not being fully paid shares/debentures) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share/ debenture to be wholly or in part to be exempt from the provisions of this Article.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

25. **LIEN TO EXTEND TO DIVIDENDS, ETC.**

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

26. **ENFORCING LIEN BY SALE**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

a. unless a sum in respect of which the lien exists is presently payable; or

b. until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

27. **VALIDITY OF SALE**

To give effect to any such sale, the Board may authorise any person to execute an instrument of transfer for the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

28. **VALIDITY OF COMPANY'S RECEIPT**

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

29. **APPLICATION OF SALE PROCEEDS**

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable 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 person entitled to the shares at the date of the sale.

30. **OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN**

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by law) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

31. **PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

CALLS ON SHARES

32. **BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES**

The Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting.

33. **NOTICE FOR CALL**

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

34. **CALL WHEN MADE**

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

35. **LIABILITY OF JOINT HOLDERS FOR A CALL**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

36. **CALLS TO CARRY INTEREST**

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of ten percent or such other lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

37. **DUES DEEMED TO BE CALLS**

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

38. **EFFECT OF NON-PAYMENT OF SUMS**

In case of non-payment of such sum, 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.

39. **PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

The Board –

(a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

40. **PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

FORFEITURE OF SHARES

41. **BOARD TO HAVE A RIGHT TO FORFEIT SHARES**

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

42. **NOTICE FOR FORFEITURE OF SHARES**

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of services of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

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.

43. **RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE**

Neither a judgment nor a decree in favour 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 a 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 payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

44. **FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY**

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

45. **ENTRY OF FORFEITURE IN REGISTER OF MEMBERS**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

46. **MEMBER TO BE LIABLE EVEN AFTER FORFEITURE**

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

47. **EFFECT OF FORFEITURE**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

48. **CERTIFICATE OF FORFEITURE**

A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

49. **TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES**

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

50. **VALIDITY OF SALES**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

51. **CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the share certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue duplicate share certificate(s) in respect of the said shares to the person(s) entitled thereto.

52. **BOARD ENTITLED TO CANCEL FORFEITURE**

The Board may at any time before any share so forfeited shall have been sold, reallotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

53. **SURRENDER OF SHARE CERTIFICATES**

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

54. **SUMS DEEMED TO BE CALLS**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

55. **PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

TRANSFER AND TRANSMISSION OF SHARES

56. **INSTRUMENT OF TRANSFER**

(a) A common form for transfer of Shares shall be used.

(b) There shall be no restrictions whatsoever on the transactions in relation to shares including transfer of shares between any members or granting of rights or creating an encumbrance on shares by one member in favour of another member. The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and the Rules framed thereunder, and of any statutory modification thereof for the time being and the applicable SEBI Regulations shall be duly complied with in respect of all transfers of Shares and the registration thereof.

(c) In accordance with provisions of Section 29 of the Act read with the Rules made thereto and in accordance with the provisions of the Depositories Act, 1996, every holder of Equity Shares of the Company who intends to transfer the Equity Shares held by him, shall get such Equity shares dematerialized before the transfer.

(d) The transfer of Equity Shares and other securities of the Company shall be in accordance with the provisions contained in the Depositories Act, 1996 and the Rules made thereunder.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture- holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or transmission of securities by operation of law, or the right to any securities or interest of a member in the Company. The Company shall, within 30 (thirty) days or the intimation of such transmission was delivered to the Company, send a notice of refusal to the person giving intimation of such transmission giving reasons for such refusal.

(g) Subject to the applicable provisions of the Act and these Articles, the Board shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) That registration of 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

(i) In case of the death of any one or more shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only shareholder or shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The executors or administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only shareholders recognized by the Company as having any title to the shares registered in the name of such shareholder, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 58 of these Articles register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased shareholder, as a shareholder.

(k) No fee shall be charged by the Company in respect of the registration of transfer, transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(l) 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 thereof, (as shown or appearing in the Register of Members), to the prejudice of a person or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or 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 Board shall so think fit.

57. **TRANSFERS NOT PERMITTED**

No share shall in any circumstances be transferred to any minor insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

58. **TRANSMISSION OF SHARES**

Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any member or members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

59. **RIGHTS ON TRANSMISSION**

A Person becoming entitled to a share by reason of the death or insolvency of a member shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (Ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

60. **SHARE CERTIFICATES TO BE SURRENDERED**

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

61. **COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS**

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, 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 Board shall so think fit.

62. **TRANSFER AND TRANSMISSION OF DEBENTURES**

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

ALTERATION OF CAPITAL

63. **RIGHTS TO ISSUE SHARE WARRANTS**

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

64. **BOARD TO MAKE RULES**

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

65. **SHARES MAY BE CONVERTED INTO STOCK**

Where shares are converted into stock:

a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

c. such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"Member" shall include "stock" and "stock-holder" respectively.

66. **REDUCTION OF CAPITAL**

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

a. its share capital; and/or

b. any capital redemption reserve account; and/or

c. any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) 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 (iii) 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.

67. **DEMATERIALISATION OF SECURITIES**

(a) Dematerialization

(i) Notwithstanding anything contrary contained in these Articles and subject to provisions of the Act and Applicable law, the Company shall:

(a) Issue Equity shares and other securities only in dematerialized form,

(b) Facilitate the dematerialization of existing securities,

(ii) The Company, before making any offer for issue or buyback or bonus issue or rights offer of Equity shares or other securities in accordance with the provisions of the Act, shall ensure that before making any such issue or buyback or bonus issue or rights offer, the entire holding of Equity Shares and other Securities of the Principal Shareholders, Directors, Key Managerial Personnel, has been dematerialized in accordance with provisions of the Depositories Act 1996 and regulations made there under.

(iii) Every existing holder of any Equity Shares or securities of the Company, who subscribes to further issue of Equity Shares or securities of the Company, whether by way of private placement or bonus shares or rights issue or otherwise, shall ensure that his entire holding of Equity Shares and other Securities are held in dematerialized form before such subscription.

(iv) Every existing holder of any Equity Shares or securities of the Company, who intends to transfer Equity Shares or other Securities of the Company, shall get such Equity Shares or other Securities dematerialized before such transfer.

(v) Notwithstanding anything contained in these Articles but subject to the provisions of Law, the Company shall be entitled rematerialize its Securities held in the dematerialized form.

(vi) Where the Equity Shares and other Securities of the Company are issued and held in dematerialized form, the rights and obligations of the holders of Equity Shares and other Securities and other parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

(vii) If a holder opts to hold his Securities in dematerialized form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(viii) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(ix) Rights of Depositories & Beneficial Owners:

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (i) 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.

(c) Every person holding shares 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.

(d) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(x) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(xi) Transfer of Securities:

(a) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(b) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(xii) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(xiii) Certificate Number and other details of Securities in Depository:

All the provisions in the Act or these Articles regarding the necessity to have certificate number/distinctive numbers for Securities issued by the Company shall not apply to Securities held with a Depository.

(xiv) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

68. **BUY BACK OF SHARES**

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities

GENERAL MEETINGS

69. **ANNUAL GENERAL MEETINGS**

a. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

b. An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

70. **EXTRAORDINARY GENERAL MEETINGS**

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

71. **EXTRAORDINARY MEETINGS ON REQUISITION**

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

72. **NOTICE FOR GENERAL MEETINGS**

All General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

73. **SHORTER NOTICE ADMISSIBLE**

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice of less than twenty one (21) days.

74. **CIRCULATION OF MEMBERS' RESOLUTION**

The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

75. **SPECIAL AND ORDINARY BUSINESS**

(a) Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Directors and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.

(b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

76. **QUORUM FOR GENERAL MEETING**

The quorum of the General Meeting shall be as required under the Act or the applicable law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

77. **TIME FOR QUORUM AND ADJOURNMENT**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it 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 Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

78. **CHAIRMAN OF GENERAL MEETING**

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

79. **ELECTION OF CHAIRMAN**

Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

80. **ADJOURNMENT OF MEETING**

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting, as may be possible. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

81. **VOTING AT MEETING**

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General 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. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

82. **DECISION BY POLL**

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

83. **CASTING VOTE OF CHAIRMAN**

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

84. **PASSING RESOLUTIONS BY POSTAL BALLOT**

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 Act, 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.

b. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

c. If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

VOTE OF MEMBERS

85. **VOTING RIGHTS OF MEMBERS**

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

a. On a show of hands every Member holding Equity Shares and present in person shall have one vote.

b. On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up Equity Share capital.

c. A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

86. **VOTING BY JOINT-HOLDERS**

In case of joint holders, the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

87. **VOTING BY MEMBER OF UNSOUND MIND**

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 legal guardian may, on a poll, vote by proxy.

88. **NO RIGHT TO VOTE UNLESS CALLS ARE PAID**

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

89. **VOTES IN RESPECT OF SHARES OF DECEASED OR INSOLVENT MEMBERS, ETC.**

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any Shares may vote at any General Meeting in respect thereof as if he was the registered holder of such Shares, provided that at least forty eight (48) hours before the timing of holding the meeting or adjourned meeting, as the case may be, at which he / she proposes to vote, he / she shall duly satisfy the Board of his / her right to such Shares unless the Board shall have previously admitted his / her right to vote at such meeting in respect thereof. Several executors or administrators of a deceased Member in whose name any Share is registered shall for the purpose of this Article be deemed to be Members registered jointly in respect thereof

90. **PROXY**

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

91. **INSTRUMENT OF PROXY**

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

92. **VALIDITY OF PROXY**

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 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.

93. **CORPORATE MEMBERS**

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

DIRECTOR

94. **NUMBER OF DIRECTORS**

a. Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

b. The Board of the Company shall include such number of independent Directors as prescribed under Applicable Law ("**Independent Directors**").

c. The first Directors of the Company shall be:

1. Vallabhbhai J. Varmora;
2. Pramod P. Patel;
3. Jagjivan G. Varmora;
4. Bharat V. Patel; and
5. Manoj G. Patel.

95. **SHARE QUALIFICATION NOT NECESSARY**

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

96. **ADDITIONAL DIRECTORS**

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any such additional director shall hold office only up to the date of the upcoming Annual General Meeting, unless his/her appointment is regularized by the shareholders in such Annual General Meeting.

97. **ALTERNATE DIRECTORS**

a. The Board may, appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an alternate director for a Director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the "**Original Director**").

a. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

98. **APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY**

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. The Director so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated.

99. **REMUNERATION OF DIRECTORS**

a. A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

b. The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

c. The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

100. **REMUNERATION FOR EXTRA SERVICES**

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

101. **CONTINUING DIRECTOR MAY ACT**

The continuing Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company, but for no other purpose.

102. **VACATION OF OFFICE OF DIRECTOR**

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Act.

ROTATION AND RETIREMENT OF DIRECTOR

103. **ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

Save as otherwise expressly provided in the said Act and these Articles, not less than two-thirds of the total number of directors shall be persons whose period of office is liable to determination by retirement by rotation. At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office.

104. **RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION**

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

105. **WHICH DIRECTOR TO RETIRE**

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

106. **POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION**

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in General Meeting, remove any Director before the expiration of his period of office after giving him a reasonable opportunity of being heard and may, by an Ordinary Resolution, appoint another person instead.

Provided that an independent director re-appointed for second term under the provisions of the Act shall be removed by the Company only by passing a Special Resolution and after giving him a reasonable opportunity of being heard.

107. **DIRECTORS NOT LIABLE FOR RETIREMENT**

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

108. **DIRECTOR FOR COMPANIES PROMOTED BY THE COMPANY**

Directors of the Company may be or become a director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company subject to compliance with applicable provisions of the Act.

PROCEEDINGS OF BOARD OF DIRECTORS

109. **MEETINGS OF THE BOARD**

a. The Board of Directors shall meet at least once in every three (3) months with a maximum gap of one hundred and twenty (120) days between two (2) meetings of the Board for the conduct of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

b. The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Directorat their address registered with the Company, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any.

c. The notice of each meeting of the Board shall include (i) the date and time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(i) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing or other audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

110. **QUESTIONS AT BOARD MEETING HOW DECIDED**

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

111. **QUORUM**

Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

112. **ADJOURNED MEETING**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to 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 or to such other day and at such other time and place as the Directors may determine.

113. **ELECTION OF CHAIRMAN OF BOARD**

a. The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

b. If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one among themselves to be the chairman of the meeting.

114. **POWERS OF DIRECTORS**

a. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

b. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

115. **DELEGATION OF POWERS**

a. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

b. Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

c. The Board shall from time to time form committees of the Board and the Board shall determine the composition of such committees based on the statutory requirements and the skill sets of the Directors seeking representation of the committees and may also nominate Chairperson of such committees.

116. **ELECTION OF CHAIRMAN OF COMMITTEE**

a. Subject to Article 120, a committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman 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 the chairman of the committee meeting.

b. The quorum of a committee may be fixed by the Board of Directors.

117. **QUESTIONS HOW DETERMINED**

a. A committee may meet and adjourn as it thinks proper.

b. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

118. **VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE**

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

119. **RESOLUTION BY CIRCULATION**

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through electronic means and approved by such of the Directors as are then in India and by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

120. **MAINTENANCE OF FOREIGN REGISTER**

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.

121. **BORROWING POWERS**

a. Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company’s bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

b. The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or the manager or any principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office or to any other person permitted by applicable law, if any, within the limits prescribed.

c. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

d. Any bonds, debentures, debenture-stock or other securities may, if permissible under applicable law, be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

122. **NOMINEE DIRECTORS**

a. Subject to the provisions of the Act, so long as any moneys remain owing by the Company to Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company regulated by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies or financial institutions hold or continue to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "**Corporation**") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors, whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as "**Nominee Directors/s**") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

b. The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

c. The Company may pay the Nominee Director/s sitting fees and reimbursement of expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

123. **REGISTER OF CHARGES**

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

124. **MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS**

a. The Board may from time to time and in accordance with the applicable provisions of the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

b. The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

c. In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.

d. If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.

e. The managing director and/or whole time director shall not be liable to retirement by rotation as long as he holds office as managing director or whole-time director.

125. **POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR**

The managing director/whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

126. **REIMBURSEMENT OF EXPENSES**

The managing Directors/whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

127. **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act —

a. A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

b. A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

c. A provision of the Act or the Articles requiring or authorising 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 a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

DIVIDEND

128. **COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS**

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

129. **INTERIM DIVIDENDS**

Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

130. **RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND**

a. Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

b. Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "[Unpaid Dividend Account of Varmora Granito Limited]"

c. The Company shall, within a period of ninety days of making any transfer of an amount under sub- section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

d. If any default is made in transferring the total amount referred to in sub-section (c) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve percent per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

e. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

f. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

g. All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

131. **DIVISION OF PROFITS**

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

132. **DIVIDENDS TO BE APPORTIONED**

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

133. **RESERVE FUNDS**

a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

b. The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

134. **DEDUCTION OF ARREARS**

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

135. **RETENTION OF DIVIDENDS**

The Board may retain dividends payable upon shares in respect of which any person is, under Articles 55 to 68 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

136. **RECEIPT OF JOINT HOLDER**

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

137. **DIVIDEND HOW REMITTED**

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

138. **DIVIDENDS NOT TO BEAR INTEREST**

No dividends shall bear interest against the Company.

139. **TRANSFER OF SHARES AND DIVIDENDS**

Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

140. **CAPITALISATION OF PROFITS**

a. The Company in General Meeting, may, on recommendation of the Board resolve:

i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

ii. that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions.

b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision below, either in or towards:

i. paying up any amounts for the time being unpaid on shares held by such Members respectively;

ii. paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

iii. partly in the way specified in sub-clause b(i) and partly that specified in sub- clause b(ii);

iv. a securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;

v. The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

BONUS

141. **POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE**

a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

i. make all appropriations and applications of the undivided profits/reserves resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

ii. generally do all acts and things required to give effect thereto.

b. The Board shall have full power:

i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and

ii. to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

c. Any agreement made under such authority shall be effective and binding on such Members.

ACCOUNTS

142. **WHERE BOOKS OF ACCOUNTS TO BE KEPT**

The Books of Account shall be kept at the Office or at such other place in India as the Directors think fit in accordance with the applicable provisions of the Act.

143. **INSPECTION BY DIRECTORS**

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act.

144. **INSPECTION BY MEMBERS**

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 law or authorised by the Board.

SERVICE OF DOCUMENTS AND NOTICE

145. **MEMBERS TO NOTIFY ADDRESS IN INDIA**

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

146. **SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper, circulating in the region in which Office of the Company is situated, shall be deemed to be duly served to him on the day on which the advertisement appears.

147. **SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS**

A document 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 prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent 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 serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

148. **PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

a. To the Members of the Company as provided by these Articles.

b. To the persons entitled to a share in consequence of the death or insolvency of a Member.

c. To the Directors of the Company.

d. To the auditors for the time being of the Company; in the manner authorized by as in the case of any Member or Members of the Company.

149. **NOTICE BY ADVERTISEMENT**

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

150. **MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS**

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

Any notice to be given by the Company shall be signed by the managing Director or by such Director or Secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

WINDING UP

151. **Subject to the applicable provisions of the Act–**

a. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

d. Any person who is or has been a Director or manager, their liability shall be in accordance with the provisions of the Act.

152. **APPLICATION OF ASSETS**

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

INDEMNITY

153. **DIRECTORS' AND OTHERS' RIGHT TO INDEMNITY**

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him / her including for defending any proceedings or claims or liabilities, whether civil or criminal.

154. **INSURANCE**

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

SECRECY CLAUSE

155. **SECRECY**

No Member shall be entitled to inspect the Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

GENERAL POWER

156. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

157. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**") or of the Act or of the Secretarial Standard issued by the Institute of Company Secretaries of India ("**Secretarial Standards**"), the provisions of the Listing Regulations or the Act or the Secretarial Standards shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations or the Act or the Secretarial Standards, from time to time.

PART B

158. Notwithstanding anything to the contrary contained in the preceding Articles 1 to 157 ("**Part A**") and Table F in Schedule I of the Act, the provisions of Articles 158 to 172 contained in this Part B ("**Part B**") shall apply so long as the Shareholders Agreement dated June 2, 2022 ("**Execution Date**") read with amendment agreement to the shareholders' agreement dated March 21, 2023 and waiver cum amendment agreement as approved by the Board of Directors on June 26, 2025 to be executed between Varmora Granito Limited ("**Company**"), the persons listed in Schedule 1 of the SHA (collectively referred to as the "**Principal Shareholders**") and Katsura Investments ("**Investor**") (Collectively, the "**SHA**" or "**Agreement**"), shall be effective until IPO Long Stop Date or Listing Date of the Equity Shares pursuant to the Offer, whichever is earlier.

159. In the event of inconsistency or contradiction between the provisions of Part A of these Articles or Table F in Schedule I of the Act and the provisions of this Part B, the provisions of this Part B shall override and prevail over the provisions of Part A of these Articles or Table F in Schedule I of the Act until the Listing Date or such earlier date as prescribed by SEBI.

160. The plain meaning of this Part B shall always be given effect to, and no rules of harmonious construction shall be applied to resolve conflicts between Part A or Table F in Schedule I of the Act and Part B.

161. **DEFINITIONS AND INTERPRETATION**

161.1. Definitions

In these Articles (including, the parties clause, recitals and schedules and annexures hereto), unless the context otherwise requires, the following capitalized terms or phrases shall have the following meanings. All capitalized items not defined in this Article 161 shall where applicable have the meanings assigned to them in the other parts of these Articles and the Agreement when defined for use and enclosed within quotes ("").:

"**Accepted New Securities**" has the meaning ascribed to it in Article 165.4; "**Acceleration Event**" has the meaning ascribed to it in the Agreement;

"**Accounting Standards**" mean the Indian GAAP or the Indian Accounting Standards ("**IND- AS**") issued under the Companies (Indian Accounting Standards) Rules, 2015, in each case together with any pronouncements issued under Applicable Law thereon from time to time, as applicable from time to time;

"**Act**" means the (Indian) Companies Act, 2013, including, any amendments and any statutory re-enactment or replacement thereof and any rules, regulations, notifications and clarifications made thereunder;

"**Action**" means any suit, claim, action, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, review, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or any arbitrator or arbitration panel;

"**Adjourned Board Meeting**" means the First Adjourned Board Meeting or the Second Adjourned Board Meeting, as the case may be;

"**Adjustment Event**" means any bonus issue, stock split, free distribution, reclassification or combination of, any of the Equity Securities, or other events affecting the Common Equity Capital, or other Equity Securities, including recapitalization, reorganization, merger, consolidation, split up, spin off, combination, exchange of shares, or warrants but excluding any issuance of additional DVR Shares to the Investor pursuant to Article 168.7;

"**Affiliate**" means, in relation to a Person, any Person which Controls, is Controlled by or is under common Control with that Person, and where any of the foregoing is a natural Person, includes (i) the Relatives of such Person; (ii) any other Person (other than a natural Person) which is Controlled by such natural Person and/or any Relative of such natural Person; and (iii) any trust, partnership or other vehicle (whether incorporated or unincorporated) established by and/or maintained for the benefit of such natural Person and/or the Relative(s) of such natural Person;

"**Agreed Form**" has the meaning ascribed to it in the SSPA;

"**Alternate Director**" has the meaning ascribed to it in Article 162.1(g);

"**Alternate Exit**" has the meaning ascribed to it in Article 167.6;

"**Annual Budget**" means the annual budget of the Company and the Subsidiaries for each Financial Year, prepared in form and having such line items, as approved by the Principal Shareholder's Representative and the Investor, in writing in accordance with the terms of these Articles;

"**Anti-Corruption Laws**" means laws, regulations, or orders relating to anti-bribery or anti- corruption (governmental or commercial); including, without limitation, laws that prohibit the corrupt payment, offer, promise or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Government Official, commercial entity, or any other Person to obtain an improper business advantage; such as, without limitation, the U.S. Foreign Corruption Practices Act of 1977, the UK Bribery Act of 2010, the Prevention of Corruption Act 1988, and all national and international laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;

"**Anti-Money Laundering Laws**" means laws, regulations, rules, or guidelines relating to money laundering, including, without limitation, financial recordkeeping and reporting requirements, of jurisdictions where the Company and its subsidiaries conduct business or own assets, and any related or similar Applicable Law issued, administered or enforced by any Governmental Authority;

"**Applicable Law**" means any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law or approval, order or judgment of any authority, directive, guideline, policy, requirement, Governmental Approval or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by, any Governmental Authority having jurisdiction over the matter in question or Person in question, whether in effect as of the date of these Articles or at any time thereafter;

"**Approval**" means any consent, approval, authorization, waiver, permit, grant, concession, agreement, license, certificate, exemption, order or registration, of, with or from any Person;

"**Approved Firm**" means KPMG, PricewaterhouseCoopers, Ernst and Young, Deloitte Touché Tohmatsu, Grant Thornton or such Indian firm of chartered accountants associated with any of them;

"**Articles of Association**" means these articles of association of the Company, as amended from time to time in accordance with the terms of the Transaction Documents;

"**Asset**" means and includes assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as hired, rented, owned, licensed or leased by a Person from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, real estate, plant and machinery, equipment, raw materials, inventory, furniture, fixtures and insurance;

"**Audit Committee**" has the meaning ascribed to it in Article 162.2(b)(ii);

"**Audited Financial Statements**" mean, in respect of any Financial Year, the audited financial statements for such Financial Year (including the balance sheet, statement of profit and loss and cash flow statement and other documents attached thereto, including any directors' reports, audit opinions and notes to the financial statements), prepared in accordance with Accounting Standards;

"**Balance Securities**" has the meaning ascribed to it in Article 165.7(b);

"**Board**" means the board of directors of the Company, as constituted from time to time;

"**Brand License Agreements**" means, as and when executed, (i) the amended and restated trademark license agreement to be entered into among the Company and Varmora Plastech Private Limited; and (ii) the trademark license agreement to be entered into among the Company and Varmora Furnitures Private Limited, in each case, in accordance with the terms of the SSPA;

"**Business**" means the business of manufacturing, producing, treatment, processing, designing, development, building, converting, curing, crushing, distributing, displaying, exchanging, bartering, exploring, extracting, excavating, finishing, formulating, grinding, handling, fabricating, importing, exporting, purchasing, selling, mixing, modifying, marketing, operating, preparing, (including acting as brokers, agents, stockists, consignors, franchisers, distributors, suppliers, promoters, wholesalers, retailers, and sales organizers) all shapes, sizes, varieties, specifications, descriptions, applications and uses of building materials, adhesives and other flooring solutions, tiles including ceramic tiles, polished vitrified tiles, glazed vitrified tiles, mosaics tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, porcelain tiles, roofing tiles, china tiles, ceramic products and by-products thereof, sanitary wares, wash basins, ceramics wares, earth wares, crockeries, pressed wares, decorative wares, garden wares, kitchen wares, potteries insulators, terracotta, porcelain ware, bathroom accessories, pipes, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixture including fitting, parts, accessories, consumable, components and by-products, the development, operation and maintenance of captive power projects and any other business that is conducted by the Company and/or Subsidiary from time to time , in each case, as permitted under the terms of the Charter Documents and the Transaction Documents but shall exclude the business of manufacturing cement and thermo-mechanically treated (TMT) steel;

"**Business Day**" means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in New Delhi (India), Ahmedabad (Gujarat, India), Mumbai (Maharashtra, India) and Ebene (Mauritius);

"**Business Plan**" means the long-term business plan of the Company and the Subsidiaries for a period of 4 (four) years, which shall be in a form as may be agreed between the Principal Shareholder's Representative and the Investor, in writing, and adopted by the Company (on a consolidated basis) in compliance with the provisions of these Articles (including the Investor's approval rights under Article 162.3). For clarity, the Business Plan for the period starting (i) 1 April 2022 and ending on 31 March 2023, as agreed between the Parties is attached as schedule 23 of the SSPA; and (ii) 1 April 2023 and ending on 31 March 2026 will be a Business Plan approved by the Investor, and adopted by the Company (on a consolidated basis) on or prior to the Completion Date;

"**Call Default Issuance**" has the meaning ascribed to it in Article 168.3;

"**Call Default Shares**" means such number of Equity Shares to be issued to the Investor which when issued and aggregated with (i) all Equity Shares held by the Investor together with its Affiliates, and (ii) the maximum number of Equity Shares capable of being issued upon conversion of all fully paid up and mandatorily convertible Equity Securities which are capable of being converted at the option of the Investor or its Affiliates (as the case may be), in each case, immediately prior to the Call Default Issuance, represent 51% (fifty one per cent.) of the Equity Shares of the Company on a Fully Diluted Basis immediately after the Call Default Issuance (for clarity, sub-clause (ii) above will not include any DVR Shares or rights attached thereto);

"**Call Price**" means the price per Equity Share which is equal to the Fair Market Value (determined in accordance with schedule 6 of the Agreement) of each such Equity Share;

"**CCI Approval Condition**" has the meaning ascribed to it in the SSPA;

"**CCPS**" means the compulsorily convertible cumulative participating preference shares of the Company having a face value of INR 10 (Indian Rupees Ten), and the terms as set out in schedule 16 of the SSPA;

"**CEO**" means the chief executive officer of the Company;

"**CFO**" means the chief financial officer of the Company;

"**Chairman**" means the chairman of the Board;

"**Charter Documents**" means, collectively, the Memorandum of Association and the Articles of Association;

"**COC Event**", in relation to a Person, occurs when any other Person, or Persons acting together, acquires Control of such Person, in each case, whether in one transaction or a series of related transactions;

"**Common Equity Capital**" means, as on any date of determination, the aggregate of (a) all issued and outstanding Equity Shares, (b) the total number of Equity Shares which are to be issued upon conversion of all issued and outstanding, fully paid up, and mandatorily convertible Equity Securities (assuming such conversion takes place on the date of determination in accordance with the terms of such Equity Securities as on that date). Notwithstanding the above, Common Equity Capital shall not include any DVR Shares;

"**Competitor**" means any Person listed out in schedule 8 of the Agreement;

"**Completion**" has the meaning ascribed to it in the SSPA;

"**Completion Date**" has the meaning ascribed to it in the SSPA;

"**Confidential Information**" means:

(i) the contents of the Agreement and the other Transaction Documents;

(ii) any information concerning the Business, the Company and/or the organization, Intellectual Property, technology, trade secrets, know-how, finance, transactions or affairs of any Party or any of their respective Representatives, including, any information made available pursuant to provisions of the Agreement or in connection with negotiations relating to the Agreement and the other Transaction Documents;

(iii) any information concerning or relating to: (a) any dispute or claim arising out of or in connection with the Agreement; or (b) the resolution of such claim or dispute; and

(iv) any information or materials prepared by or for a Party or its Representatives that contain or reflect, or are generated from, any information contained in sub-clauses (i) to (iii) above;

"**Contract**" with respect to a Person, means any agreement, contract, obligation, promise, undertaking, arrangement, subcontract or legally binding commitment or undertaking of any nature (whether written or oral or express or implied) entered into by such Person, or which is binding on the assets of such Person;

"**Control**" in respect of a Person, means the right or power to exercise or cause or control the exercise of, whether directly or indirectly, acting alone or together with another Person, more than 50% (fifty per cent.) of the total voting rights of that Person, and/ or the right or power, whether directly or indirectly, acting alone or together with another Person, by contract or otherwise, to direct or cause the direction of the policies, decisions or management of that Person or appoint a majority of the directors, executive officers or other similar/ applicable governing body of such Person. For the avoidance of doubt, a general partner is deemed to be in Control of a limited partnership. The terms "**Controlling**", "**Controlled by**" and "**under the common Control with**" shall be construed accordingly;

"**D&O Insurance**" has the meaning ascribed to it in the SSPA;

"**Deed of Adherence**" means a deed of adherence substantially in the form set out in schedule 5 of the Agreement;

"**Director**" means any director appointed on the Board;

"DRHP" means the draft red herring prospectus to be filed in relation Offer;

"**Drag Exercise Notice**" has the meaning ascribed to it in Article 168.5(a);

"**Drag Price**" has the meaning ascribed to it in Article 168.5(a);

"**Drag Purchaser**" has the meaning ascribed to it in Article 168.5;

"**Drag Right**" has the meaning ascribed to it in Article 168.5;

"**Drag Sale**" has the meaning ascribed to it in Article 168.5;

"**Dragged Securities**" has the meaning ascribed to it in Article 168.5;

"**DVR Rights Trigger Event**" shall have the meaning ascribed to it in the Agreement;

"**DVR Shares**" means fully paid-up equity shares of the Company having differential voting rights, and having a face value of INR 10 (Indian Rupees Ten) each, and having the terms set out in schedule 15 of the SSPA including the following:

(i) prior to the occurrence of the DVR Rights Trigger Event, such equity shares shall (a) have no voting rights, (b) have no rights to dividend, and (c) no share in the economic capital of the Company including, in case of a winding-up or liquidation; and

(ii) on or from the date of occurrence of the DVR Rights Trigger Event, such equity shares shall have (a) voting rights as set out in schedule 15 of the SSPA, (b) no rights to dividend, and (c) no share in the economic capital of the Company, including in case of a winding up or liquidation;

For clarity, the aggregate number of DVR Shares issued to the Investor on Completion shall be 30,000 (Thirty Thousand);

"**DVR Share Subscription Amount**" has the meaning ascribed to it in the SSPA;

"**EBITDA**" has the meaning ascribed to it in the SSPA;

"**EBITDA Adjustment Event**" means:

(i) declaration of war by or against the Republic of India, as announced by way of a public broadcast by the Prime Minister of Republic of India or President of Republic of India; or

(ii) declaration of a nationwide lockdown by the Government of India on account of COVID-19 pandemic or any other variants of COVID-19 pandemic;

"**Effective Date**" means the date of filing of the draft red herring prospectus in relation to the Offer;

"**Employment Agreements**" has the meaning ascribed to it in the SSPA;

"**Encumbrance**" means a security interest of whatsoever kind or nature including without limitation: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, option, deed of trust, title retention, right of first refusal, right of first offer, tag- along right, drag-along right, right of pre-emption, any other similar rights or transfer restriction, beneficial interest, assignment, deposit by way of security, bill of sale, claim, right, interest or preference granted to any third party, public right, common right, wayleave, easement, any provisional or executional attachment or any other direct interest held by any third party or any other encumbrance or security interest of any kind (or an agreement or commitment to create any of the same) or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, or a contract to give or refrain from giving any of the foregoing; (ii) any arrangement for exercising voting rights issued to any third party, any power of attorney issued to or other arrangement with any third party for transferring and/or exercising any rights or interest (including any voting or economic interest) or voting trust agreement, (iii) any adverse claim as to title, possession or use; (iv) any order or decree for compulsory acquisition of any right, title and/or interest; and (v) any other agreement, arrangement or commitment having similar effect to any of the forgoing and the terms "**Encumber**" and "**Encumbered**" shall be construed accordingly;

"**Entitled Securities**" has the meaning ascribed to it Article 165.2;

"**Equity Securities**" means, in respect of the Company, the Equity Shares, DVR Shares, and any preference shares, debentures, bonds, loans, warrants, depository receipts, debt securities, options or other instruments, certificates or securities, in each case, which are convertible (whether compulsorily or optionally) into or exercisable or exchangeable for Equity Shares, or which carry any right to purchase or subscribe or which represent or bestow any beneficial ownership/interest to Equity Shares, or any instrument which by their terms convertible into or exchangeable for Equity Shares or any other kind or class of share capital of the Company (and the term Equity Securities in relation to any other Person shall be construed accordingly);

"**Equity Share(s)**" means the fully paid up equity share(s) of the Company having a face value of INR 10 (Indian Rupees Ten) each, carrying 1 (one) vote per equity share in a general meeting (and for clarity, does not include DVR Shares);

"**Equity Value**" has the meaning ascribed to it in the SSPA;

"**Event of Default**" has the meaning ascribed to it in Article 171.1;

"**Fair Market Value**" means the fair market value of any Equity Security of the Company, as determined in accordance with the provisions of schedule 6 of the Agreement;

"**Final Entry Valuation**" has the meaning ascribed to it in the SSPA;

"**Final Valuation Determination Date**" has the meaning ascribed to it in Article 168.7(a)(iii);

"**Financial Investor**" means any insurance company, private equity fund, alternative investment fund, venture capital fund, mezzanine or debt fund, sovereign wealth fund, family office, pension fund, foreign portfolio investor or collective investment scheme fund, in each case, whose primary business is investing capital with the primary objective of realizing monetary returns on investments;

"**Financial Year**" means the period commencing from April 1st of each calendar year and ending on March 31st of the immediately succeeding calendar year;

"**Fiorenza Granito**" means a private company incorporated under the Companies Act, 2013, bearing CIN U26960GJ2015PTC083471, and having its registered office at SURVEY NO. 139P1/P1, 139P2 & 139P3 At: Ratavirda, Tal.: Wankaner, Morbi, Rajkot, Gujarat, 363621;

"**First Adjourned Board Meeting**" has the meaning ascribed to it in Article 162.1(q)(i);

"**Fully Diluted Basis**" means, in reference to any calculation of Equity Shares or other Equity Securities, such calculation should be made assuming that all outstanding Equity Securities, have been converted, exercised or exchanged on the then applicable terms available to their holder as of such time of determination under the terms thereof (whether or not by their terms then currently convertible, exercisable or exchangeable and irrespective of any vesting or other condition). Any reference to 'Fully Diluted Basis' in calculating the number of equity shares of any other Person shall be interpreted in a similar manner. Further, in the context of the Company, any calculation of the total number of Equity Shares or other Equity Securities on a Fully Diluted Basis shall exclude the number of DVR Shares;

"**Global Trade Laws and Regulations**" means the U.S. Export Administration Regulations; the U.S. International Traffic in Arms Regulations; the import laws administered by U.S. Customs and Border Protection; the economic sanctions rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"); the anti-boycott laws and regulations administered by the U.S. Departments of Commerce and Treasury; European Union ("**EU**") Council Regulations on export controls, including Nos. 428/2009 and 267/2012; other EU Council sanctions regulations, as implemented in EU Member States; United Nations sanctions policies; all relevant regulations made under any of the foregoing; and other similar economic and trade sanctions, export or import control laws;

"**Governmental Approval**" means any Approval of, with or from any Governmental Authority;

"**Governmental Authority**" means any national, regional or local government or governmental, statutory, administrative, fiscal, regulatory, or department, instrumentality, commission, authority, agency or entity, government-owned body, or central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank) or any court, tribunal, arbitrator, judicial, quasi-judicial or arbitral body or any other entity or agency (including in India) authorized to make laws or exercise executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and shall include without limitation any recognized stock exchange(s) or body or authority regulating such securities exchange;

"**Government Official**" means: (a) officers, employees and other persons working in an official capacity on behalf of any branch of a government (e.g., legislative, executive, judicial, law, military or public institutions, including hospitals and universities) at any level (e.g., local, county, provincial or central) or any department or agency thereof; (b) political party officials and candidates for political office; (c) directors, officers and employees of wholly or partially state-owned, state-controlled or state-operated enterprises; and (d) officers, employees and other persons working in an official capacity on behalf of any public international organization (e.g., United Nations or the World Bank);

"**Group Entities**" has the meaning ascribed to it in the SSPA;

"**Identified Event**" has the meaning ascribed to it in the Agreement;

"**Identified Key Employees**" mean, in relation to the Company and its Subsidiaries:

(i) the chief executive officer (howsoever described);

(ii) the most senior employee in operations (being the chief operating officer), the most senior employee in finance (being the chief financial officer), any other employees with 'CXO' designation of the Company or Subsidiary by whatsoever name called and/or any other employee who directly reports to the CEO or any employee with 'CXO' designation of the Company or Subsidiary;

(iii) each of the heads of departments (including the heads of sales, business development, exports, plant operations, bath-ware and marketing), head of business functions/units, and employees with the title of vice presidents or more senior (by whatever name called) of the Company or a Subsidiary;

(iv) any whole-time or executive directors; and

(v) any person who does not have the designation, name or title as set forth above but who, directly or indirectly, performs or plays a role that is substantially similar to that discharged or performed by any of the persons identified above;

"**Identified Promoters**" shall mean Pramodkumar Parsotambhai Patel, Bhavesh Vallabhdas Varmora and Hiren Ramanbhai Varmora;

"**Indebtedness**" means in respect of any Person, without double counting: (i) the obligation for repayment of borrowed money (including loans, advances or deposits); (ii) all financial repayment obligations evidenced by a note, bond, redeemable debenture, letter of credit, draft or similar instrument; (iii) that portion of obligations with respect to capital leases, finance leases or hire purchase agreements that is properly classified as a liability on a balance sheet in conformity with Accounting Standards; (iv) in relation to purchase of any assets or services, any obligation owed for all or any part of deferred purchase price, and any amount payable that is outstanding after the date of purchase of such assets or services (including any "earn-out" or similar obligations); (v) unfunded capital commitments towards any other Person; (vi) operational debt or debt like obligations including overdraft, capital creditors, stretched creditors, gratuity, provident fund, off-balance sheet items, overdue employee bonuses or other employee payables, unfunded leave encashment, customer security deposits, restricted cash, provisions for Taxes and any other similar debt or debt like items; (vii) all payment obligations under any interest rate, foreign exchange or other swaps, options, derivatives and other hedging agreements or arrangements; (viii) all contingent liabilities, (ix) any deferred revenue; (x) all guarantees of any nature extended by such Person with respect to any indebtedness and obligations of any other Person of the types described in sub-clauses (i) through (x) above; and (xi) all indebtedness and obligations of the types described in the sub-clauses (i) through (x) as secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby has been assumed by that Person or is non-recourse to the credit of that Person, and in each of (i) through (x) above, includes any accrued and unpaid interest, premiums, penalties, fees and other similar charges or obligations thereon;

"**Independent Directors**" means independent directors who qualify such requirements for qualification and appointment as specified under section 2(47) of the Act;

"**Independent Valuers**" has the meaning as ascribed to it in schedule 6(a) of the Agreement;

"**Indian GAAP**" means the generally accepted accounting standards and principles which are recommended by the Institute of Chartered Accountants of India and used by companies in India in the preparation of their financial statements from time to time and consistently applied;

"**Indian Rupees**" or "**INR**" means the lawful currency of the Republic of India;

"**IE Adjusted EBITDA**" has the meaning ascribed to it in the Agreement;

"**Insolvency Event**" in relation to a Person, means where:

(i) such Person is unable, or is deemed by any court or tribunal of competent authority to be unable, or admits in writing its inability, to pay its debts as they fall due; or

(ii) any action, legal proceedings or other procedure or any step is taken in relation to:

(a) the suspension of payments, moratorium of any Indebtedness, winding- up, dissolution, administration, provincial supervision or reorganization (by way of a voluntary arrangement, scheme of arrangement or otherwise) relating to such Person; or

(b) a composition or compromise or assignment with any creditor of such Person; or

(c) the appointment of a receiver, administrative receiver, interim resolution professional, resolution professional, liquidator, official liquidator, administrator, compulsory manager, provincial supervisor or similar officer in respect of such Person or any of its Assets or undertakings; or

(d) enforcement of any Encumbrances created by such Person on its Assets or undertakings; or

(e) commencement of a corporate insolvency resolution process in respect of such Person, or, with respect to a natural Person, declaration of bankruptcy of that Person; or

(f) any expropriation, compulsory acquisition, nationalization, attachment, sequestration, distress or execution over any assets of such Person;

(iii) any analogous procedure or step is taken in any jurisdiction;

"**Intellectual Property**" has the meaning as ascribed to it in the SSPA;

"**Intermediaries**" has the meaning ascribed to it in the Agreement;

"**Investment Amount**" means the aggregate of Subscription Amount, the DVR Share Subscription Amount, the Purchase Consideration and any other amount that may be invested by the Investor and/ or its Affiliates to subscribe to or purchase Equity Securities from time to time;

"**Investor Director**" means the Directors nominated by the Investor from time to time in terms of Article 162.1(b)(i), Article 162.6(b), Article 168.2(c)(i) and Article 168.4;

"**Investor Control Date**" has the meaning ascribed to it in Article 168.4(a);

"**Investor Control Event**" has the meaning ascribed to it in Article 168.4;

"**IPO**" or the "**Offer**" means an initial public offering, whether primary or secondary or a combination of both, of Equity Shares or (if approved by the Investor, in writing) any other Equity Securities, such that the Equity Shares or other Equity Securities (if applicable) are tradable listed public securities, and are quoted on any recognized stock exchange (whether in India or abroad) acceptable to the Investor, in writing;

"**IPO Committee**" has the meaning ascribed to it in Article 162.2(b)(i);

"**IPO Long Stop Date**" as referred to in this Waiver cum Amendment Agreement shall mean the earlier of the following dates:

(a) one year from the date of filing the DRHP with SEBI and Stock Exchanges; or

(b) the termination of the Offer Agreement; or

(c) the date on which the IPO Committee decides to withdraw the Offer.

The Parties may extend the Long Stop Date further by mutual agreement in writing.

"**Issuance Notice**" has the meaning ascribed to it in Article 165.3;

"**Joint Ventures**" means, collectively, (i) Fiorenza Granito, (ii) Renite Vitrified LLP, and (iii) Sentosa Granito;

"**Key Employees**" mean, in relation to the Company and its Subsidiaries:

(i) the chief executive officer or managing director (howsoever described);

(ii) the most senior employee in operations (being the chief operating officer), the most senior employee in finance (being the chief financial officer), and/or any other employees with 'CXO' designation of the Company or Subsidiary by whatsoever name called;

(iii) all employees of the Company or a Subsidiary reporting directly to the person in (i) and/ or the Board;

(iv) each of the heads of departments (including the heads of sales, business development, exports, plant operations, bath-ware and marketing), head of business functions/units, and employees with the title of vice presidents or more senior (by whatever name called) of the Company or a Subsidiary;

(v) any regional director (by whatever name called);

(vi) any manager and whole-time or executive Directors of the Company or a Subsidiary;

(vii) all employees of the Company or a Subsidiary who have an annual cost-to-company in excess of such amount as agreed in the Agreement; and

(viii) any person who does not have the designation, name or title as set forth above but who, directly or indirectly, performs or plays a role that is substantially similar to that discharged or performed by any of the persons identified above;

"**Liquidation Event**" means the occurrence of any of the following events:

(i) any liquidation, dissolution or winding up of the Company;

(ii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, provisional supervisor or other similar officer in respect of the Company or any of its assets;

(iii) the admission of an application under the Insolvency and Bankruptcy Code, 2016, for the initiation of the insolvency resolution process for the Company that is not dismissed or withdrawn within 30 (thirty) days of being filed;

(iv) the Company expressing its inability to pay its debts as they fall due or within such extended time period as may be approved by the debtor, provided that such extension has been approved in writing by the debtor within 7 (seven) days from the date on which the debt has fallen due, or, by reason of actual or anticipated financial difficulties;

(v) any Drag Sale;

(vi) any sale of all, or substantially all of the assets (including by way of an asset sale, slump sale, business transfer and/or demerger);

"**Licensee**" means any Person (other than the Company) which uses the "**Varmora**" brand, irrespective of whether such usage is being undertaken through a written agreement with the Company or any other arrangement;

"**Liquidation Preference Amount**" has the meaning ascribed to it in Article 172.1;

"**Mandatory IPO**" has the meaning ascribed to it in Article 167.1(b);

"**Mandatory IPO Date**" means the date on which a Mandatory IPO Notice has been issued by the Investor in accordance with Article 167.3(a);

"**Mandatory IPO Notice**" has the meaning ascribed to it in Article 167.3(a);

"**Mandatory IPO Period**" has the meaning ascribed to it in the Agreement;

"**Mandatory IPO Trigger Date**" has the meaning ascribed to it in the Agreement;

"**Material Adverse Effect**" has the meaning ascribed to it in the SSPA;

"**Material Contracts**" has the meaning ascribed to it in the SSPA;

"**Memorandum of Association**" means the memorandum of association of the Company, as may be amended from time to time in accordance with the terms of the Agreement;

"**MIS**" means the report from the management information systems of the Company (on a consolidated basis), in a format agreed between the Investor and Principal Shareholders, which must include monthly report on any key performance indicators identified by the Investor, and which may be updated from time to time at the request of the Investor in writing.

"**Net Debt**" has the meaning ascribed to it in the SSPA;

"**New Investor**" has the meaning ascribed to it in Article 165.7(a);

"**New Investor Offer Price**" has the meaning ascribed to it in Article 165.7(i);

"**New Purchaser**" has the meaning ascribed to it in Article 166.1(b);

"**New Securities**" has the meaning ascribed to it in Article 165.2;

"**Nominee Director(s)**" means collectively, the Investor Director(s) and the Promoter Director(s);

"**Non-Independent Directors**" means the Directors other than the Independent Directors;

"**Non-Voting Preference Shares**" has the meaning ascribed to it in Article 162.4(c)(iii);

"**Offer Agreement**" shall mean the agreement executed amongst the Company, the Investor and the book running lead managers appointed in relation to the Offer, pursuant to which certain arrangements are agreed to in relation to the Offer;

"**OFS Component**" means, in any IPO (whether a Voluntary IPO or Mandatory IPO), the total number of Equity Shares or other Equity Securities (if approved by the Investor, in writing) to be offered for sale in such IPO;

"**Ordinary Course**" means any action taken by or on behalf of the Company that is taken in the ordinary course of the Company's normal day-to-day operations, consistent with its past practices (including nature and scope) and compliant with Applicable Law;

"**Parties**" means the Company, the Promotors and the Investor;

"**PER Acceptance Notice**" has the meaning ascribed to it in Article 165.4;

"**PER Accepting Shareholder**" has the meaning ascribed to it in Article 165.4;

"**PER Offered Shareholder**" has the meaning ascribed to it in Article 165.2;

"**PER Response Period**" has the meaning ascribed to it in Article 165.4;

"**Permitted Assignees**" has the meaning ascribed to it in Article 170(b);

"**Permitted Shares**" has the meaning ascribed to it in Article 166.2(b);

"**Person**" means any natural person, limited or unlimited liability company, body corporate, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

"**Powers of Attorney**" means, collectively, the duly stamped and executed irrevocable powers of attorney dated on or about the Execution Date granted by each of the Principal Shareholder (other than the Principal Shareholders' Representative) in favour of the Principal Shareholders' Representative in accordance with the Agreement;

"**Price Per Equity Share**" means an amount equivalent to the Equity Value *divided by* Total Outstanding Shares;

"**Preferential Offer Notice**" has the meaning ascribed to it in Article 165.7(i);

"**Preferential Offer Period**" has the meaning ascribed to it in Article 165.7(ii);

"**Preferential Offer Response Notice**" has the meaning ascribed to it in Article 165.7(ii);

"**Preferential Offer Right**" has the meaning ascribed to it in Article 165.7;

"**Preferential Offer Equity Value**" has the meaning ascribed to it in Article 165.7;

"**Preferential EBITDA**" has the meaning ascribed to it in Article 165.7(i);

"**Preferential Securities**" has the meaning ascribed to it in Article 165.7;

"**Preferential Subscriber**" has the meaning ascribed to it in Article 165.7(ii);

"**Promoter 1**" means Mr. Bhavesh Varmora, as detailed in clause 1.1 of the Agreement;

"**Promoter Director**" means the Directors nominated by the Identified Promoters from time to time in terms of Article 162.1(b)(ii);

"**Principal Shareholders' Representative**" has the meaning ascribed to it in clause 17.16(a) of the Agreement;

"**Principal Shareholders Reserved Matters I**" mean each of the matters specified in **Schedule 2** (*List of Principal Shareholders Reserved Matters I*);

"**Principal Shareholders Matters II**" mean each of the matters specified in **Schedule 3** (*List of Principal Shareholders Reserved Matters II*);

"**Principal Shareholders Tag Along Right**" has the meaning ascribed to it in Article 168.4(a)(iii);

"**Principal Shareholders Tag Entitlement**" has the meaning ascribed to it in the Agreement;

"**Principal Shareholders Transfer Period**" has the meaning ascribed to it in Article 166.2(b);

"**Proposed Issuance**" has the meaning ascribed to it in Article 165.2;

"**Proposed Principal Shareholders Transferee**" has the meaning ascribed to it in Article 166.2(b);

"**Proposed Transferee**" has the meaning ascribed to it in Article 166.4;

"**Pro-Rata Share**" means, on the date of determination, in respect of the Investor or the Principal Shareholders (as the case may be), the proportion that the sum of (i) Equity Shares, (ii) the total number of Equity Shares which are to be issued upon conversion of all issued and outstanding, fully paid up, and mandatorily convertible Equity Securities (assuming such conversion takes place on the date of determination in accordance with the terms of such Equity Securities as on that date) held by the Investor or the Principal Shareholders, as the case may be (for clarity, in this sub- clause (ii), such calculation shall not include any DVR Shares or rights attached thereto), and (iii) in case of the Investor, on and after the DVR Rights Trigger Event and prior to the occurrence of an Investor Control Event, the voting rights attached to the DVR Shares on the basis that each voting right attached to the DVR Shares shall represent such number of Equity Share(s) as calculated in accordance with schedule 15 of the SSPA, bears to the portion of the Equity Securities held collectively by the Principal Shareholders and the Investor;

"**Purchase Consideration**" has the meaning ascribed to it under SSPA;

"**Quarterly Financial Statements**" means the quarterly unaudited financial statements of the Company or the Subsidiary, as the case may be, including, quarterly performance reports/ management review, income statements and statements of cash flows, for the 3 (three) month period ending on 30 June, 30 September, 31 December and 31 March of each year, in each case, as prepared by the management of the Company or the relevant Subsidiary, as the case may be, which shall be consistent with the Accounting Standards;"**RHP**" means the red herring prospectus to be filed with the RoC in connection with the Offer;

"**Related Party**" has the meaning ascribed to it under the Accounting Standards;

"**Related Party Transaction**" means any Contract, transaction or arrangement between the Company or a Subsidiary (on one hand) and the Principal Shareholders, their Affiliates, any of their respective Related Parties (on the other hand);

"**Relative**" has the meaning ascribed to the term under the Act;

"**Relevant EBITDA**" has the meaning ascribed to it in the Agreement;

"**Relevant Financial Years**" means the 3 (three) Financial Years immediately succeeding the Completion Date, including the Financial Year in which Completion takes place;

"**Remaining New Securities**" has the meaning ascribed to it in Article 165.5(a);

"**Renite Vitrified LLP**" means a limited liability partnership firm, bearing LLPIN AAF-6195, and having its registered office at Sr. No. 76p6, Bhimgudana Marg, Tal. Wankaner, Ratavirda, Gujarat, 363621;

"**Representatives**" mean, in relation to a Person, its Affiliates, shareholders/ investors, and the directors, officers, managers, employees (including those on secondment), legal, financial and professional advisors, and bankers of such Person and its Affiliates;

"**Reserved Matters**" mean each of the matters specified in **Schedule 1** (*List of Reserved Matters*);

"**Restricted Country**" means any country or geographic region subject to comprehensive economic sanctions administered by OFAC which currently includes Cuba, Iran, North Korea, Syria, the Crimea region, Donetsk and Luhansk republics of Ukraine;

"**Restricted Party Lists**" means the list of sanctioned entities maintained by the United Nations; the Specially Designated Nationals and Blocked Persons List, the Foreign Sanctions Evaders List, and the Sectoral Sanctions Identifications List, all administered by OFAC; the U.S. Denied Persons List, the U.S. Entity List, and the U.S. Unverified List, all administered by the U.S. Department of Commerce; the consolidated list of Persons, Groups and Entities subject to EU Financial Sanctions, as implemented by the EU Common Foreign & Security Policy; and similar lists of restricted parties maintained by other applicable Governmental Authorities;

"**Restricted Party**" means (i) any Person included on one or more of the Restricted Party Lists, (ii) any Person owned or controlled by, or acting on behalf of a Person included on one or more of the Restricted Party Lists, or (iii) a Person ordinarily resident in or an entity that is located in or organized under the laws of a Restricted Country;

"**ROFO Acceptance Period**" has the meaning ascribed to it in Article 166.4(c);

"**ROFO Acceptance Notice**" has the meaning ascribed to it in Article 166.4(c);

"**ROFO Price**" has the meaning ascribed to it in Article 166.4(b);

"**ROFO Purchaser**" has the meaning ascribed to it in Article 166.4(b);

"**ROFO Response Period**" has the meaning ascribed to it in Article 166.4(b);

"**ROFO Response Notice**" has the meaning ascribed to it in Article 166.4(b);

"**ROFO Right**" has the meaning ascribed to it in Article 166.4;

"**ROFO Sale Notice**" has the meaning ascribed to it in Article 166.4(a);

"**ROFO Transfer Period**" has the meaning ascribed to it in Article 166.4(e);

"**SEBI**" means the Securities and Exchange Board of India;

"**SEBI Insider Trading Regulations**" mean the SEBI (Prohibition of Insider Trading) Regulations, 2015

"**Second Adjourned Board Meeting**" has the meaning ascribed to it in Article 162.1(q)(ii);

"**Securities**" has the meaning ascribed to it under the Act;

"**Selling Principal Shareholder**" has the meaning ascribed to it in Article 166.4;

"**Sentosa Granito**" means a private company incorporated under the Companies Act, 1956, bearing CIN U26933GJ2011PTC066114, and having its registered office at Survey No. 168 p1 and 169, Tal. Wankaner Lakaddhar, Gujarat, 363622;

"**Shareholder**" means any Person who holds any Equity Shares from time to time, and on and after the occurrence of the DVR Rights Trigger Event, the DVR Shares;

"**SSPA**" has the meaning ascribed to it in recital B of the Agreement including amendment thereto;

"**Subject Securities**" has the meaning ascribed to it in Article 166.4;

"**Subscription Amount**" has the meaning ascribed to it in the SSPA;

"**Subsidiary**" means any subsidiary of the Company from time to time, as determined in accordance with the provisions of the Act;

"**Tag Along Entitlement**" has the meaning ascribed to it in the Agreement;

"**Tag Along Right**" has the meaning ascribed to it in Article 166.5;

"**Tag Along Sale**" has the meaning ascribed to it in Article 166.5;

"**Tag Exercise Notice**" has the meaning ascribed to it in Article 166.5(b);

"**Tag Price**" has the meaning ascribed to it in Article 166.5(a);

"**Tag Response Period**" has the meaning ascribed to it in Article 166.5(b);

"**Tagged Securities**" has the meaning ascribed to it in Article 166.5(b);

"**Tax**" or "**Taxes**" means all forms of taxation, impositions, duties, imposts, contributions and levies in the nature of taxation whether direct or indirect, whether central, state, local or municipal, including without limitation, corporate income tax, capital gains taxes, minimum alternate tax, tax payable in a representative assessee capacity, withholding tax, value added tax, service tax, goods and service tax, customs and excise duties equalisation levy, securities transaction tax, payroll tax, dividend distribution tax, dividend withholding tax, real estate or property taxes, land taxes, other municipal taxes and duties, environmental taxes and duties and any other type of taxes, duties and fee in the nature of taxation, together with any interest, penalties, surcharges or fines, cess relating thereto, assessed or assessable, due, payable (including by virtue of joint and several or secondary liability), levied, imposed upon or claimed to be owed in any relevant jurisdiction;

"**Tax Authority**" means any Governmental Authority that is competent to impose or adjudicate upon Tax, including, the (Indian) Goods and Service Tax Department, the (Indian) Income Tax Department, Department of Revenue, Ministry of Finance and Government of India;

"**Termination IPO Agreement**" has the meaning ascribed to it in Article 167.4(g)(i);

"**Total Outstanding Shares**" has the meaning ascribed to it in the SSPA;

"**Transaction Documents**" mean:

(a) the Agreement;

(b) the SSPA;

(c) Employment Agreements;

(d) Powers of Attorney;

(e) Brand License Agreement; and

(f) any other agreement or document which is mutually agreed by the Parties as a Transaction Document, or specifically designated by the Investor and the Principal Shareholders' Representative as a Transaction Document;

"**Transfer**" means to (directly or indirectly) sell, gift, give, assign, transfer, transfer any interest in trust, mortgage, alienate, hypothecate, pledge, Encumber, amalgamate, merge or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Equity Securities or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, but does not include to transfer by way of testamentary or intestate succession;

"**Transfer Notice**" has the meaning ascribed to it in Article 166.5(a);

"**USD**" means the lawful currency of the United States of America;

"**Voluntary IPO**" has the meaning ascribed to it in Article 167.1(a); and

"**Voluntary IPO Notice**" has the meaning ascribed to it in Article 167.2(a).

161.2. Interpretation

In these Articles, unless the context requires otherwise:

(a) reference to any statute or statutory provisions will include references to such statute or statutory provision as amended, supplemented or re-enacted from time to time, and will include any subordinate legislation made under such statute or statutory provision (including, any rules, regulations, guidelines, circulars or notifications under such provision), and all statutory instruments or orders made pursuant to such statutory provisions;

(b) the terms "hereof," "herein," "hereby" and derivative or similar words refer to the entire Articles and not to any particular clause, article or section of these Articles;

(c) headings, sub-headings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of these Articles and shall be ignored for the purpose of interpretation of these Articles;

(d) unless otherwise specified, references to days, months and years are to calendar days, calendar months and calendar years, respectively;

(e) if an event must take place in terms of these Articles on a day that is not a Business Day, then such event must take place on the Business Day immediately following such stipulated day;

(f) the words 'directly' or 'indirectly' mean directly, or indirectly through one or more intermediaries, agents, any Person effectively Controlled by that Person, or through contractual or other legal arrangements or by issuance of fresh Equity Securities to any Person in a manner that would allow such Person to have any right, title or interest (direct or indirect) in the subject matter (including, the Equity Securities) that he would not have otherwise had but for such action;

(g) any references to consent or Approval means such consent or Approval obtained in writing;

(h) any reference to 'writing' shall include printing, typing, lithography, transmissions in electronic form (including e-mail) and other means of reproducing words in visible and legible form;

(i) the words 'include' and 'including' are to be construed without limitation;

(j) where a word or expression is defined, other parts of speech and grammatical forms and the cognate variations of that word or expression shall have corresponding meanings;

(k) if any Adjustment Event occurs during the subsistence of these Articles (on or after the Execution Date), all references to Equity Shares or Equity Securities (or any number or percentage of Equity Shares or Equity Securities) in these Articles, shall be deemed to be revised or adjusted in a manner such that the reference is to Equity Shares or Equity Securities (or the revised or adjusted number or percentage thereof) after taking into account the impact of such Adjustment Event on the Equity Shares or Equity Securities (as the case may be);

(l) the Schedules to these Articles shall form an integral part of these Articles;

(m) any reference herein to any 'article' or 'schedule' is to such "Article' or 'Schedule' to these Articles;

(n) reference to any agreement, deed, instrument or other document (including a reference to these Articles) herein shall be to such agreement, instrument or other document as amended, supplemented or novated pursuant to and as per the terms thereof; and

(o) any election, determination or exercise of discretion or right of waiver by the Investor or a matter being to its satisfaction under these Articles will be at the sole and absolute discretion of the Investor.

161.3. The exercise of any right, taking of any decision, or grant of any waiver or consent by the Principal Shareholders' Representative and any of the other Principal Shareholders under these Articles shall be construed to be a joint exercise or grant by all the Principal Shareholders; and, notwithstanding anything to the contrary contained in these Articles but subject to Article 162.4(a), (i) each of the Company and the Identified Principal Shareholders shall be jointly and severally liable for the performance of their obligations under these Articles; and (ii) without prejudice to the foregoing, each of the Company and the Principal Shareholders shall be jointly and severally liable for the performance of their obligations set out in Article 164.2(b), 164.2(c), 164.2(e), 164.2(f), 164.2(g), 164.3, 164.7 and 164.11.

162. **CORPORATE GOVERNANCE**

162.1. Board of Directors

(a) Authority of the Board: Subject to the provisions of these Articles and the provisions of the Act, the Board will be responsible for the overall supervision and direction of the Company, including but not limited to, the organization structure, budgets, business plans, incurring or extending Indebtedness, raising of capital, appointment of Key Employees and undertaking any merger, investments or acquisitions. Subject to compliance with Article 162.2 and Article 162.3 below, the Board may create or constitute such other committees and delegate powers to such committees or Persons as may be required by Applicable Law or as it deems fit to assist in its functioning.

(b) Composition of Board: Subject to Articles 162.6, 168.2(c), and 168.4(a) of these Articles, the Board will comprise such number of Directors and Independent Directors as may be required under the Applicable Law and as follows:

(i) the Investor will have the right (but not the obligation) to nominate up to 2 (two) Directors;

(ii) the Identified Promoters will have the right (but not the obligation) to jointly nominate up to 3 (three) Directors; and

(iii) such other number of Independent Directors as may be required under the Applicable Law.

The Board shall at all times be compliant with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as applicable to the Company.

(c) Independent Director. Within 6 (six) months from the Completion Date or such other period as may be agreed between the Principal Shareholders and the Investor, 1 (one) Independent Director as may be mutually agreed between the Investor and the Principal Shareholders, shall be nominated to the Board. Subject to compliance with Applicable Laws, the Independent Director(s) appointed in accordance with this Article 162.1(c), Article 162.2(b)(ii), Article 162.6(b)(c), Article 162.2(c)(i)(c) shall be, appointed by the Board and approved by the Shareholders. Nothing contained in this Article 162.1(c), Article 162.2(b)(ii), Article 162.6(b)(c), Article 162.2(c)(i)(c) will require, or be deemed to obligate, the Independent Director to represent the interests of the Investor or the Principal Shareholders (as the case may be) on the Board.

(d) Woman Director and resident Director. The Principal Shareholders shall ensure that at least 1 (one) of the Promoter Directors is a resident Indian (as defined under the Act) and, if (i) the Company is required under Applicable Laws to appoint a woman director and (ii) none of the Directors is a woman, the Principal

Shareholders and the Investor shall mutually agree to replace the Independent Director on the Board and nominate a woman as an Independent Director.

(e) Chairman: The Board shall appoint a chairman by simple majority. The chairman shall not have a casting vote or a second vote.

(f) Retirement by Rotation: To the maximum extent permissible under Applicable Law, the Nominee Directors will be permanent directors, whose office will not be capable of being vacated by retirement or rotation. Where a Nominee Director is required to retire by rotation under Applicable Laws, the other Parties shall ensure that such Director will be immediately reappointed at the end of his term.

(g) Alternate Director: Each of the Investor Directors and the Promoter Directors will have the right to nominate an alternate director ("**Alternate Director**") to be appointed by the Board in place of and to act for such Director in the manner so designated by the relevant Director appointing such alternate, and in accordance with Applicable Law. The Alternate Director will be entitled to exercise all rights and have all the privileges of the relevant Nominee Director in whose place such Alternate Director is appointed (and such Alternate Director, for the purposes of these Articles shall be treated as an Investor Director or a Promoter Director, as the case may be). Upon the appointment of an Alternate Director in accordance with the Act and these Articles, the Company will ensure compliance with the provisions of the Act, including filing necessary forms with the concerned Governmental Authorities.

(h) Appointment and Election of Directors: The Directors will be appointed to the Board in accordance with these Articles. Each Shareholder will exercise its voting rights in relation to the Equity Securities held by it at any shareholders' meeting in a manner that ensures the appointment or re-appointment (if required) of the nominees of the Investor or Principal Shareholders, as applicable, as Directors in accordance with the provisions of Article 162.1(b) to (g) above (both inclusive). The nomination of a Nominee Director will take effect promptly upon a notification to the Company by the nominating Party, and the Company shall take all steps as may be necessary to ensure appointment of such nominee to the Board, and no later than the next meeting of the Board or the shareholders (as the case may be).

(i) Removal and Replacement of Directors: A Party entitled to nominate a Nominee Director may require the removal or replacement of such Nominee Director from the Board, with or without cause, at any time. Each Shareholder will exercise its rights (including, voting rights) in a manner that causes the removal or replacement of such nominee as a Director in accordance with this Article 162.1(i). Except in accordance with the foregoing sentence, no Shareholder of the Company will exercise its voting rights in relation to its Equity Securities for the removal of any Nominee Director in any other circumstances unless otherwise specified in these Articles. If any vacancy of the position of a Nominee Director exists and no replacement is nominated by the nominating Party, then such position on the Board will remain vacant. It is clarified that, any vacancy in respect of any position on the Board will not impact or diminish the rights of the Investor or the Identified Promoters to nominate their respective Investor Directors or Promoter Directors.

(j) Qualification Shares and Remuneration: None of the Directors (including, the Nominee Directors, the Alternate Directors and the Independent Directors) will be required to hold any qualification shares. Further, a Nominee Director shall not be entitled to any remuneration from the Company in their capacity as a Director.

(k) Expenses: The Company will reimburse all reasonable travel expenses, boarding and lodging expenses, communication expenses and other costs reasonably incurred by a Nominee Director or its Alternate Director.

(l) Non-Executive Directors. Unless otherwise agreed by the Investor in writing, the Investor Directors will be non-executive Directors. No Investor Director (unless otherwise agreed to by the Investor in writing) or Independent Director will be responsible for the day to day management or affairs of the Company, or will be responsible for, or be designated to, ensure that the Company complies with the provisions of any Applicable Law, other than to the extent that such liability or responsibility cannot be waived or delegated under Applicable Law. Subject to Article 162.4(a) and 162.6(c), the Company and the Principal Shareholders acknowledge and agree, and undertake to ensure, that the Investor Directors shall not deemed to be, or identified as, an "officer in default", "officer in charge", "occupier" of any premises used by the Company, or as "employers" of the employees of the Company (or equivalent, by whatever name called) under any Applicable Law. Subject to Article 168.4(a)(viii) and 162.6(c), the Company shall designate, and shall ensure that at all times, Directors or persons other than the Investor Director(s) are designated as "persons/officers in charge", "occupiers", "employers" and "officer who is in default" or equivalent, by whatever name called, as contemplated under Applicable Law.

(m) Indemnification: The Company will indemnify, to the maximum extent permissible under Applicable Laws, all its Directors and Persons who were Directors on and from the Completion Date (to the extent such liability arises for actions, omissions or conduct for the period while such Person was a Director) against:

(i) any act, omission or conduct of, or by, the Company, the Board, the committees of the Board, or employees or agents of the Company, as a result of which such Director is made a party to any Action arising out of, or relating to, such act, omission or conduct, or otherwise incurs a loss;

(ii) any act of such Director, or any failure to act by such Director, in each case, at the request of, or with the Approval of the Company; or

(iii) contravention of Applicable Law, and any Action taken against such Director in connection with such contravention or alleged contravention.

The Company's obligation to indemnify the Directors shall be specifically incorporated in the Articles of Association and Shareholders shall (in their capacity as such) not permit the amendment of any such provisions for a period of 6 (six) years after termination of the Agreement.

(n) Directors' Access: All Directors, and each of their representatives will be entitled to examine the books, accounts and records of the Company and will have free access, at all times, to the assets and properties of the Company. The Directors will have the right to request any information pertaining to the Business of the Company, which will be provided to them within a reasonable time by the Company, and no later than 3 (three) days from the date of receipt of a written request. Provided however, the Company shall not provide the Investor with any key performance indicators, as defined in the SEBI circular dated February 28, 2025, post the date of the filing of the DRHP, which were not provided historically to the Investor prior to the Effective Date.

This Article 162.1(n) shall be at all times subject to Applicable Law, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations of 2015, as amended ("**SEBI Insider Trading Regulations**") from the date of filing of the RHP.

(o) Frequency and Location of Board Meetings: Meetings of the Board will take place at the registered office of the Company, or such other place as may be determined by the Board from time to time, subject to any requirements under Applicable Law. The Board will meet at least once in every calendar quarter during regular business hours on a Business Day, and at least 4 (four) such meetings will be convened every calendar year. Further, the intervening time between two consecutive meetings of the Board will not exceed 120 (one hundred twenty) days.

(p) Notice:

(i) A meeting of the Board may be called by any Director by giving notice in writing to the company secretary of the Company (or in his absence, to all Directors) specifying the proposed date, time and agenda for such meeting. The company secretary will send a copy of such notice to all Directors, at least 7 (seven) days prior to the proposed date of the meeting of the Board, unless such meeting is convened at a shorter notice with the consent of at least 1 (one) Investor Director and 1 (one) Promoter Director. The notice will be accompanied by a detailed agenda, necessary background and all other related information and/or supporting documents pertaining to the business proposed to be transacted at such meeting of the Board. Any item not included in the agenda of a meeting of the Board shall not be considered or voted upon at that meeting of the Board (including at any adjournments thereof) without the consent of at least 1 (one) Investor Director and 1 (one) Promoter Director. For clarity, the Chairman shall not have a right to place any matter in the meeting of the Board which is not included in the agenda of the meeting of the Board.

(ii) If the agenda of any meeting of the Board includes any Reserved Matter, and the Investor communicates its decision to remove such matter from the agenda, then the Board shall not discuss, or put to vote, any such matter at the meeting of the Board, and such item shall be deemed to have been removed from the agenda for such meeting of the Board. The Company shall not, and the Principal Shareholders shall ensure that the Company does not, take any action in respect of any such matter unless the Investor provides its consent to include such matter for discussion at the meeting of the Board, or provides an affirmative consent in respect of such Reserved Matter, in each case, in writing.

(iii) Notice will be served to Directors at their respective addresses or by electronic mail, in each case, as notified by such Director to the Company at the time of his appointment or as may be communicated in writing to the company secretary prior to the issuance of such notice. Once a notice has been served, the agenda for the meeting of the Board will not be altered or expanded without the consent of at least 1 (one) Investor Director and 1 (one) Promoter Director. It is clarified that the provisions of this Article 162.1(p)(iii) will apply *mutatis mutandis* to any Adjourned Board Meeting.

(q) Quorum: The quorum for a meeting of the Board will be a minimum of 4 (four) Directors including 2 (two) Independent Directors, provided, that:

(i) quorum for a meeting of the Board will require the presence of at least 1 (one) Investor Director, at least 1 (one) Promoter Director and at least 1(one) Independent Director. If the quorum is not present within 30 (thirty) minutes of the time appointed for the meeting of the Board, or if during any meeting of the Board a quorum ceases to be present, then the meeting of the Board will stand adjourned and will be reconvened at the same time and place, 7 (seven) days later (or on such other date, time and place, as may be approved by at least 1 (one) Investor Director and 1 (one) Promoter Director) ("**First Adjourned Board Meeting**");

(ii) the Directors present at the First Adjourned Board Meeting will constitute quorum for such meeting of the Board, subject to any quorum requirements under the Act, and provided that at least 1 (one) Investor Director and 1 (one) Promoter Director and at least 1(one) Independent Director, are present at such First Adjourned Board Meeting. If the quorum is not present within 30 (thirty) minutes of the time appointed for the meeting of the Board, or if during any meeting of the Board a quorum ceases to be present, then the First Adjourned Board Meeting will stand adjourned and will be reconvened at the same time and place, 7 (seven) days later (or on such other date, time and place, as may be approved by at least 1 (one) Investor Director and 1 (one) Promoter Director) ("**Second Adjourned Board Meeting**"); and

(iii) the Directors present at the Second Adjourned Board Meeting subject to quorum requirements under the Act, will constitute quorum for such Second Adjourned Board Meeting, and may consider, vote on and decide on any matter, provided that no matter which is a Reserved Matter or has a direct implication on a Reserved Matter shall be discussed, or put to vote at such Second Adjourned Board Meeting, unless the Investor has provided its affirmative consent to the Reserved Matter in each case, in writing prior to the date of the Second Adjourned Board Meeting.

(r) Minutes: The company secretary will be responsible for maintaining minutes of each meeting of the Board (including, Adjourned Board Meetings) in the books and records of the Company in accordance with the Act. A copy of the minutes of each meeting of the Board will be delivered to all Directors as soon as practicable, and no later than 15 (fifteen) days of the date of the meeting of the Board. The draft of the minutes of the meeting of the Board shall be provided to the Investor Directors for review and approval, as soon practicable, but not later than 7 (seven) days from the date of the meeting of the Board. The Investor Director may reject, confirm or communicate its modifications to the draft minutes, if any, in writing, within 7 (seven) days of receipt of such draft minutes. If the Investor Director does not provide any written response to the draft minutes within such 7 (seven) day period, the draft minutes will be deemed to be approved by such Investor Director.

(s) Voting: At any meeting of the Board (including, an Adjourned Board Meeting), each Director will exercise one vote. The adoption or approval of any resolution by the Board will require the affirmative vote of a simple majority of the Directors present at a duly constituted meeting of the Board (including, an Adjourned Board Meeting), provided that any decision or any resolution on any Reserved Matter shall not be taken or passed, other than in accordance with Article 162.3. Any resolution at a meeting of the Board (including, Adjourned Board Meeting) that does not comply with the provisions of this Article 162.1(s) will be *null and void*.

(t) Resolution by Circulation: Subject to Applicable Law, the Board may pass any resolution by circulation or in written form, provided such resolution has been circulated in draft format (together with the agenda, an explanatory statement setting out in reasonable details the rationale for proposing the resolution, information and appropriate documents required to reach a decision) to all Directors and such resolution has been approved in writing by a simple majority of Directors entitled to vote on the resolution; provided that if the time period within which the Directors are required to intimate their approval or rejection to such resolution is less than 4 (four) days, then such resolution shall be deemed to be approved only if at least 1 (one) Investor Director has communicated its affirmative vote on such decision, in writing. Provided further that, where such matter is a Reserved Matter, no decision, resolution, action or commitment is taken, on such Reserved Matter without the approval of the Investor, in writing. Any circular or written resolution that does not comply with this Article 162.1(t) will be *null and void*.

(u) Video Participation: To the extent permissible under Applicable Law, a Director may participate in a meeting of the Board by way of a video conference or other audio- visual means. Subject to fulfilling all necessary requirements under Applicable Law (which the Company agrees to procure), if a Director participates in a meeting of the Board by video conference or other audio-visual means, such Director (i) will be deemed to have contributed towards the fulfilment of the applicable quorum requirements, and (ii) will be entitled to vote at such meeting of the Board as if he were participating in person. If Applicable Laws permit Directors to participate in meetings of the Board through any other means in future, including by means of a telephone conference, the Company shall, upon request of any Director, ensure that it complies with all requirements of Applicable Law to enable such Directors' participation through such means to the full extent permitted under Applicable Laws.

(v) D&O Insurance: The Company shall ensure that it renews and maintains the D&O Insurance obtained in accordance with the terms of the SSPA for all the Directors, including the Nominee Directors and their Alternate Directors, to the satisfaction of the Investor.

(w) CFO: The Investor shall have the right (but not the obligation) to appoint the CFO from time to time (after consultation with and considering the views of the Principal Shareholders in good faith). The CFO shall report to the Audit Committee.

(x) Investor shall take best efforts to ensure that no Person nominated by it for appointment as an Investor Director(s) is a director on the board of directors of any Competitor, provided that this restriction shall cease to apply (i) upon occurrence of the events set out in Article 168.5(I) and (II); or (ii) in accordance with Article 171.2.

162.2. Committees

(a) Subject to compliance with Article 162.2(b) and Article 162.3 below, the Board may, from time to time, constitute, reorganise or dissolve such committees of the Board as it may deem fit, subject to any requirements of Applicable Laws. The Board shall, in respect of each committee, determine their functions, responsibilities, powers and authorities.

(b) Unless otherwise agreed by the Investor and the Principal Shareholders in writing:

(i) as and when any Voluntary IPO process or Mandatory IPO process is initiated in accordance with these Articles, the Board shall constitute an IPO committee, which (A) in the case of a Voluntary IPO, comprises of an equal number of Investor Directors, Promoter Directors and if mutually agreed between the Identified Promoters' Representative and the Investor, such other third person who has at least 10 (ten) years of merchant banking experience or banking experience, and (B) in case of a Mandatory IPO, will have such composition as may be notified to the Company by the Investor in writing (and shall not include any Promoter Directors) (in each case, such committee the "**IPO Committee**");

(ii) the Company shall constitute an audit committee ("**Audit Committee**") no later than 30 (thirty) days from the appointment of Independent Director in accordance with Article 162.1(c), and the Audit Committee shall comprise of 1 (one) Director nominated by the Investor, 1 (one) Director nominated by the Identified Promoters and 1 (one) Independent Director, provided that the Director nominated by the Identified Promoters shall not be an executive Director. Provided further that if Applicable Law requires the appointment of additional Independent Directors on the Audit Committee such number of additional Independent Directors shall be mutually appointed by the Investor and Principal Shareholders on the Audit Committee such that the composition of the Audit Committee is in compliance with the requirements of Applicable Law;

(iii) Subject to Applicable Law, for all other committees whether required to be constituted under Applicable Laws or otherwise (including nomination and remuneration committee), the Investor and the Identified Promoters will have a right to nominate up to their respective Pro-Rata Share of the members on each committee (excluding any Independent Directors mandatorily required by Applicable Law to be appointed on such committee), and subject to the Investor (at all times) having the right to nominate at least 1 (one) Investor Director on each committee, in each case subject to Applicable Law.

(c) Unless specifically approved by the Investor, none of the Reserved Matters shall be delegated to any committee set up by the Board.

(d) The provisions of Articles 162.1(p) to 162.1(u), both inclusive, will apply, *mutatis mutandis* to all committees of the Board as if references therein to 'Directors', 'meetings of the Board', 'Adjourned Board Meeting', 'Nominee Director', 'Investor Directors' and 'Promoter Directors' are references to 'members of the committee', 'meeting of the committee', 'adjourned committee meetings', 'relevant Nominee Director appointed on the committee', 'relevant Investor Director' and 'relevant Promoter Director', respectively.

162.3. Reserved Matter Rights

(a) Notwithstanding anything to the contrary in these Articles, neither the Company nor any Subsidiary, nor any of their respective committees, Representatives, or their respective delegates shall approve or take any action or decision or commit to any action or decision, including at the meeting of their board of directors, general meeting or otherwise, whether directly or indirectly (in one transaction or a series of related transactions) in respect of any of the Reserved Matters without the prior written approval of the Investor. Further, if the Investor provides a conditional consent to any Reserved Matter, then such consent shall be acted upon only after full compliance with such conditions, to the satisfaction of the Investor, in writing.

(b) Any consent by the Investor, in relation to any Reserved Matter, will apply only in relation to that Reserved Matter, and will act as a one-time approval only for the specific one-time action proposed or considered by the Board. No such consent will constitute, or be deemed to constitute, a general consent for any such Reserved Matter, or a consent (either general or specific) for any other Reserved Matter. For the avoidance of doubt, it is hereby clarified that upon receipt of consent of the Investor in relation to any Reserved Matter, the Investor and/or the Investor Director (as applicable) shall vote in consistence with such Approval at the meetings of the Board and shareholders of the Company (as applicable). Further, if the Investor grants its consent or Approval in relation to any Reserved Matter and thereafter, the Investor Director nominated by the Investor votes in a manner that is not consistent with the consent or Approval granted by the Investor, then the vote of the Investor Director shall not impact the affirmative consent or Approval of the Investor which has already been obtained in accordance with this Article 162.3 in any manner whatsoever.

(c) Any decision made, action taken, or resolution passed in breach of this Article 162.3 shall be void *ab initio*, not valid or binding on the Company or the Subsidiaries. In the event a decision is made or a resolution is passed contrary to the provisions of this Article 162.3, the Company or the relevant Subsidiary shall not, and the Principal Shareholders shall procure that the Company shall not, give effect to, or take any action pursuant to such decision or resolution, unless the Investor's prior written consent is obtained for such action, decision or resolution.

162.4. Shareholders' Meetings

(a) Notice: A meeting of the Shareholders may be called by the Directors or a Shareholder by giving notice in writing to the company secretary, specifying the date, time and agenda for such meeting. The company secretary will promptly notify the same to all Shareholders of the Company at least 21 (twenty-one) days prior to the proposed date of the Shareholders' meeting (or such other minimum period as may be prescribed under Applicable Law from time to time), unless a shorter notice period for such meeting is approved by the Investor, Principal Shareholders' Representative and such number of Shareholders as prescribed under Applicable Law. This notice will be accompanied by a detailed agenda, necessary background and all other related information and/or supporting documents pertaining to the business proposed to be transacted at the Shareholders' meeting. Any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

Notice will be served to the Shareholders of the Company at their respective addresses or by electronic mail, in each case, as notified by such Shareholder to the Company at any time prior to the relevant notice (including, where the Shareholder is a Party, service shall take place in accordance with the provisions of clause 16.1 of the Agreement). Once a notice has been served, the agenda for the meeting of the Shareholders will not be altered or expanded without the mutual consent of the Investor and the Principal Shareholders, in writing. It is clarified that the provisions of this Article 162.4(a) will apply *mutatis mutandis* to adjourned Shareholders' meetings.

(b) Conduct of Meetings: The Company will hold Shareholders' meetings as and when deemed necessary and/or as required under the Act, provided at least 1 (one) Shareholders' meeting is held in each calendar year. No quorum of a Shareholders' meeting (including adjourned Shareholders' meeting) will be validly constituted without duly appointed representative(s) of the Investor and the Principal Shareholders' Representative. If such quorum is not present within 1 (one) hour from the time appointed for a Shareholders' meeting or if during the Shareholders' meeting, there is no longer such quorum, the Shareholders' meeting will stand adjourned and will be reconvened at the same time and place, 7 (seven) days later. Each Shareholder will be given prompt notice of such adjournment in writing.

(c) Voting Rights:

(i) At any Shareholders' meeting, (A) each Equity Share shall carry 1 (one) vote; and (B) CCPS shall carry such voting rights as set out in schedule 16 of the SSPA. After the occurrence of the DVR Rights Trigger Event, each DVR Share shall carry such voting rights as calculated in accordance with schedule 15 of the SSPA. Further, any Reserved Matter that is referred to the Shareholders shall be duly or validly approved only if such Reserved Matter has been approved in accordance with the provisions of Article 162.3.

(ii) The Parties acknowledge and confirm that all matters considered at a Shareholders' meeting shall be deemed to directly affect the rights attached to the Equity Securities held by the Investor (excluding any Equity Shares) as if such Equity Securities (excluding any Equity Shares) held by them are compulsorily convertible to Equity Shares, and accordingly the Investor shall have the right to vote *pari passu* with the holders of Equity Shares at any Shareholders' meeting, on an as if converted basis. The Investor shall accordingly have such right to attend and vote at Shareholders' meetings, including and without limitation to the right to receive notice of, and to be present and to vote, either in person or by proxy, at any Shareholders' meetings of the Company.

(iii) Each Shareholder holding Equity Securities with voting rights agrees that, if Applicable Law does not permit the Investor (in respect of the Equity Securities held by it (excluding the Equity Shares held by it)) to exercise voting rights on all or any Shareholder matters submitted to the vote of the Shareholders of the Company (the "**Non-Voting Preference Shares**"), then until the conversion of all such Non-Voting Preference Shares into Equity Shares, each Shareholder shall, if requested by the Investor, provide proxies to the Investor for the purposes of a Shareholders' meeting, equivalent to the Investor's voting rights computed on a Fully Diluted Basis.

162.5. Subsidiaries. All of the rights of the Investor and the rights available to an Investor Director with respect to the Company (including, any rights relating to the nomination of Investor Directors, Reserved Matters, information and access rights) under these Articles will be available to the Investor and the Investor Directors with respect to each Subsidiary, in a manner and to the extent that such rights are available to the Investor and the Investor Directors in the Company, *provided that*:

(a) where Applicable Laws do not require a Subsidiary to have any Independent Directors, the Board composition of such Subsidiary will comprise of directors nominated by the Investor and the Principal Shareholders on the basis of their *inter-se* Pro- Rata Share in the Company, and any Independent Directors may be appointed to such Board only if specifically approved by the Investor and Principal Shareholders in writing;

(b) where the Subsidiary is not a wholly owned Subsidiary, the Investor and Principal Shareholders will have a right to nominate up-to their Pro-Rata Share of the total number of directors which may be nominated by the Company (directly or indirectly) on the board of directors of such Subsidiary, subject to the Investor having the right to nominate at least 1 (one) nominee director on such board of directors; and

(c) all voting rights in respect of any equity securities held by the Company in such Subsidiary (directly or indirectly) shall be exercised in a manner determined by the Board, subject to compliance with the provisions of Article 162.3 above.

The Company will ensure and procure that the Investor is able to directly exercise all its rights in any Subsidiary in the same manner as set out in Article 162 in respect of the Company, and the memorandum of association and articles of association of such Subsidiary (or any similar governing document) provides (at all times) for the Investor to directly exercise its rights under this Article 162.5.

Article 162.5 shall be at all times subject to Applicable Law, including the SEBI Insider Trading Regulations, from the date of filing of the RHP.

162.6. Identified Event

(a) Simultaneously with the provision of the Audited Financial Statements for the Relevant Financial Years to the Investor pursuant to Article 163.2(a), the Company shall issue a certificate to the Investor certifying whether or not an Identified Event has occurred, along with supporting documentation for the same (including documentation pertaining to occurrence of an EBITDA Adjustment Event and calculation of IE Adjusted EBITDA, if applicable).

(b) Upon the occurrence of an Identified Event the Investor shall have the right to nominate such number of additional Directors on the Board and require such number of Promoter Directors to resign from the Board with immediate effect, to ensure that the Board will comprise of 6 (six) Directors, or such other number of Directors as mutually agreed to between the Investor and the Principal Shareholders in writing, in the following manner:

(A) the Principal Shareholders will have the right (but not the obligation) to nominate up to 2 (two) Directors, or if the size of the Board is modified, their Pro-Rata Share of the non-Independent Directors;

(B) the Investor will have the right (but not the obligation) to nominate up to 3 (three) Directors, or if the size of the Board is modified, its Pro-Rata Share of the non-Independent Directors; and

(C) 1 (one) Independent Director (or such other number of Independent Directors as may be mutually agreed between the Investor and the Principal Shareholders) appointed mutually by the Investor and Principal Shareholders.

It is hereby clarified that the Investor may exercise its rights under this Article 162.6 (b) within 6 (six) months from the date of the certificate provided by the Company under Article 162.6(a) above, failing which the rights of the Investor in this Article 162.6(b) shall cease to apply.

(c) In the event that the Investor has exercised its rights pursuant to Article 162.6(b) above to appoint any additional Investor Directors on the Board and such Investor Directors constitute a majority of the Board, then, notwithstanding anything to the contrary in these Articles:

(i) the adoption or approval of any resolution by the Board on any matter shall not be valid unless the resolution is passed by a majority of the Directors voting on the resolution, provided that such simple majority includes the affirmative consent of at least 1 (one) Investor Director (and if no Investor Director has been nominated to the Board or no Investor Director is eligible to vote on such matter, the written consent of the Investor has been obtained prior to the meeting of the Board);

(ii) neither the Company nor any Subsidiary, nor any of their respective committees, Representatives, or their respective delegates shall approve or take any action or decision or commit to any action or decision, including at the meeting of their board of directors, general meeting or otherwise, whether directly or indirectly (in one transaction or a series of related transactions) in respect of any of the Principal Shareholders Reserved Matters I without the prior written approval of the Principal Shareholders' Representative and the process in respect of Reserved Matters as set out in Article 162 shall *mutatis mutandis* apply, as if references to the term (A) Investor shall mean Principal Shareholders' Representative; (B) Investor Director shall mean Promoter Director; (C) Reserved Matters shall mean Principal Shareholders Reserved Matter I and (D) Article 162.3 shall be deemed to include this Article 162.6;

(iii) subject to sub-Article (ii) above, each of the Principal Shareholders and the Promoter Directors shall, and shall ensure that its authorised representatives, at all times vote along with the Investor (or its authorised representative), and for clarity, exercise all voting rights under the Agreement, the Charter Documents and/ or Applicable Law in respect of the Equity Securities held by them, in the same manner in which the Investor (or its authorised representatives) exercises the voting rights available to it in respect of the Equity Securities held by it under the Agreement, the Charter Documents and/or Applicable Law;

(iv) if any of the Principal Shareholders are unable to exercise any voting rights in the manner set out in Article 162.6(d)(iii) above on account of any mandatory operation of any Applicable Law, then they shall either: (A) abstain from attending the relevant meeting of the Shareholders; or (B) abstain from voting in respect of its Equity Shares (at a physical meeting, by postal ballot or electronically) on any resolution of the Shareholders in respect of any Shareholder matter and all incidental, consequential and ancillary matters thereto;

(v) subject to sub-Article (ii) above, to the maximum extent permissible under Applicable Law, the Promoter Director and the Principal Shareholders will vote in a manner similar to the vote cast by the Investor Director in respect of any matter placed before the Board and all incidental, consequential and ancillary matters thereto,

(vi) if the Investor has appointed a CEO in accordance with Article 164.4(a) of these Articles and such a Person is not a Principal Shareholder or an Affiliate of the Principal Shareholders, then, within a period of 6 (six) months from the date of such appointment, the Investor shall designate, and shall ensure that at all times thereafter, Directors or persons other than the Principal Shareholders and the

Promoter Director(s) are designated as "persons/officers in charge", "occupiers", "employers" and "officer who is in default" (or equivalent, by whatever name called), as contemplated under Applicable Law and the Promoter Directors shall be designated as non-executive Directors, unless otherwise agreed by the Principal Shareholders in writing.

(d) The Principal Shareholders and the Company shall co-operate with the Investor and execute and deliver such instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, give effect to the provisions, this Article 162.6.

(e) Upon the expiry of 3 (three) years from the date of exercise of the rights under Article 162.6(b) above, the (i) composition of the Board shall be reinstated in accordance with Article 162.1, as if no rights were exercised by the Investor under Article 162.6(b); and (ii) the provisions of this Article 162.6 shall cease to apply.

(f) It is hereby clarified that on and from the occurrence of a DVR Rights Trigger Event or Investor Control Date, Articles 162.6 (b), (c) and (e) will cease to apply.

162.7. Information Sharing

Each Shareholder authorises each Investor Director to receive and deal with Confidential Information and other documents and information relating to the Company, the Business or the Assets of the Company and to use and apply such information in representing the interests of the Company in respect of the Investor's investment in the Company; and to disclose any Confidential Information and other documents and information relating to the Company or the Business to the Investor and/or any of its Affiliates (and any of their respective directors, officers and employees) for the purposes of monitoring and evaluating its investment in the Company.

The provisions of this Article 162.7 shall be at all times subject to Applicable Law, including the SEBI Insider Trading Regulations, from the date of filing of the RHP.

162.8. Investor Rights

The Parties hereby expressly acknowledge and agree that the Investor's rights under these Articles, including, in respect of the Reserved Matters, shall be exercisable by the Investor only, and must be exercised in writing. No action, decision, communication, correspondence or steps taken by any other Person (including, by an Investor Director, any Affiliate of the Investor or their directors and officers) either at the Board, any sub-committee (including, IPO committee), or otherwise, shall impact or prejudice the rights of the Investor, or be deemed to be a consent, authorisation, acquiescence or Approval of, or consent by conduct in respect of, any of the rights of the Investor under these Articles (including, Article 162, Article 167 or Article 168).

162.9. Complete Effect

Each Shareholder agrees to: (a) vote with respect to the Equity Securities held by it and where such Shareholder is a Director, in its capacity as a Director, (b) vote to the maximum extent permissible under Applicable Law, and (c) cause its Nominee Directors on the Board to vote, in conformity with the specific terms and provisions of these Articles and to give complete legal effect to the provisions of these Articles and the other Transaction Documents. The Parties will use their best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Law to consummate or implement expeditiously the transactions contemplated by, and to give full force and effect to the agreements and understanding contained in these Articles and the other Transaction Documents. Without prejudice to the foregoing, the Shareholders will vote with respect to their Equity Securities and will take all other actions necessary or required, to ensure that at all times, the Charter Documents of the Company and each of the Subsidiaries require an affirmative vote or consent of the Investor in relation to each of the Reserved Matters in the manner set out in Article 162.3 of these Articles. Further, the Company undertakes that it shall, at all times, during the term of these Articles, exercise all its voting and other rights (including through members nominated by it on the board of directors and/or any committee of the board of directors), available with it, with respect to each of the Subsidiaries, in such manner as to procure or ensure or cause each of such Subsidiaries to comply with all obligations, undertakings and covenants applicable to it pursuant to these Articles, or to give full force and effect to the rights available to the Investor in such Subsidiaries under these Articles.

163. **INFORMATION AND ACCESS RIGHTS**

163.1. Inspection Rights

Without prejudice to Article 163.2 below, the Company and each Subsidiary will allow the Investor, its Affiliates and their Representatives, the right to (a) access and inspect the books, accounting records, corporate, financial and other records, reports, contracts and commitments of the Company or the Subsidiary, as applicable, and make extracts and copies therefrom at the expense of the Company or Subsidiary, as applicable, and (b) fully access all of the properties and assets of the Company or Subsidiary, during normal business hours and with 1 (one) day prior written notice (or such shorter period as may be reasonably required by the Investor to effectively exercise its rights hereunder). The Company or the Subsidiary, as applicable, will instruct its officers and employees to promptly provide all information and explanations to the Investor and/ or its Representatives as they may reasonably request.

163.2. Reports

The Investor will have the right to receive, and the Company and the Principal Shareholders shall ensure that the Company, each Subsidiary and each Joint Venture (where specifically mentioned below) furnish to the Investor, the following information:

(a) Audited Financial Statements of the Company, each Subsidiary and each Joint Venture for each Financial Year within 10 (ten) days of the finalisation of the Audited Financial Statements, and in any event no later than 4 (four) months of the end of such Financial Year;

(b) Quarterly Financial Statements of the Company and the Subsidiaries, as certified by the CEO of the Company, within 30 (thirty) days of the end of each quarter;

(c) monthly MIS, within 10 (ten) of the end of each month, in each case, in writing, from time to time;

(d) any information in relation to the resignation of any Key Employees, promptly upon such resignation and no later than 2 (two) Business Days from the date of such resignation being received by the Company or the Subsidiary, as the case may be;

(e) copies of minutes of meetings of the boards, meetings of committees of the boards, and shareholders' meetings of the Company or Subsidiary, within 7 (seven) Business Days of such meetings;

(f) details of any events, occurrences or circumstances which may have a material impact on the Company, the Subsidiaries, the Joint Ventures or the Business, promptly upon the knowledge of any Key Employees of such event, fact or circumstance, and no later than a period of 7 (seven) Business Days of such event, fact or circumstance coming to the knowledge of such Key Employees;

(g) all details regarding any claim (including of infringement of any third party Intellectual Property rights) in relation to the Assets or Business operations of the Company or any of the Subsidiaries, within 15 (fifteen) days of the Company or the Subsidiary becoming aware of such claim or threat;

(h) copies of the annual reports of the Company, the Subsidiaries and the Joint Ventures within 10 (ten) days after such reports have been filed with the Registrar of Companies;

(i) details of any material Action initiated or threatened in writing against the Company, or any of the Subsidiaries, or any event, default or occurrence which may result in initiation of any material Action by any Person, including any notices in relation thereto received from any Governmental Authority, Tax Authority or lender, within 5 (five) Business Days of the earlier of (i) such material Action being notified in writing to the Company or the relevant Subsidiary; or (ii) the Company or the relevant Subsidiary becoming aware of such material Action or the relevant event, default or occurrence, as the case may be;

(j) any letter from the statutory auditors of the Company or the Subsidiaries, within 7 (seven) days after receipt thereof; and

(k) such other information and documents pertaining to the Company, the Subsidiaries and/ or the Joint Ventures as may be reasonably requested by the Investor.

163.3. The Investor shall also have the right to, and the Principal Shareholders shall procure that the Company, and the Company shall procure that the Subsidiaries, ensure that the Investor shall: (a) be kept informed and provided access to the management of the Company or the Subsidiaries with regard to any material developments in or affecting the Business, the Company or any of the Subsidiaries including, any event, fact or circumstance which is or which may result in a Material Adverse Effect; and (b) consult with and advise the management of the Company and each of the Subsidiaries on significant business issues, and to regularly meet with their management for such consultation and advice.

163.4. For avoidance of doubt, the Company and the Principal Shareholders specifically acknowledge and agree that their obligations under this Article 163 shall apply, and shall not be capable of being avoided, regardless of whether there is any ongoing dispute, disagreements, proceeding or any other Action between the Investor (on one hand) and a

Principal Shareholders and/or the Company (on the other hand) in relation to, under, or arising pursuant to the Transaction Documents or for any other reason.

163.5. This Article 163 shall be at all times subject to Applicable Law, including the SEBI Insider Trading Regulations, from the date of filing of the RHP.

164. **COMPANY AND PRINCIPAL SHAREHOLDERS COVENANTS**

164.1. Business Plan and Annual Budget

(a) The Company shall, and the Principal Shareholders shall ensure that the Company shall:

(i) prepare and deliver to the Investor for its consideration, a draft Business Plan at least 90 (ninety) days prior to the expiry of the then subsisting Business Plan and the Annual Budget (together with all supporting information and documents) for the next Financial Year, at least 30 (thirty) days prior to the end of the subsisting Financial Year;

(ii) upon receipt of the draft Business Plan and Annual Budget, the Investor shall have the right to ask for such information or documents as it may deem fit and the Principal Shareholders and the Company will discuss with the Investor, in good faith, and agree on such modifications to the draft Business Plan and Annual Budget, as may be recommended by the Investor, in each case prior to any such draft Business Plan and Annual Budget being submitted to the Board for approval and adoption (for clarity, in compliance with the provisions of Article 162.3).

Further, the Parties will co-operate with each other, in good faith, to ensure that (i) the Business Plan; and (ii) Annual Budget for the next Financial Year, in each case, is placed for approval before the Board as soon as practicable and at least 15 (fifteen) days prior to the start of each Financial Year or the relevant Financial Year (in case of the Business Plan).

(b) The Company shall, and the Principal Shareholders shall ensure that the Company shall and the Subsidiaries shall, conduct its business in compliance with its Business Plan and Annual Budget.

(c) This Article 164.1 shall be at all times subject to Applicable Law, including the SEBI Insider Trading Regulations, from the date of filing of the RHP.

164.2. Compliance with Laws

(a) The Company and Identified Principal Shareholders undertake to ensure that all terms and conditions of all Applicable Laws, as amended from time to time, are complied with in all material respects by the Company and each of the Subsidiaries. Without limiting the generality of the foregoing, the Company and the Subsidiaries shall, and the Identified Principal Shareholders shall ensure that the Company and the Subsidiaries shall:

(i) at all times, comply with all conditions imposed by any Governmental Authority in all material respects, for the continuance of any Governmental Approvals issued to the Company or the Subsidiaries;

(ii) not conduct or engage in any activity (A) which is not permitted under Applicable Law; (B) which will result in a Material Adverse Effect; or (C) in which foreign direct investment of 100% (one hundred per cent.) under the automatic route is not permitted; and

(iii) ensure that all Material Contracts relating to the conduct of the Business are executed and performed in a form and manner compliant with Applicable Law in all material respects.

(b) The Company and Principal Shareholders agree that the Company, its Subsidiaries, and any individuals or entities acting on the Company's or Subsidiaries' behalf, shall not act in violation of: (i) any applicable Anti-Corruption Laws or Anti-Money Laundering Laws; or (ii) offered, paid, promised to pay, authorized the payment of, received, or solicited anything of value under circumstances such that all or a portion of such thing of value would be offered, given, or promised, directly or indirectly, to any Person to obtain any improper advantage.

(c) The Company and Principal Shareholders agree that the Company and the Subsidiaries will remain in full compliance with applicable Global Trade Laws and Regulations and will not, directly or indirectly, participate in any boycott not authorized by the U.S. government, or otherwise act in violation of applicable Global Trade Laws and Regulations.

(d) The Company and Identified Principal Shareholders agree that the Company and all of its Subsidiaries shall make and keep books, records, and accounts, which in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company and its Subsidiaries' assets, and devise and maintain a system of internal accounting controls consistent with generally accepted international standards.

(e) The Company agrees that it will participate in the Investor's periodic monitoring efforts with respect to compliance with Anti-Corruption Laws, Anti-Money Laundering Laws, Global Trade Laws and Regulations, and related topics and provide requested information within a reasonable period of time after Completion but no later than 30 (thirty) Business Days from the date of the request from the Investor.

(f) The Company agrees that it shall adopt and implement compliance procedures, training, and monitoring program in relation to compliance with Anti-Corruption Laws and Global Trade Laws and Regulations within a reasonable period of time after Completion but no later than 90 (ninety) Business Days from Completion Date.

(g) The Company and Identified Principal Shareholders agree that the Company and its Subsidiaries shall cooperate with any audit or investigation initiated by the Investor as a result of any information indicating actual or potential violations of Applicable Law or policy, as determined in the sole discretion of the Investor (acting reasonably), and provide all reasonable and assistance requested upon an investigation or inquiry.

164.3. U.S Taxes

(A) The Company shall and procure that each of the Subsidiaries shall; and

(B) each Shareholder shall,

upon request, provide to the Investor such documentation and any other information on it and its direct or indirect owners as is required in order to satisfy any applicable tax reporting or compliance requirements under the federal income tax laws in the United States of America.

164.4. CEO

(a) The Parties acknowledge and agree that on and from the Completion Date, Promoter 1 shall act and be designated as the CEO of the Company, provided that:

(i) if Promoter 1 suffers from any incapacity, as may be determined under the terms of his Employment Agreement executed by Promoter 1 with the Company in accordance with the Transaction Documents; or

(ii) an Identified Event occurs,

then Promoter 1 shall resign from his position as CEO with immediate effect and the Investor shall have the right to nominate any individual to the post of CEO from time to time as it deems fit (after consultation with and considering the views of the Principal Shareholders in good faith), provided that Investor may exercise its rights under this Article 164.4 to replace the CEO pursuant to occurrence of an Identified Event within 6 (six) months from the date of the certificate provided by the Company under Article 162.6(a), failing which such right of the Investor shall cease to apply. Upon the expiry of 3 (three) years from the date of exercise of the right above pursuant to occurrence of an Identified Event, Promoter 1 shall act and be re-designated as the CEO of the Company and any CEO appointed by the Investor shall resign with immediate effect.

(b) On and from the DVR Rights Trigger Event, the Investor shall have the right to nominate any individual to the post of CEO from time to time as it deems fit in its sole discretion, and Promoter 1 shall be required to resign from his position with immediate effect if the Investor wishes to exercise such rights.

(c) All the Shareholders shall exercise to the fullest extent, all rights and powers available to them (including by convening a shareholders meeting and exercising their voting rights at meeting of the Board and at the shareholders meeting) to remove or appoint the CEO in accordance with this Article 164.4.

164.5. Day to Day Operations

(a) The Parties agree, acknowledge and confirm that the responsibility of day-to-day management of the Business operations and affairs of the Company and the Subsidiaries is conducted by, and will be conducted by the Identified Principal Shareholders, the Promoter Directors and the Key Employees.

(b) The Parties further agree, acknowledge and confirm that the Investor is a financial investor and is not, and will not be, and the Investor Directors are not and will not be, responsible for day-to-day management of the operations and affairs of the Company, the Subsidiaries or the Business.

164.6. Statutory Auditors and Financial Statements

The Company and the Identified Principal Shareholders undertake that, at all times during the term of these Articles

(a) the Company shall appoint and/or continue to retain one of the Approved Firms as its statutory auditors for Financial Year ending March 31, 2022 and all subsequent Financial Years, and such Approved Firm must be appointed in consultation with the Investor. It is hereby clarified that the Approved Firm appointed by the Company as its statutory auditor shall prepare the standalone and consolidated financial statements for the Company; and

(b) each of the Subsidiaries shall appoint K.C. Mehta & Co., Chartered Accountants as its statutory auditor for Financial Year ending March 31, 2023, and all subsequent Financial Years, unless otherwise mutually agreed in writing by the Principal Shareholders' Representative and the Investor. If any Subsidiary proposes to replace K.C. Mehta & Co, Chartered Accountants as its statutory auditor on account of Applicable Law or otherwise, the Investor and Principal Shareholders' Representative shall mutually agree to appoint another Person as such Subsidiary's statutory auditor.

(c) all the financial statements (including the Audited Financial Statements and the Quarterly Financial Statements) of the Company and the Subsidiaries shall be prepared in compliance with the Accounting Standards and Applicable Law.

164.7. Related Party Transactions

The Company and the Principal Shareholders undertake that all Related Party Transactions shall be entered into or be conducted on arm's length basis, in accordance with Applicable Law, and shall first be approved in compliance with Article 162.3, and notwithstanding any other provisions of these Articles or the Transaction Document, any action or decision to be taken by the Company or the Subsidiaries in respect of the exercise and/or the enforcement of any of its rights in connection with any such Related Party Transaction, including the enforcement or waiver of any right of that Company or that Subsidiary (as the case may be) thereunder; the conduct or defence or any dispute; and the exercise of any rights to terminate any agreements ancillary to such Related Party Transaction, shall only be made or taken by the Company or the Subsidiary (as applicable) with the consent of the Investor in writing.

164.8. Tax

The Company and each Subsidiary shall, and the Identified Principal Shareholders shall ensure that the Company and each Subsidiary shall, pay its Taxes and file its Tax returns on time in every jurisdiction where any Taxes are payable, or Tax returns are required to be filed.

164.9. Insurance

The Company and each Subsidiary shall, and the Identified Principal Shareholders shall ensure that the Company and each Subsidiary shall, maintain adequate insurance cover with respect to the assets of the Company or Subsidiary (as applicable) and the Business consistent with market practice, and all other forms of insurance cover required to be maintained by (a) Applicable Law; (b) any Approval; or (c) any Contract, in each case, which applies to or is entered into by the Company or the Subsidiary, or by which any of their assets is bound.

164.10. Identified Key Employees

The Identified Principal Shareholders and the Company shall ensure that each of the Identified Key Employees is, during his/her employment with the Company and for a reasonable period after such employment, subject to customary non-compete provisions in their relevant employment agreements.

164.11. Brand Licensing

The Parties acknowledge and agree that upon:

(a) occurrence of an Insolvency Event with respect to the Licensee; or

(b) occurrence of a COC Event with respect to a Licensee wherein (i) any Person(s) (along with Persons acting in concert) acquiring Control of such Licensee are Person(s) not acceptable to the Investor; or (ii) the Investor determines (in its sole discretion) that such COC Event has or is reasonably likely to result in a deterioration of, or adverse impact on the "**Varmora**" brand;

(c) occurrence of any event or commencement of any Action in relation to a Licensee which, in the sole and reasonable opinion of the Investor, has an impact on the "**Varmora**" brand;

the Company shall, and the Principal Shareholders shall cause the Company to, terminate all such agreements or arrangements with the Licensee for usage of the "**Varmora**" brand with immediate effect, and take all necessary actions (including but not limited to filing of injunctions) in order to prevent usage of the "**Varmora**" brand by the relevant Licensee.

164.12. General Covenants

(a) In the event that the Company does not enforce its rights under a transaction with a Related Party for any reason whatsoever, then the Investor shall have the right to instruct the Company to enforce the Company's rights in relation to such transaction with such Related Party, without any delay and in the manner instructed by the Investor.

(b) The Parties shall not undertake or accept any obligation that would hinder the performance or validity of its obligations as contemplated under the Transaction Documents.

(c) The Investor shall not be obligated to (i) Encumber the Equity Securities held by it in the Company; (ii) invest any additional amount in the Company; (iii) provide any support to a third party; or (iv) offer any guarantee or collateral security, in respect of any Indebtedness of the Company. Further, the Company and the Principal Shareholders shall ensure that all Equity Securities held by the Investor in the Company shall be free and clear of all Encumbrances.

(d) The Company and each Subsidiary shall, and the Identified Principal Shareholders shall ensure that the Company and each Subsidiary shall, enter into written contracts in respect of all arrangements with third parties, vendors, suppliers, exclusive brand outlets where the value of such arrangements exceed such amount as agreed in the Agreement.

(e) The Company and each Subsidiary shall, and the Identified Principal Shareholders shall ensure that the Company and each Subsidiary shall, enter into written agreements with all their employees (other than any persons whose annual cost to company does not exceed such amount as agreed in the Agreement and are engaged in the production process at any manufacturing facility of the Company or any Subsidiary) appointed after the Completion Date, in Agreed Form.

(f) The Company and each Subsidiary shall, and the Identified Principal Shareholders shall ensure that the Company and each Subsidiary shall ensure that all leave and license agreements, lease agreements or any other agreements for use or possession of any properties entered into by the Company or any Subsidiary after the Completion Date are duly stamped and registered in accordance with Applicable Law.

(g) The Company and each Subsidiary shall, and the Identified Principal Shareholders shall ensure that the Company and each Subsidiary shall submit annual returns (such as Form V, Form IV, Form 24, etc.) to the relevant Governmental Authorities as required under the conditions prescribed in the consolidated consent and authorization within the timelines prescribed under Applicable Law.

164.13. Tax Valuation

Prior to any issuance of Equity Securities in accordance with the terms of these Articles, the Company shall procure a valuation report from a SEBI-registered merchant banker or an independent chartered accountant, who is acceptable to the Investor, which sets out the fair valuation of such securities in accordance with Section 56(2)(x) and Section 50CA of the Income-tax Act, 1961 read with Rule 11UA and 11UAA of the (Indian) Income Tax Rules, 1962.

165. **PRE-EMPTIVE RIGHTS**

165.1. Subject to Article 162.3 read with **Schedule 1** (*List of Reserved Matters*), the Company shall meet its future funding requirements in accordance with the waterfall set out below:

(a) *firstly,* from internal accruals;

(b) *secondly*, from borrowings raised by the Company, such that the Net Debt of the Company does not exceed 3 (three) times the recurring EBITDA of the Company for the immediately preceding 12 months on a consolidated basis;

(c) *thirdly*, the Parties shall undertake commercially reasonable efforts to procure a New Investor to subscribe to Equity Securities in the Company in accordance with this Article 165; and

(d) *fourthly*, by undertaking a rights issue of Equity Securities to the Shareholders in accordance with this Article 165.

165.2. Subject to Article 165.1, if the Company proposes to raise any funds by issuing (such issue, a "**Proposed Issuance**") any Equity Securities (the "**New Securities**") and has not received any binding offer from a New Investor to subscribe to such New Securities, then subject to the Investor's approval rights under Article 162.3 read with **Schedule 1** (*List of Reserved Matters*), each Shareholder (each a "**PER Offered Shareholder**") will have the right (but not the obligation) to acquire or subscribe to all or part of its Pro-Rata Share of the New Securities ("**Entitled Securities**") in accordance with the provisions of this Article 165.

165.3. Notice: The Company will, prior to the Proposed Issuance deliver a notice in writing ("**Issuance Notice**") to the PER Offered Shareholders, setting out:

(a) the proposed terms and conditions for the Proposed Issuance, including, the price per New Security to be issued in such issuance; and

(b) such PER Offered Shareholder's Pro-Rata Share of the amount proposed to be raised in such Proposed Issuance.

165.4. Exercise of Rights: Within 30 (thirty) days of the date of delivery of the Issuance Notice (the "**PER Response Period**"), each PER Offered Shareholder may provide a written notice to the Company ("**PER Acceptance Notice**"), specifying that it intends to subscribe to all or part of its Entitled Securities ("**Accepted New Securities**"). Each Shareholder which delivers such PER Acceptance Notice is hereinafter referred to as a "**PER Accepting Shareholder**".

165.5. Remaining New Securities: If a PER Offered Shareholder: (I) does not deliver a PER Acceptance Notice within the PER Response Period, or (II) has not agreed to subscribe to all of its Entitled Securities, then:

(a) within 5 (five) Business Days of the expiry of the PER Response Period, the Company shall issue a notice to such PER Accepting Shareholders who have agreed to subscribe to all of their Entitled Securities providing them a right to acquire all or part of their Pro-Rata Share of the New Securities which remain available for subscription on account of other PER Offered Shareholder(s) not having subscribed to all of its/their Entitled Securities ("**Remaining New Securities**").

(b) such PER Accepting Shareholder (who has agreed to subscribe to all of its Entitled Securities) may, within a period of 10 (ten) days of receipt of the notice under Article 165.5(a), communicate its decision to the Company in writing to acquire all or part of such PER Accepting Shareholder's Pro-Rata Share of the Remaining New Securities; and

(c) if such PER Accepting Shareholder (who has agreed to subscribe to all of its Entitled Securities) agrees to acquire any Remaining New Securities, then all references to Accepted New Securities in the context of the PER Accepting Shareholder will mean collectively the Entitled Securities and the portion of the Remaining New Securities that the said PER Accepting Shareholder has agreed to subscribe to in terms of Article 165.5(b).

165.6. Issuance: The Company shall issue and allot the Accepted New Securities to the PER Accepting Shareholders simultaneously within 30 (thirty) days from the delivery of the PER Acceptance Notice or 10 (ten) days from the delivery of the notice by a PER Accepting Shareholder in accordance with Article 165.5 (b), whichever is later.

165.7. Issuance to New Investor(s): Subject to Article 165.1, if:

(a) the Company proposes to raise funds and has received a binding offer from any Person(s) (other than the Investor) ("**New Investor(s)**") to infuse such funds into the Company, then subject to the Investor's approval rights under Article 162.3 read with **Schedule 1** (*List of Reserved Matters*); or

(b) the PER Accepting Shareholders do not agree to subscribe to any or all of the Remaining New Securities in accordance with Article 165.5 (such remaining Equity Securities being "**Balance Securities**");

the Company may issue and allot Equity Securities or issue the Balance Securities (such Equity Securities being the "**Preferential Securities**") to the New Investor(s) subject to such New Investor(s) not being a Competitor and subject to the first right of the Investor to be able to subscribe to the Preferential Securities ("**Preferential Offer Right**") in the manner set out in this Article 165.7:

(i) Notice. The Company shall deliver to the Investor, a written notice ("**Preferential Offer Notice**") stating (A) its intent to issue the Preferential Securities, (B) the identity of the New Investor(s), (C) the respective price at which the New Investor(s) proposes to subscribe to the Preferential Securities ("**New Investor Offer Price**"), and (D) the equity value of the Company, expressed as a multiple of EBITDA (such EBITDA, being the "**Preferential EBITDA**"), at which the New Investor(s) proposes to subscribe to the Preferential Securities.

(ii) Exercise. The Investor may exercise its Preferential Offer Right by giving a written notice ("**Preferential Offer Response Notice**") to the Company, at any time within 45 (forty five) days of receipt of the Preferential Offer Notice ("**Preferential Offer Period**"), stating that the Investor or its Affiliate or nominee (who is not a Competitor unless the Investor is permitted to Transfer to Competitors in accordance with these Articles) ("**Preferential Subscriber**") shall acquire all (and not less than all) of the Preferential Securities, at a price per Preferential Security issued at the higher of (Y) a price per Preferential Security which denotes an equity value for the Company equivalent to the '**Preferential Offer Equity Value**', and (Z) the minimum price at which the Investor will be entitled to subscribe to the Preferential Securities under Applicable Law (such higher price, being the "**Preferential Offer Price**").

For the purpose of this Article 165.7(ii):

Preferential Offer Equity Value means [**A** *multiplied by* (**B** *minus* **1**)] *minus* **C**

Where:

A = the Preferential EBITDA

B = the highest multiple of the Preferential EBITDA at which a New Investor proposes to subscribe to the Preferential Securities

C = net debt of the Company as on the date of the Preferential Offer Notice

(iii) Acceptance. If the Investor delivers a Preferential Offer Response Notice within the Preferential Offer Period, the Company shall be irrevocably bound to issue the relevant Preferential Securities to the Preferential Subscriber and the Preferential Subscriber shall be bound to subscribe to the relevant Preferential Securities at the Preferential Offer Price within 30 (thirty) days of delivery of the Preferential Offer Response Notice (or such longer period as may be set out in the Preferential Offer Response Notice), provided that where issuance of such Preferential Securities to the Preferential Subscriber requires any prior Governmental Approvals, such time period will be extended to the date falling 7 (seven) Business Days from the date of receipt of the last of such Governmental Approvals.

(iv) Issuance to the New Investor: If the Investor does not deliver a Preferential Offer Response Notice within the Preferential Offer Period or has rejected the Preferential Offer Notice the Company shall be entitled to issue the Preferential Securities to the New Investor (who offered the equity value of the Company at the highest Preferential EBITDA) subject to Applicable Law at a price not less than the New Investor Offer Price (offered by such New Investor) and on such terms and conditions that are not more favourable to the New Investor than the key terms and conditions on which the Preferential Securities were offered to the Investor pursuant to Article 165.2 and this Article 165.7. The Company shall complete (in all respects) such issuance to the New Investor within a period of 90 (ninety) days from the date of expiry of the Preferential Offer Period. If the New Investor has not subscribed to the relevant Preferential Securities within such stipulated time period, the Company will be required to once again comply with the provisions of this Article 165 (including Article 165.2 to 165.7) prior to issuing any Equity Securities to any Person.

165.8. The Company shall not, and the Principal Shareholders shall ensure that the Company does not, issue any Equity Securities to any Person without ensuring full compliance with the provisions of this Article 165, and if issued without complying with this Article 165, such issuance of Equity Securities shall be *null and void*.

165.9. New Investors. If any Preferential Securities are issued and allotted to a New Investor pursuant to Article 165.7 above, such New Investor shall be required to enter into a Deed of Adherence to the Agreement on or prior to the date of issuance and allotment of such Equity Securities, agreeing to be bound by all of the obligations of the Shareholders under these Articles.

165.10. Applicability. The provisions of this Article 165 will not apply to any issuance of Equity Securities (a) in an IPO in accordance with these Articles, (b) pursuant to any employee stock option scheme of the Company (approved by the Investor in accordance with the terms of these Articles or the Transaction Documents), (c) pursuant to conversion of CCPS into Equity Shares; (d) issuable pursuant to an Adjustment Event (which Adjustment Event takes place after complying with the Investor's rights under Article 162.3), or (e) any Equity Securities issued to the Investor or its Affiliates in accordance with the provisions of Article 162.

166. **TRANSFERS**

166.1. Transfers by the Investor.

(a) Notwithstanding anything to the contrary contained in these Articles, the Investor shall have the right to freely Transfer any Equity Securities held by it to any Person, provided however that (i) the Investor shall not Transfer the DVR Shares to any Person prior to the DVR Rights Trigger Event, other than in accordance with Article 166.3 or if the Investor proposes to Transfer all (but not less than all) Equity Securities held by it to such Person (ii) subject to Article 171.2, the Investor shall not Transfer any Equity Securities (other than DVR Shares) to a Competitor until the occurrence of any events set out in Article 168.5(I) and Article 168.5(II) of these Articles.

(b) The Company and the Principal Shareholders agree and undertake to facilitate, co-operate and render all assistance necessary and take all necessary steps to expeditiously complete any proposed sale of Equity Securities held by the Investor to any Person ("**New Purchaser**") including by: (i) co-operating in any due diligence conducted by the New Purchaser and providing all necessary information relating to the Company and the Business; (ii) obtaining all Approvals required to be obtained by the Company for the Transfer to the New Purchaser; and (iii) providing (on a joint and several basis) representations, warranties, covenants and indemnities (including with respect to the Business and operations of the Company and the Subsidiaries), in each case, which are commensurate or similar to the representations, warranties, covenants and indemnities provided by the Company and the Principal Shareholders to the Investor under the Transaction Documents.

166.2. Transfer Restrictions on the Principal Shareholders.

(a) Other than as permitted under Article 166.2(b) below, the Principal Shareholders shall not, directly or indirectly, Transfer, or otherwise dispose of any Equity Securities held by them, to any Person or otherwise take or authorise any action to dilute its legal and beneficial shareholding interest in the Company, without the prior written consent of the Investor.

(b) Subject to compliance with Articles 166.4, 166.6, 166.7 and 171.2 below, the Principal Shareholders shall be entitled to collectively sell such number of Equity Securities held by them which, together with any Equity Securities previously sold by them collectively after the Completion Date, aggregates to not more than 5% (five per cent.) of the Equity Securities of the Company (on a Fully Diluted Basis) as of the Completion Date (the "**Permitted Shares**") in one or more transactions to any Person (other than a Competitor) ("**Proposed Principal Shareholders Transferee**"), without the prior consent of the Investor. Provided that, (i) a sale of Equity Securities to a Proposed Principal Shareholders Transferee shall not exceed the Permitted Shares; (ii) such Proposed Principal Shareholders Transferee shall be required to enter into a Deed of Adherence to the Agreement on the date of sale of such Permitted Shares; and (iii) the Principal Shareholders shall not assign any of their rights under these Articles (including the right to nominate any Directors, Article 168.2(c)) to any Proposed Principal Shareholders Transferee.

166.3. Exclusions

No restriction on Transfer contained in this Article 166 will apply to any Transfer of Equity Securities:

(a) between the Investor (on the one hand) and any Principal Shareholders (on the other hand);

(b) in an IPO in accordance with Article 167;

(c) in any Drag Sale in accordance with Article 168.5 (*Drag Right*);

(d) resulting from (i) any transfer of an interest in the Investor, among Affiliates of the Investor (who is not a Competitor unless the Investor is permitted to Transfer to Competitors in accordance with these Articles)), or (ii) the creation or enforcement of any security interest in favour of a financier (or credit provider) by the Investor or its Affiliates (who are not Competitors (subject to Article 171.2 and provided that no events set out in Article 168.5(I) or Article 168.5(II) of these Articles has occurred)) in connection with any financing obtained by the Investor or its Affiliates, including in connection with any fund-level line of credit or other credit facilities.

166.4. Right of First Offer

Subject to compliance with the provisions of Article 166.2 above, if any of the Principal Shareholders ("**Selling Principal Shareholders**") proposes to Transfer all or part of the Equity Securities held by it to any Person (other than the Investor) (such Person, the "**Proposed Transferee**" and such Equity Securities, the "**Subject Securities**"), the Selling Principal Shareholder shall first offer such Subject Securities for sale to the Investor by delivering a ROFO Sale Notice in accordance with Article 166.4(a) below. The Investor shall have the first right ("**ROFO Right**") to make an offer to purchase the Subject Securities (either directly or through an Affiliate or nominee) in the manner as set out in this Article 166.4.

(a) Notice. The Selling Principal Shareholder shall deliver to the Investor, a written notice ("**ROFO Sale Notice**") stating its intent to Transfer the Subject Securities and setting forth the number and type of Subject Securities proposed to be Transferred.

(b) Exercise. The Investor may exercise its ROFO Right by giving a written notice ("**ROFO Response Notice**") to the Selling Principal Shareholder, at any time within 45 (forty five) days of receipt of the ROFO Sale Notice ("**ROFO Response Period**"), stating that the Investor or its Affiliate or nominee (other than a Competitor) ("**ROFO Purchaser**") shall acquire all or part of the Subject Securities, at a specified price per Equity Security on a Fully Diluted Basis ("**ROFO Price**") and other terms and conditions as may be specified in the ROFO Response Notice.

(c) Acceptance. If the Investor delivers a ROFO Response Notice within the ROFO Response Period, the Selling Principal Shareholder may choose to accept the offer set out in the ROFO Response Notice by delivering a written notice ("**ROFO Acceptance Notice**") within 15 (fifteen) days of receiving the ROFO Response Notice ("**ROFO Acceptance Period**"). If the Selling Principal Shareholder delivers a ROFO Acceptance Notice within the ROFO Acceptance Period, the Selling Principal Shareholder shall be irrevocably bound to sell to the ROFO Purchaser, and the ROFO Purchaser shall be bound to purchase, the Subject Securities which are specified in the ROFO Response Notice at the ROFO Price within 30 (thirty) days of delivery of the ROFO Acceptance Notice (or such longer period as may be set out in the ROFO Response Notice). Provided, where the transfer of the Subject Securities requires any prior Governmental Approvals, such time period will be extended to the date falling 7 (seven) Business Days from the date of receipt of the last of such Governmental Approvals.

(d) Representations and Warranties. The Company and the Selling Principal Shareholders shall provide (on a joint and several basis) representations, warranties, covenants and indemnities (including with respect to the Business and operations of the Company and the Subsidiaries) to the ROFO Purchaser in respect of such sale pursuant to the exercise of ROFO Rights in terms of Article 166.4, in each case, which are commensurate or similar to the representations, warranties, covenants and indemnities provided by the Company and the Principal Shareholders to the Investor under the Transaction Documents. Without prejudice to the foregoing, the receipt of consideration by any Selling Principal Shareholder for the sale to the ROFO Purchaser of any Subject Securities pursuant to this Article 166.4 shall be deemed a representation and warranty by such Selling Principal Shareholder that: (i) such Selling Principal Shareholder has full right, title and interest in and to such Subject Securities; (ii) such Selling Principal Shareholder has all necessary power and authority and has taken all necessary actions to authorise the sale of/ sell such Subject Securities to the ROFO Purchaser in the manner contemplated by this Article 166 and without contravention of any Applicable Laws or any contracts by which it is bound; and (iii) such Subject Securities are free and clear of any and all Encumbrances (other than the restrictions contained in these Articles).

(e) Third Party Sale. If:

(i) the Investor does not deliver a ROFO Response Notice within the ROFO Response Period; or

(ii) the ROFO Response Notice does not include all of the Subject Securities specified in the ROFO Sale Notice; or

(iii) if the Selling Principal Shareholder has rejected (in writing) a ROFO Response Notice, or has not delivered a ROFO Acceptance Notice within the ROFO Acceptance Period,

then, the Selling Principal Shareholder shall, subject to compliance with Article 166.5 below, be entitled to sell the Subject Securities, to the extent that a ROFO Acceptance Notice has not been issued in respect of such Subject Securities, to the Proposed Transferee within a period of 90 (ninety) days from the date of expiry of the ROFO Response Period ("**ROFO Transfer Period**") after issuing a Transfer Notice to the Investor and subject to compliance with all applicable obligations under Article 166.5. Where a ROFO Response Notice has been delivered in terms of this Article 166.4, the Selling Principal Shareholder shall not sell any of the Subject Securities to a Proposed Transferee, at price per Equity Security (on a Fully Diluted Basis) that is less than the price specified in the ROFO Sale Notice or on other key terms and conditions which are more favourable to the Proposed Transferee than those offered in the ROFO Response Notice.

166.5. Tag Along Right

Subject to compliance with the provisions of Article 166.2 and 166.4 above, if the Selling Principal Shareholder proposes to Transfer any Subject Securities to a Proposed Transferee pursuant to Article 166.4(e), which, together with any Equity Securities previously Transferred by it on and after the Completion Date, aggregates to more than 5% (five per cent.) of the Equity Securities of the Company (on a Fully Diluted Basis) as of the Completion Date (such sale, a "**Tag Along Sale**"), then the Investor shall have the right (but not the obligation) ("**Tag Along Right**") to sell such number of Equity Securities held by it to the Proposed Transferee not exceeding its Tag Along Entitlement in accordance with this Article 166.5.

(a) Notice: The Selling Principal Shareholder will deliver a notice in respect of the Tag Along Sale to the Investor at least 45 (forty-five) days prior to the Tag Along Sale (the "**Transfer Notice**"). The Transfer Notice must specify: (i) the number and kind of Subject Securities being sold; (ii) the price per Equity Securities (calculated on a Fully Diluted Basis) offered by the Proposed Transferee to the Selling Principal Shareholder ("**Tag Price**") and the aggregate consideration being offered by the Proposed Transferee for the Tag Along Sale (and a representation that, apart from the Tag Price, there is no other amount or consideration being paid or incentives, assets or properties being transferred, to the Selling Principal Shareholder or their Affiliates by the Proposed Transferee or any of its Affiliates (for any reason) including, by way of any non-compete fees, consideration in kind or otherwise); (iii) the proposed date of consummation of the Tag Along Sale (which shall not be less than 45 (forty five) days from the date of delivery of the Transfer Notice); (iv) the Tag Along Entitlement of the Investor; (v) identity of the Proposed Transferee; and (vi) the other terms and conditions (if any) on which the Tag Along Sale will take place, along with a copy of any letter of offer, term sheet or any other binding or non- binding agreement or arrangement between the Selling Principal Shareholder and the Proposed Transferee.

(b) Exercise: The Investor may exercise its Tag Along Right within 30 (thirty) days of the date of delivery of the Transfer Notice ("**Tag Response Period**") by delivering a written notice to the Selling Principal Shareholder ("**Tag Exercise Notice**"), specifying the aggregate number of Equity Shares (on a Fully Diluted Basis) that the Investor wishes to sell to the Proposed Transferee at the Tag Price, which shall not exceed its Tag Along Entitlement (such specified number, the "**Tagged Securities**").

(c) Irrevocable Acceptance: Upon delivery of a Tag Exercise Notice, (i) the Selling Principal Shareholder shall be irrevocably bound and obligated to sell the Subject Securities, at the Tag Price and on the terms and conditions specified in the Transfer Notice, and (ii) the Investor shall be irrevocably bound and obligated to sell its Tagged Securities at the Tag Price, in each case, to the Proposed Transferee.

(d) Sale Consummation: The closing/ completion of the sale and purchase of the relevant number of Subject Securities by the Selling Principal Shareholder, and, if applicable, the Tagged Securities of Investor will take place, as follows:

(i) if the Investor does not deliver a Tag-Exercise Notice within the Tag Response Period, the Selling Principal Shareholder will be free to sell all, but not less than all, of the Subject Securities to the Proposed Transferee on the terms and conditions set out in the Transfer Notice; and

(ii) if the Investor delivers a Tag-Exercise Notice within the Tag Response Period, the Proposed Transferee shall purchase all (but not less than all) of the Tagged Securities from the Investor, and all (but not less than all) of Subject Securities from the Selling Principal Shareholders.

The Selling Principal Shareholder shall not proceed with a sale of any of the Subject Securities to the Proposed Transferee unless the Investor is able to exercise its Tag Along Right in compliance with the provisions of this Article 166.5, and the Transfer of the Tagged Securities takes place simultaneously with or prior to the Transfer of the Subject Securities. For avoidance of doubt, if the Investor cannot exercise its Tag-Along Right for any reasons outside its control (including, any delays or non-receipt of any Governmental Approvals, or on account of any other requirements under Applicable Law), then the Principal Shareholders shall not proceed with the Tag Along Sale, and any such purported Tag Along Sale will be *void ab initio*. Nothing contained in this Article 166.5(d) will restrict the Investor (if it has delivered a Tag Exercise Notice) from proceeding with the sale of its Tagged Securities to the Proposed Transferee prior to the sale of the Subject

Securities by the Selling Principal Shareholder, if so agreed between the Investor, the Selling Principal Shareholder and the Proposed Transferee and permitted under Applicable Laws.

(e) New ROFO Notice and Transfer Notice. If the Tag Along Sale to the Proposed Transferee is not completed or consummated within the ROFO Transfer Period for any reason, then the ROFO Sale Notice and the Transfer Notice in respect of such Tag- Along Sale will be void *ab initio*, and the provisions of Article 166.2, 166.6 and Article 166.5 must be once again complied with prior to any sale of Equity Securities. If the transfer of the Subject Securities and/ or the Tagged Securities (as the case may be) in accordance with this Article 166.5 requires any prior Governmental Approvals, the ROFO Transfer Period will be extended to the date falling 7 (seven) Business Days from the date of receipt of the last of such Governmental Approvals.

(f) Representations and Warranties: (i) The Investor shall not be required to give any representations and warranties, guarantees, indemnities for the Transfer of the Tagged Securities (except those relating to title to Tagged Securities for the period between the Completion Date and the date of the Transfer of the Tagged Securities) or be subject to any restrictive covenants in respect of the Transfer of the Tagged Securities; and (ii) the Investor shall be entitled to immediately receive the entire consideration for the Transfer of the Tagged Securities in cash.

166.6. Deed of Adherence

Each of the Parties agree that it shall cause each Person to which it proposes to Transfer any Equity Securities in accordance with these Articles, to execute a Deed of Adherence, simultaneously with such Transfer substantially in the form set out in schedule 5 of the Agreement. The Deed of Adherence shall be executed only between the transferor and the transferee and copy of such Deed of Adherence will be delivered to each of the other Parties. For the avoidance of doubt, the Parties specifically agree and acknowledge, that the non-receipt of the Deed of Adherence by any of the other Party (or their failure to acknowledge receipt) shall not in any manner invalidate the Deed of Adherence or the relevant Transfer (as long as such Transfer took place in accordance with the terms of these Articles), and the transferee is complying with the provisions of these Articles applicable to such transferee.

166.7. Further Assurances

(a) Each of the Parties shall take or cause to be taken, all such actions as may be necessary or reasonably requested in order to expeditiously consummate each Transfer to which it is a party under the terms of these Articles, and any related transactions, including executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments, furnishing information and copies of documents, filing applications, reports, returns, filings and other documents or instruments with Governmental Authorities and otherwise cooperating with the relevant Parties. Unless Applicable Law requires otherwise, it shall be the responsibility of the Company and the Principal Shareholders to ensure and procure that all relevant Governmental Approvals are obtained in an expeditious manner in relation to any Transfer pursuant to the provisions of these Articles.

(b) No Shareholder shall Transfer any Equity Securities of the Company to any Person who lacks the legal right, power or capacity to own Equity Securities, or Persons who are politically exposed persons (by whatever name called), or are Restricted Parties, or have otherwise been convicted of any offence of moral turpitude, or any of their Affiliates.

(c) The Transfer restrictions contained in these Articles shall not be capable of being avoided by holding the Equity Securities indirectly through a Person that can itself be Transferred to indirectly dispose of an interest in the Equity Securities free of any restrictions under these Articles, and any such Transfer or purported Transfer shall be deemed to be *void ab initio*.

167. **INITIAL PUBLIC OFFERING**

167.1. IPO - General

(a) Subject to Article 162.3 read with **Schedule 1** (*List of Reserved Matters*), the Principal Shareholders shall have the right to require the Company to undertake an IPO in accordance with Article 167.2 below (such IPO, a "**Voluntary IPO**").

(b) On and from the Mandatory IPO Trigger Date, the Investor shall have the right to require the Company to, and the Company shall, and the Principal Shareholders shall ensure and procure that the Company shall, undertake an IPO at the Investor's option, in accordance with the provisions of Article 167.3 below (such IPO, a "**Mandatory IPO**").

(c) For avoidance of doubt, it is clarified that the provisions of Article 167.4 shall apply to any IPO of the Equity Shares, or (if approved by the Investor, in writing) any other Equity Securities, regardless of whether such IPO is a Voluntary IPO or Mandatory IPO.

(d) The Company shall, and the Principal Shareholders shall procure that the Company shall, keep the Investor informed in respect of any discussions and proposals relating to any IPO, including ensuring that the Investor is invited to attend all meetings and calls, and is kept on copy on all email correspondence, with the Intermediaries, and receives all information from the Intermediaries at the same time as the Company and/or the Principal Shareholders.

167.2. Voluntary IPO

(a) Notice: The Principal Shareholders may initiate a Voluntary IPO by delivering a written notice to the Company and the Investor ("**Voluntary IPO Notice**"), setting out their decision to initiate the Voluntary IPO process in accordance with the provisions of this Article 167.2 and the identity of the Intermediaries to be appointed by the Company in connection with the Voluntary IPO. The Company will as soon as practicable appoint the Intermediaries specified therein.

(b) Mode of IPO: All terms and conditions (except for those relating to pricing and allocation) of the Voluntary IPO (including issue size, the OFS Component and the number of Equity Securities to be issued, other than, for the avoidance of doubt, the consummation of the Voluntary IPO which shall be determined in accordance with Article 162.3 read with **Schedule 1** (*List of Reserved Matters*)), will be determined by the IPO Committee (by way of a simple majority of all members of such IPO Committee, on a one member one vote basis) and shall be binding on the Parties.

(c) Intermediaries and Cooperation: The Parties will reasonably co-operate with each other and the Intermediaries to ensure that the Equity Shares or other Equity Securities (if applicable) of the Company are listed on a recognised stock exchange, as soon as practicable.

167.3. Mandatory IPO

(a) Notice and Period: The Investor may initiate a Mandatory IPO process at any time after the Mandatory IPO Trigger Date, by delivering a written notice to the Company and the Principal Shareholders ("**Mandatory IPO Notice**"), setting out its decision to initiate the Mandatory IPO process set out in this Article 167.3 and the identities of the Intermediaries to be appointed in connection with such Mandatory IPO. Upon receipt of a Mandatory IPO Notice in accordance with this Article 167.3(a), the Company and the Principal Shareholders shall make best efforts to complete the Mandatory IPO as soon as practicable.

(b) Intermediaries and Cooperation: The Company shall, as soon as practicable, and no later than 7 (seven) days of the date of the Mandatory IPO Notice, appoint the Intermediaries specified in the Mandatory IPO Notice for the purposes of the Mandatory IPO. The Parties agree to take such steps and extend all co-operation to each other and the Intermediaries as required for the Mandatory IPO. Without limiting the generality of the foregoing, the Company and Principal Shareholders shall take all such steps, and extend all such reasonable co-operation as may be required for the Mandatory IPO, including: (i) preparing and signing the relevant offer documents by the relevant persons; (ii) conducting road shows; (iii) entering into appropriate and necessary agreements with Intermediaries and other third parties; (iv) providing all necessary information and documents necessary to prepare the offer documents; (v) complying with Applicable Laws relating to the IPO; (vi) making all filings with appropriate Governmental Authorities; (vii) obtaining any regulatory or other Approvals in relation to the IPO; and (viii) taking such other action as may be requested for or required by the Investor or the Intermediaries, in connection with, or for the purpose of, the Mandatory IPO, or for giving full force and effect to this Article 167.3.

(c) Mode of IPO: All terms and conditions of the Mandatory IPO (including price band, issue size, the OFS Component and the number of Equity Securities to be issued, other than, for the avoidance of doubt, the consummation of the Mandatory IPO which shall be determined in accordance with Article 162.3 read with **Schedule 1** (*List of Reserved Matters*)), will be determined by the IPO Committee by way of a simple majority and shall be binding on the Company and the Principal Shareholder. Notwithstanding the foregoing, the Company shall and the Principal Shareholders shall procure and ensure that the Company shall not make or commit to any primary issuance (in any manner) of Equity Shares or other Equity Securities in connection with a Mandatory IPO which shall exceed the amount mentioned in clause 9.3 (c) of the Agreement.

(d) Withdrawal: The Parties agree that the Investor shall be entitled to withdraw a Mandatory IPO Notice and/or require the Company to cease Mandatory IPO process as contemplated in these Articles. No withdrawal of a Mandatory IPO Notice, or cessation of the Mandatory IPO process, or delay or failure in completion of the

Mandatory IPO process once the Mandatory IPO Notice is issued, shall in any manner restrict, prejudice or otherwise preclude the Investor from issuing a fresh Mandatory IPO Notice, and exercising its rights under this Article 167 in respect of a Mandatory IPO multiple times, provided that Investor shall be entitled to issue another Mandatory IPO Notice under Article 167.3, only after the expiry of 6 (six) months from the date of withdrawal of a previous Mandatory IPO Notice issued by the Investor or a failure to complete a Mandatory IPO in accordance with this Article 167.3.

(e) Specific Performance: In the event of a breach of any of the obligations set out in this Article 167.3 by the Company or the Principal Shareholders, the Investor shall be entitled to a suit for specific performance or seek such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to enforce the performance of the covenants, obligations and representations contained in this Article 167.3. This remedy is intended to be cumulative and be in addition to any other rights and remedies the Parties may have under Applicable Law or in equity, including a right for recovery of the amounts due under these Articles and related costs and a right for damages, and other injunctive reliefs.

(f) The Investor may deliver a Mandatory IPO Notice at any time on or after the Mandatory IPO Trigger Date, regardless of whether the Company is or was pursuing a Voluntary IPO on or prior to such date. If the Investor delivers a Mandatory IPO Notice in accordance with this Article 167.3 and the Company has already commenced a Voluntary IPO process, then on and from the date of delivery of the Mandatory IPO Notice, the provisions of this Article 167.3 supersede, override, amend, modify, vary or replace any ongoing process in relation to the Voluntary IPO, and such Voluntary IPO shall be deemed to be a Mandatory IPO for the purpose of these Articles unless otherwise approved by the Investor in writing.

167.4. IPO Terms and Conditions

The Company and the Principal Shareholders shall, and the Principal Shareholders shall ensure and procure that the Company shall, comply with each of the following provisions in respect of any IPO of the Company:

(a) OFS Component: If a Voluntary IPO involves an OFS Component:

(i) the Investor shall, at all times, have the first right (but not the obligation) to offer for sale such number of Equity Shares or other Equity Securities (if applicable) held by it up to the lower of (A) the OFS Component, and (B) 20% (twenty per cent.) of the total number of Equity Shares of the Company (on a Fully Diluted Basis);

(ii) where the entire OFS Component is not met to its full extent pursuant to Article 167.4(a)(i) above, the Principal Shareholders shall have the right (but not the obligation) to offer for sale such number of Equity Shares or other Equity Securities (if applicable) held by them up to the higher of (A) the remaining OFS Component, and (B) 7% (seven per cent.) of the total number of Equity Shares of the Company (on a Fully Diluted Basis);

(iii) where the entire OFS Component is not met to its full extent pursuant to Article 167.4(a)(i) and 173.4(a)(ii) above, each of the Investor and the Principal Shareholders shall have the right (but not the obligation) to offer for sale such number of Equity Shares or other Equity Securities (if applicable) held by them up-to their respective Pro-Rata Share of the remaining OFS Component.

It is hereby clarified that if the entire OFS Component is not met (i) pursuant to Articles 167.4(a)(i) to 167.4(a)(iii) above in a Voluntary IPO; or (ii) in a Mandatory IPO, the Principal Shareholders shall be responsible for satisfying all the remaining requirements of such OFS Component, to the extent required under Applicable Law.

(b) Costs and Expenses: All costs and expenses in relation to the Offer shall be borne by the Company and the Selling Shareholders in accordance with the manner as may be provided in the Offer Agreement.

(c) No Liabilities: The Investor shall not, in connection with the IPO, be required to give any representations, warranties, covenants, guarantees or indemnities to any Intermediary, stock exchanges, Governmental Authority or any other Person, other than representations, warranties and indemnities required to be provided in relation to itself or the title to the Equity Securities held by it, if they propose to participate as selling shareholders as a part of an offer for sale, to the extent customary and in the form and manner as may be agreeable to the Investor. Except for disclosures in respect of themselves or the title to the Equity Securities, the Company and the Identified Promoters shall ensure that the Investor is not required to undertake any obligations in relation to any disclosures made in any offering document or any other documents.

(d) Promoter in the IPO: The Parties expressly agree that Identified Promoters shall be referred to or be considered as a 'promoter' of the Company in any IPO, and the Equity Securities held by the Identified Promoters shall be subject to any lock-in requirements and minimum contribution requirements applicable to a 'promoter' or any member of the 'promoter group' under Applicable Law, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time. The Identified Promoters agree and acknowledge to take all actions and steps as may be required to give full force and effect to this Article 167.4(d). On and from the Investor Control Date, the Identified Promoters shall continue to be considered as a 'promoter' of the Company in any IPO, to the extent required under Applicable Law and the Investor shall not be considered as a 'promoter' of the Company (including, for avoidance of doubt, a part of the 'promoter group') in connection with any IPO or any documents filed in connection therewith, unless otherwise required under Applicable Law.

(e) Investor not a 'promoter': The Investor is a financial investor only and will not be responsible for the day to day management or affairs of the Company or the Subsidiaries. Accordingly, the Investor shall not, unless otherwise agreed by the Investor in writing, be referred to or be considered as a 'promoter' of the Company (including, for avoidance of doubt, a part of the 'promoter group') in connection with any IPO or any documents filed in connection therewith. Nothing contained in these Articles shall require the Investor to do or omit to do anything that may result in the Investor becoming a 'promoter' of the Company or a part of the 'promoter group' under the Applicable Law including, under any regulations of SEBI. The Company shall not (and the Identified Promoters shall procure that the Company shall not) classify or name the Investor as a 'promoter' of the Company or a part of the 'promoter group' and subject to Applicable Law, the Equity Securities held by them shall not be subject to any lock-in requirements applicable to a 'promoter' or any member of the 'promoter group' under Applicable Law including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time. On and from the Investor Control Date, the Identified Promoters shall continue to be considered as a 'promoter' of the Company in any IPO, to the extent required under Applicable Law and the Investor shall not be considered as a 'promoter' of the Company (including, for avoidance of doubt, a part of the 'promoter group') in connection with any IPO or any documents filed in connection therewith, unless otherwise required under Applicable Law.

(f) Indemnification: In connection with an IPO and the preparatory process related to an IPO, the Company agrees to jointly and severally indemnify and hold harmless the Investor, and its officers, directors, employees, consultants and legal advisers (including any Investor Directors), from and against any Loss incurred or suffered by any of the aforementioned Persons arising out of or in connection with: (i) any untrue statement of a material fact contained in any prospectus, offering circular, or other offering document, or made to any prospective investors in such IPO as part of any road-show relating to an IPO; (ii) any failure to state or correct (including by way of supplemental disclosure in accordance with Applicable Law) a material fact necessary to make any statements therein not misleading; and (iii) without limiting the foregoing, any violation of Applicable Law (including, any rules and regulations of SEBI).

Provided that notwithstanding anything to the contrary as may be contained herein, the provisions of this Article 167.4(f) shall not apply in respect of any statements made by the Investor in relation to itself or its Offered Shares.

(g) Absolute Obligations. Notwithstanding anything to the contrary contained in these Articles but subject to Article 167.5, the obligations of the Principal Shareholders and the Company to list the Equity Shares and/or Equity Securities of the Company on a recognized stock exchange in accordance with this Article 167 in a Mandatory IPO once the notice has been issued to the Company, is absolute, unconditional and unqualified. The Principal Shareholders and the Company agree and acknowledge that, subject to Article 167.5, any adverse impact, change or development in the general economic, industry and/or market conditions, or any other factors outside their control (including, any Governmental Approvals, third party consents or otherwise) shall not be a defence for failure to comply with or delays in complying with, or be deemed to extend any time period for compliance with, its covenants, undertakings and obligations under this Article 167.

167.5. Completion of IPO

Notwithstanding anything contained herein, if an IPO is not completed within the timelines as prescribed under these Articles solely on account of any delay in approval or rejection of a proposed IPO (that is communicated in writing by SEBI), in each case, by SEBI, provided that the Principal Shareholders and the Company (i) have taken best efforts to take all such actions (including providing adequate responses to any queries or correspondences in a timely manner) as maybe required for approval of the IPO by SEBI; (ii) have informed and provided the Investor (in a timely manner) with all written communication or correspondence with SEBI relating to such matter, it will not constitute an Event of Default under Article 171.1(b).

167.6. Alternate Exit

(a) If the IPO is not completed in 12 (twelve) months from the date of filing of the DRHP with SEBI and the Stock Exchanges, then in addition to pursuing an IPO in accordance with Article 167, the Parties may agree to explore alternate exit with respect to sale of all of the Equity Securities held by the Investor at a price which shall be not less than the price which is calculated at a price per Equity Securities based on the Fair Market Value ("**Alternate Exit**") including by way of Principal Shareholders buying all of the Equity Securities held by the Investor or third party (acceptable to the Investor) purchasing all of the Equity Securities held by the Investor, in each case on terms acceptable to the Investor.

(b) Each of the Parties shall co-operate with each other and execute and deliver such instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, give effect to and confirm their rights and intended purpose of this Article provided that no such documents or agreement shall be inconsistent with the spirit and intent of this Article. The Company and the Subsidiaries shall also be entitled to disclose Confidential Information in relation to the Company and the Subsidiaries and provide access to their premises, as may be reasonably required by a third party (including for the purposes of any due diligence), provided that such third party is subject to written and binding confidentiality obligations which are no less stringent than those contained in the Agreement. If, for any reason whatsoever, any term contained in these Articles cannot be performed or fulfilled in the reasonable opinion of any Party, the Parties agree to meet and explore alternative solutions depending upon the new circumstances, but keeping in view the spirit and core objectives of this Article, including entering into such other agreements, as may be reasonably necessary and on the basis of the principles set out in this Article.

(c) For clarity, such Alternate Exit and discussions will, subject to Article 169(d), be without prejudice to any of the rights and obligations of the Parties under these Articles, all of which will continue to be available to the Parties in the manner set out in these Articles (regardless of whether the Alternate Exit is accepted or rejected).

168. **EXIT AND ACCELERATION RIGHTS**

168.1. Notwithstanding anything to the contrary contained in these Articles (including, Article 166 and Article 167), the Investor shall (without prejudice to any rights available under Applicable Law) have the right (but not an obligation) to exercise any of the rights available to it under Article 162.2 and Article 162.3, simultaneously or in such order of preference or in such combinations as it may deem fit. For clarity, the exercise of any one of the rights under this Article 162, will not in any manner prejudice, limit, or otherwise impair the ability of the Investor to simultaneously exercise any other right available to it hereunder or under Applicable Law.

168.2. Occurrence of DVR Rights Trigger Event

(a) Notwithstanding anything to the contrary set out under these Articles (including Article 162.7) or the other Charter Documents, upon the occurrence of the DVR Rights Trigger Event and provided the Investor does not hold 51% (fifty one per cent.) of the Equity Shares on a Fully Diluted Basis immediately prior to the occurrence of the DVR Rights Trigger Event, the Parties acknowledge that the total number of Equity Shares on a Fully Diluted Basis held by the Investor and the aggregate voting rights attached to all the DVR Shares held by the Investor shall collectively represent 51% (fifty one per cent.) of the voting rights in the Company.

(b) Notwithstanding anything to the contrary in these Articles, it is clarified that ONLY for the purpose of determining the voting rights of the Investor in the Company pursuant to Article 168.2(a) above, it shall be assumed that all Equity Securities carry voting rights in accordance with their terms on a Fully Diluted Basis and that the voting rights attached to all the DVR Shares are exercisable.

(c) On and from the occurrence of the DVR Rights Trigger Event:

(i) the Investor shall have the right to nominate such number of additional Directors on the Board and require such number of Promoter Directors to resign from the Board with immediate effect, to ensure that the Board will comprise of 6 (six) Directors, or such other number of Directors as mutually agreed to between the Investor and the Principal Shareholders in writing, in the following manner:

(A) the Principal Shareholders will have the right (but not the obligation) to nominate up to 2 (two) Directors, or if the size of the Board is modified, their Pro-Rata Share of the non-Independent Directors;

(B) the Investor will have the right (but not the obligation) to nominate up to 3 (three) Directors, or if the size of the Board is modified, its Pro-Rata Share of the non-Independent Directors; and

(C) 1 (one) Independent Director (or such other number of Independent Directors as may be mutually agreed between the Investor and the Principal Shareholders) appointed mutually by the Investor and Principal Shareholders.

(ii) the adoption or approval of any resolution by the Board on any matter shall not be valid unless the resolution is passed by a majority of the Directors voting on the resolution, provided that such simple majority includes the affirmative consent of at least 1 (one) Investor Director (and if no Investor Director has been nominated to the Board or no Investor Director is eligible to vote on such matter, the written consent of the Investor has been obtained prior to the meeting of the Board);

(iii) neither the Company nor any Subsidiary, nor any of their respective committees, Representatives, or their respective delegates shall approve or take any action or decision or commit to any action or decision, including at the meeting of their board of directors, general meeting or otherwise, whether directly or indirectly (in one transaction or a series of related transactions) in respect of any of the Principal Shareholders Reserved Matters I without the prior written approval of the Principal Shareholders and the process in respect of Reserved Matters as set out in Article 162 shall *mutatis mutandis* apply, as if references to the term (A) Investor shall mean Principal Shareholders' Representative; (B) Investor Director shall mean Promoter Director; (C) Reserved Matters shall mean Principal Shareholders Reserved Matter I; and (D) Article 162.3 shall be deemed to include this Article 168.2(c);

(iv) subject to sub-Article (iii) above, each of the Principal Shareholders and the Promoter Directors shall, and shall ensure that its authorised representatives, at all times vote along with the Investor (or its authorised representative), and for clarity, exercise all voting rights under the Agreement, the Charter Documents and/ or Applicable Law in respect of the Equity Securities held by them, in the same manner in which the Investor (or its authorised representatives) exercises the voting rights available to it in respect of the Equity Securities held by it under the Agreement, the Charter Documents and/or Applicable Law;

(v) if any of the Principal Shareholders are unable to exercise any voting rights in the manner set out in Article 168.2(c)(iii) above on account of any mandatory operation of any Applicable Law, then they shall either: (I) abstain from attending the relevant meeting of the Shareholders; or (II) abstain from voting in respect of its Equity Securities (at a physical meeting, by postal ballot or electronically) on any resolution of the Shareholders in respect of any Shareholder matter and all incidental, consequential and ancillary matters thereto;

(vi) subject to sub-Article (iii) above, to the maximum extent permissible under Applicable Law, the Promoter Director and the Principal Shareholders will vote in a manner similar to the vote cast by the Investor Director in respect of any matter placed before the Board and all incidental, consequential and ancillary matters thereto;

(d) The Principal Shareholders and the Company shall co-operate with the Investor and execute and deliver such instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, give effect to the provisions of this Article 168.2.

(e) On and from the occurrence of the DVR Rights Trigger Event, rights set out in this Article 168.2 and Articles 168.3, and 168.4 shall be available to the Investor automatically, and without any further actions on behalf of the Parties.

168.3. <u>Call Default Issuance.</u>

On or from the date of occurrence of the DVR Rights Trigger Event, the Investor will have the right (but not the obligation), by delivery of written notice to the Company, to subscribe (itself or through any of its Affiliates not being Competitors (unless the Investor is permitted to Transfer to Competitors in accordance with these Articles) to the Call Default Shares at a price per Equity Share equal to the Call Price (such issuance, the "**Call Default Issuance**"). Upon receipt of the written notice from the Investor in connection with the Call Default Issuance, the Company shall take, and the Principal Shareholders shall ensure that the Company takes, all steps as may be required or necessary to ensure that the Call Default Issuance is completed as soon as practicable in compliance with Applicable Laws, and in any event within 15 (fifteen) days of the receipt of the notice from the Investor (unless such period is extended by the Investor at its discretion).

168.4. Investor Control Event

(a) The Parties agree that, once (I) the Investor has acquired 51% (fifty-one per cent.) of the Common Equity Capital in accordance with the provisions of Article 162.3 (such event, "**Investor Control Event**"); and (II) on and after the occurrence of an Investor Control Event, if the Investor has chosen to replace the CEO pursuant to Article 164.4(b) with an individual who is not a Principal Shareholder or an Affiliate of the Principal Shareholder (such date of appointment of the new CEO hereinafter referred to as "**Investor Control Date**"); then notwithstanding anything to the contrary in these Articles:

(i) the obligations of the Principal Shareholders to provide warranties, covenants, indemnities in connection with the Company, the Subsidiaries and the Business under Articles 166.1(b)(iii), and 166.4(d), 168.5(f) shall be limited to the period prior to the Investor Control Date;

(ii) the Principal Shareholders shall have no obligations under Article 167, save and except Articles 167.4(a), 167.4(d), 167.4(e) and 167.4(g)(ii);

(iii) Principal Shareholder Tag: if the Investor proposes to Transfer any of its Equity Securities to a New Purchaser (who is not an Affiliate of the Investor) which, together with any Equity Securities previously Transferred by the Investor on and after the Investor Control Date, aggregates to more than 5% (five per cent.) of the Equity Securities of the Company (on a Fully Diluted Basis) as of the Investor Control Date, the Principal Shareholders shall be entitled to sell such number of Equity Securities held by them not exceeding the Principal Shareholder Tag Entitlement to the New Purchaser ("**Principal Shareholder Tag Along Right**").

(iv) Investor shall have the right to reconstitute the Board in accordance with Article 168.2(c)(i) above;

(v) neither the Company nor any Subsidiary, nor any of their respective committees, Representatives, or their respective delegates shall approve or take any action or decision or commit to any action or decision, including at the meeting of their board of directors, general meeting or otherwise, whether directly or indirectly (in one transaction or a series of related transactions) in respect of any of the Principal Shareholders Reserved Matters II without the prior written approval of the Principal Shareholders and the process in respect of Reserved Matters as set out in Article 162 shall *mutatis mutandis* apply, and the provisions thereof shall be construed accordingly, including, as if references to the term (A) Investor shall mean Principal Shareholders' Representative; (B) Investor Director shall mean Promoter Director; (C) Reserved Matters shall mean Principal Shareholders Reserved Matter II; (D) Article 162.3 shall be deemed to include this Article 168.4(a)(v), and the Principal Shareholders' rights in connection with Principal Shareholders Reserved Matters I shall cease to apply. For the avoidance of doubt, on and from the moment the provisions of this Article 168.4(a)(v) become applicable, the provisions of Article 168.2(c)(iii) and Article 162.6(c)(ii) (in relation to Principal Shareholders Reserved Matter I) shall cease to apply;

(vi) the rights available to the Investor and Investor Directors under Article 162.1 (other than Articles 162.1(b), 162.1(v), 162.1(w)), Article 162.2 (other than Articles 162.2(b)(i), 162.2(b)(ii)), 162.2(c)), Article 162.4 (other than Article 162.4(c)), Article 162.5, Article 162.7, Article 162.8, shall *mutatis* mutandis be available to the Principal Shareholders' Representative and the Promoter Directors, as if the reference to 'Investor' means 'Principal Shareholders' Representative'; and the corresponding obligations under the foregoing provisions shall *mutatis mutandis* be applicable to the Investor, as if the reference to 'Principal Shareholders' means 'Investor';

(vii) provisions of Articles 162.6 (b), (c) and (e) will cease to have effect;

(viii) within a period of 6 (six) months of the Investor Control Date, the Investor shall designate, and shall ensure that at all times thereafter, Directors or persons other than the Principal Shareholders and the Promoter Director(s) are designated as "persons/officers in charge", "occupiers", "employers" and "officer who is in default" (or equivalent, by whatever name called), as contemplated under Applicable Law and the Promoter Directors shall be designated as non- executive Directors, unless otherwise agreed by the Principal Shareholders in writing;

(ix) the Principal Shareholders shall be entitled to exercise the rights available to the Investor under Articles 163, 164.1 and 164.12(c) as if the reference to 'Investor' means 'Promoter'; and the corresponding obligations under the foregoing provisions shall *mutatis mutandis* be applicable to the Investor, as if the reference to 'Principal Shareholders' means 'Investor';

(x) the Principal Shareholders' obligations under Articles 163.2, 163.3, 164.1, 164.2, 164.5(a), 164.6, 164.7, 164.8, 164.9, 164.10, 164.11, 164.8, 165.1(b)(i), 165.1(b)(ii), 165.7(a) (to the extent it relates to procuring Approvals), and 172.5 shall cease to apply;

(xi) it is clarified that if the Principal Shareholders cease to hold atleast 5% (five per cent.) of the Common Equity Capital, the Principal Shareholder's rights under Articles 168.4(a)(iv) and (v) above, shall cease to apply;

(xii) for avoidance of doubt, the Investor will continue to have its ROFO Right and Drag Right in accordance with the provisions of Article 166.4 and Article 162.5 respectively, even after the Investor Control Date.

(b) The Principal Shareholders and the Company shall co-operate with the Investor and execute and deliver such instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, give effect to the provisions of this Article 168.4.

168.5. Drag Right

In the event:

(I) Such period of time as agreed in the Agreement has expired from the Completion Date and the Company has not consummated an IPO in accordance with these Articles pursuant to a Mandatory IPO Notice issued by the Investor prior to the expiry of such period; OR

(II) an Acceleration Event has occurred,

then without prejudice to the rights of the Investor under Article 166.1, where the Investor proposes to transfer Equity Securities of the Company held by it to any Person other than the Principal Shareholders (such Person, the "**Drag Purchaser**") such that the Drag Purchaser will own more than 50% (fifty per cent.) of the Equity Securities on a Fully Diluted Basis (after excluding, for the avoidance of doubt, the DVR Shares) upon consummation of such transfer, the Investor shall have the right (exercisable at its discretion) ("**Drag Right**") to require any or all of the Principal Shareholders to sell to the Drag Purchaser, such number of the Equity Securities held by the Principal Shareholders that bear the same proportion as the number of Equity Securities proposed to be sold by the Investor to the Drag Purchaser to the total Equity Securities held by the Investor ("**Dragged Securities**") along with the Equity Securities held by the Investor (such Transfer, a "**Drag Sale**") in accordance with this Article 168.5.

(a) Drag Exercise: The Investor may exercise the Drag Right by issuing a written notice ("**Drag Exercise Notice**") to the Principal Shareholders (with a copy to the Company), which notice shall specify: (i) the total number and type of Dragged Securities held by the Principal Shareholders which is subject to the Drag Sale, (ii) the price per Equity Share (on a Fully Diluted Basis) at which such Drag Sale shall take place ("**Drag Price**"); and (iii) the proposed date of closing of the Drag Sale, which shall be at least 15 (fifteen) days after the date of delivery of the Drag Exercise Notice.

(b) Irrevocable Obligation: Upon delivery of the Drag Exercise Notice, the Principal Shareholders shall be irrevocably bound and obligated to sell to the Drag Purchaser all of the Dragged Securities at a per Equity Security price (on a Fully Diluted Basis) equal to the Drag Price, along with the sale of the Equity Securities held by the Investor to the Drag Purchaser. For this purpose, the Principal Shareholders shall exercise all their rights, and take all actions as may be required to give full force and effect to the Drag Sale and to waive all dissenters' or appraisal rights in connection with the Drag Sale. Notwithstanding the foregoing, the Investor may (at its discretion) have the ability to discontinue a Drag Sale (in whole or in part) at any time prior to the consummation of any sale of the Dragged Securities to the Drag Purchaser and release the Principal Shareholders from the obligation to sell the Dragged Securities, as applicable. There shall be no consideration (by whatever name called) other than the Drag Price payable to the Principal Shareholders in connection with such Drag Sale.

(c) In any Drag Sale:

(i) the Dragged Securities will be Transferred to the Drag Purchaser on the same key terms and conditions (including consideration and payment terms) as the Equity Securities being sold by the Investor to the Drag Purchaser;

(ii) the Drag Purchaser will be obligated to purchase the Equity Securities held by the Investor and the Dragged Securities on the same day, and if practicable, simultaneously; and

(iii) if the Drag Purchaser is an Affiliate of the Investor, the Drag Price shall not be less than the Fair Market Value of the Dragged Securities.

(d) In connection with a Drag Sale, the Company and each of the Principal Shareholders hereby agree to do all such things as may be necessary to assist the Investor in completing the Drag Sale in an expeditious manner, including by:

(i) providing all necessary documents and information required for any valuation exercise by any independent valuer (nominated by the Investor) or any due diligence exercise proposed to be carried out by or on behalf of the Drag Purchaser, including, in respect of the Equity Securities held by the Principal Shareholders;

(ii) obtaining all requisite Approvals;

(iii) entering into agreements relating to the Drag Sale and in respect of the Company, as may be required by the Investor (in writing) and co-operate in making all necessary filings in connection with the Transfer of the Equity Securities to the Drag Purchaser in such Drag Sale;

(iv) exercising the voting rights attached to their Equity Securities in favour of the Drag Sale;

(v) not exercising any approval or voting rights attached to their Equity Securities in a manner contrary to the closing of the Drag Sale; and

(vi) not taking any actions that may cause the valuation of the Company to suffer.

(e) If the Company or the Principal Shareholders fail to comply with any of its obligations under this Article 168.5 in respect of a Drag Sale, then, without prejudice to the rights and remedies of the Investor under these Articles, law, equity or otherwise, each of the Company and the Principal Shareholders hereby expressly authorise the Investor to act in the capacity of an agent and/ or an attorney in fact of such Principal Shareholders or the Company (as applicable), and take all actions, and do all such acts, deeds and things, as may be required or considered necessary to give full effect to the Drag Sale (including, entering into any binding agreements on their behalf for the purpose of such Drag Sale), and each of the Principal Shareholders and the Company hereby expressly waives all rights and remedies as may be available to it under Applicable Law or otherwise in connection with the exercise of the aforementioned powers by the Investor.

(f) <u>Representations and Warranties:</u> Representations, warranties, covenants, indemnities (including with respect to the Business and operations of the Company and the Subsidiaries, and the title to their respective Equity Securities) as required by the Drag Purchaser shall be provided by the Company and the Principal Shareholders jointly and severally. The Company shall assist the Drag Purchaser and its Representatives in relation to any due diligence exercise as required by the Drag Purchaser and to discuss the Business, actions, annual budgets and finances with the management of the Company. The Investor shall not be required to provide any representations and warranties, covenants, guarantees or indemnities, except representations and warranties relating to: (i) title to the Equity Securities held by the Investor; and (ii) authority and capacity to undertake sale of the Equity Securities held by the Investor.

(g) Notwithstanding anything to the contrary contained in these Articles:

(i) the Principal Shareholders shall not, under any circumstances, Transfer any of the Equity Securities held by it in any manner, except as provided for in this Article 168.5 after the delivery of a Drag Exercise Notice, and the Company shall not record or give effect to any Transfer that is in violation of the foregoing;

(ii) the rights of the Investor in respect of a Drag Sale under these Articles may be exercised by the Investor one or more times, and the provisions of this Article 168.5 shall apply to each such exercise by the Investor, provided that Investor shall be entitled to issue another Drag Exercise Notice under Article 168.5, only after expiry of 6 (six) months from the date of the immediately preceding Drag Exercise Notice. The Company and the Principal Shareholders expressly acknowledge that no prior exercise of the Drag Right by the Investor will, in any manner whatsoever, restrict or prejudice the subsequent exercise of the Drag Right by it; and

(iii) the Principal Shareholders confirm and acknowledge that there shall be no liability on the part of the Investor if any proposed Drag Sale is not consummated for any reason, regardless of whether the Investor has delivered a Drag Exercise Notice.

(h) Costs: All costs and expenses (including costs in relation to the appointment of a merchant banker, investment banker and other advisors and payment of stamp duty) in relation to Transfer of the Equity Securities held by the Investor and the Dragged Securities pursuant to this Article 168.5 shall be payable by the Company.

(i) Drag Process. The Principal Shareholders expressly acknowledge and agree that the Investor shall pursue the Drag Sale in a manner, and on such terms and conditions, as the Investor deems fit, including (i) appointing of intermediaries, merchant bankers or otherwise, or (ii) proceeding with a Drag Sale, on an 'as is' basis. There shall be no express or implied obligation on the Investor or its Affiliates, or any Drag Purchaser, to undertake, conduct or facilitate a price discovery mechanism in order to determine the Drag Price, or otherwise to exercise its Drag Right and complete the Drag Sale.

168.6. Acceleration of Rights

If within 12 months from the date of filing of the DRHP with SEBI and the Stock Exchanges ("**Mandatory IPO Period**"), an IPO is not completed in accordance with Article 167 and/or an Alternate Exit has not been provided to the Investor in accordance with Article 167.6; the Articles 168.2, 168.3, 168.4 and 10.5 shall automatically become applicable, and without any further actions on behalf of the Parties (and such event shall be hereinafter referred to as "**Acceleration Event**"), the Investor may exercise the rights set out in these provisions.

168.7. Further Issuance of DVR Shares and Buy Back of DVR Shares

(a) The Company shall from time to time, upon occurrence of the events set out below, buy-back the relevant number of DVR Shares at the fair market value of the relevant DVR Shares in compliance with all Applicable Laws, as follows:

(i) If an Investor Control Event has occurred, the Company shall buy-back all the DVR Shares;

(ii) If the Company is undertaking an IPO in accordance with the provisions of Article 167 prior to the occurrence of the DVR Rights Trigger Event, the Company shall buy-back all the DVR Shares, if so required under Applicable Law on the last date permissible under Applicable Law on which such DVR Shares are permitted to exist. The DVRs, having the same terms and conditions as the DVR Shares issued on the Completion Date (unless otherwise approved by the Investor, in writing) shall be re-issued to the Investor if the equity shares of the Company are not listed pursuant to the Voluntary IPO within 12 months from the date of date of receipt of final observations from SEBI in relation to the DRHP. Further, it is hereby clarified that the DVRs cannot be re-issued for any reason while the Offer process is underway;

(iii) If, upon determination of the Final Entry Valuation in accordance with schedule 16 of the SSPA ("**Final Valuation Determination Date**"), the Equity Securities held by the Investor on a Fully Diluted Basis together with the DVR Shares held by the Investor on such date represent more than 51% (fifty-one per cent.) of the voting rights in the Company, the Company shall buy back the lower of:

(A) all the DVR Shares held by the Investor; and

(B) such number of DVR Shares, such that after completion of the buy- back of the DVR Shares, the aggregate of Equity Securities held by the Investor on a Fully Diluted Basis and the DVR Shares held by the Investor together represent 51% (fifty-one per cent.) of the voting rights in the Company,

provided that, ONLY for the purpose of determining all the calculations set out in this Article 168.7(a)(iii), it shall be assumed that the voting rights attached to the DVR Shares have become exercisable.

(iv) If prior to occurrence of an Investor Control Event, the Equity Securities and the DVR Shares held by the Investor on such date represent more than 51% (fifty-one per cent.) of the voting rights in the Company, the Company shall buy back the lower of:

(A) all the DVR Shares held by the Investor; and

(B) such number of DVR Shares, such that after completion of the buy- back of the DVR Shares, the aggregate of Equity Shares and DVR Shares held by the Investor represent 51% (fifty-one per cent.) of the voting rights in the Company, provided that, ONLY for the purpose of determining all the calculations set out in this Article 168.7(a)(iv), it shall be assumed that the voting rights attached to the DVR Shares have become exercisable.

(b) At all times prior to the occurrence of an Investor Control Event, the Parties expressly agree and acknowledge that, in the event of any issuance of Equity Securities (including, any Proposed Issuance or grant of any options/ issuance of any Equity Shares pursuant to the any employee stock option scheme of the Company), the Company shall, and the Principal Shareholders shall ensure that the Company shall, offer to the Investor such number of additional DVR Shares, such that after the completion of such issuance of Equity Securities (including, the Proposed Issuance or grant of any options/ issuance of any Equity Shares pursuant to any employee stock option scheme of the Company), and the issuance of the additional DVR Shares to the Investor as contemplated in this Article, the total number of Equity Shares on a Fully Diluted Basis held by the Investor after such issuance of Equity Securities (for clarity, other than the DVR Shares), and the aggregate voting rights attached to all the DVR Shares held by the Investor represents 51% (fifty one per cent.) of the voting rights in the Company. For clarity, the Investor shall have the right, but not the obligation, to subscribe to such additional DVR Shares offered by the Company. The issuance of the additional DVR Shares pursuant to this Article shall be completed simultaneously with the issuance of the relevant Equity Securities.

(c) Notwithstanding anything to the contrary in these Articles, it is clarified ONLY for the purpose of determining the number of DVR Shares to be issued to the Investor (if any) pursuant to Article 168.7(b) above, it shall be assumed that all Equity Securities carry voting rights in accordance with their terms on a Fully Diluted Basis and that, the voting rights attached to all the DVR Shares have become exercisable.

169. **FALL AWAY OF RIGHTS**

(a) If the Investor and/or its Affiliates and/or its transferees (provided that the transfer of Equity Securities to such transferees has been undertaken in accordance with these Articles) cease to hold at least 10% (ten per cent.) of the Common Equity Capital, then the Investor's rights under Article 162.6 (*Identified Event*), Article 164.4(b) (*CEO*), Article 168.2 (*Occurrence of DVR Rights Trigger Event*), 168.3 (*Call Default Issuance*), and 168.4 (*Investor Control Event*) shall cease to apply.

(b) If the Investor and/or its Affiliates and/or its transferees (provided that the transfer of Equity Securities to such transferees has been undertaken in accordance with these Articles) cease to hold at least 5% (five per cent.) of the Common Equity Capital, the Investor's rights under Article 162 (*Corporate Governance*), Article 167 (*Initial Public Offering*), Article 168.5 (*Drag Right*), Article 166.6 (*Acceleration of Rights*) (to the extent applicable) and 168.7 (*Further Issuance of DVR Shares and Buy Back of DVR Shares*) (to the extent applicable), shall cease to apply.

(c) If the Investor and/or its Affiliates and/or its transferees (provided that the transfer of Equity Securities to such transferees has been undertaken in accordance with these Articles) cease to hold any Equity Security in the Company, the Investor's rights under Article 163 (*Information and Access Rights*) shall cease to apply.

(d) Without prejudice to the foregoing, in the event the Company and the Principal Shareholders have procured and provided the Investor an exit in accordance with these Articles (including by way of an Alternate Exit), and the Investor elects not to participate in such exit, then the rights of the Investor set out under Articles 162.6 (*Identified Event*), 167.6 (*Alternate Exit*), 168.2 (*Occurrence of DVR Rights Trigger Event*), 168.3 (*Call Default Issuance*), 168.4 (*Investor Control Event*), 168.5 (*Drag Right*), 168.6 (*Acceleration of Rights*) and 168.7 (*Further Issuance of DVR Shares and Buy Back of DVR Shares*) shall cease to apply, provided that such exit fulfills the conditions set out in the Agreement:

provided further that the rights of the Investor as set out above shall not cease to apply and shall be deemed to have been reinstated without any further actions, if the Investor elects to accept and proceed with such an exit provided by the Company and Principal Shareholders, and, despite the Investor's commercially reasonable efforts, the transaction is not consummated within 10 (ten) weeks of such exit being offered by the Company and Principal Shareholders to the Investor, provided that if any Approval from the Competition Commission of India ("**CCI**") is required for consummating the exit, then the foregoing time period of 10 (ten) weeks shall be deemed to have been extended to 14 (fourteen) weeks, subject to the Company and Principal Shareholders making all reasonable efforts to apply for and obtain such Approval from CCI in a timely manner and keeping informed and providing the Investor (in a timely manner) with all written communication or correspondence with CCI.

170. **ASSIGNMENT**

(a) The Company shall not assign (whether directly or indirectly) or otherwise Transfer any of its rights or obligations under these Articles to any Person.

(b) The Investor may, directly or indirectly, without the approval of any of the other Parties, assign or Transfer some or all of its rights, benefits, and obligations under these Articles to any of its Affiliates, or any co-investor or financing sources (whether equity or debt) of the Investor, its direct or indirect shareholder(s) (who are not Competitors, unless the Investor is permitted to Transfer to Competitors in accordance with these Articles) (collectively, the "**Permitted Assignees**").

(c) The Investor may, directly or indirectly, assign some or all of its rights under these Articles to any Person (who are not Competitors, unless the Investor is permitted to Transfer to Competitors in accordance with these Articles) ((other than Permitted Assignee) to whom it Transfers some or all of the Equity Securities held by it in accordance with the terms of these Articles, subject to (i) such Person and the Investor executing a Deed of Adherence, and delivery of the same to the other Parties; (ii) the condition that upon such assignment, the Investor and its assignees shall be treated as a single block for the purposes of any exercise of rights (to the extent of the assignment) and they shall enjoy and exercise such rights together as a single block (and it being clarified that, the obligations of the Investor and the assigns shall be several and not joint); (iii) there shall be no duplication of rights between the transferor and the transferee (other than (A) to the extent of such rights available under Applicable Law and/or Transaction Documents and/or Articles to the transferor and/or transferee as shareholders of the Company; and (B) rights set out under Article 165 (*Pre-Emptive Rights*) of these Articles) and shall not stand enhanced in any manner whatsoever; and (iv) number of Equity Securities held by the Investor, its Permitted Assignees and its transferees (provided that the transfer of Equity Securities to such transferees has been undertaken in accordance with these Articles) shall be aggregated for the purposes of computation of the Investor's holding of the Common Equity Capital or Equity Securities held by it under these Articles (including under Article 169 (*Fall-away of Rights*)).

(d) The Principal Shareholders may, assign some or all their rights under these Articles to any transferee of some or all of their Equity Securities, where such transfer is in full compliance with the provisions of these Articles, subject to (i) such transferee and the transferring Principal Shareholder(s) executing a Deed of Adherence, and delivering the same to the other Parties; and (ii) the condition that upon such assignment, the Principal Shareholders and its assignees shall be treated as a single block for the purposes of any exercise of rights (to the extent of the assignment) and they shall enjoy and exercise such rights together as a single block; (iii) there shall be no duplication of rights between the transferring Principal Shareholders and the transferee.

171. **EVENT OF DEFAULT**

171.1. The occurrence of any one or more of the following events shall be an "**Event of Default**":

(a) Any failure to perform or breach of any material obligations, covenants or undertakings of the Principal Shareholders and/or the Company under Article 164.4, 164.11, 165, 166, 168 of these Articles and clause 11.1 of the Agreement which breach or non-compliance, if capable of being remedied, is not remedied within a period of 45 (forty five) days from the date of notification of the breach or non-compliance;

(b) Any failure to perform or breach of any material obligations, covenants or undertakings of the Principal Shareholders and/or the Company under Article 167 of these Articles, which breach or non-compliance, if capable of being remedied, is not remedied within a period of 20 (twenty) days from the date of notification of the breach or non-compliance;

(c) any failure to perform or breach of any obligations, covenants or undertakings of the Principal Shareholders and/or the Company under Articles 164.2(b), 164.2(c), 164.2(e), 164.2(f), 164.2(g) and 164.3 of these Articles, which breach or non-compliance, if capable of being remedied, is not remedied within a period of 45 (forty five) days from the date of notification of the breach or non-compliance; provided that if the non-compliance or breach pertains to any payments or transfer of anything of value (including gifts or entertainment) in breach of the requirements of applicable Anti-Corruption Laws, then such breach or non-compliance shall be deemed to be an Event of Default under this Article 171.1(c) only if the amounts involved in such payments or transfer of anything of value (including gifts or entertainment) cumulatively exceed such amount as agreed in the Agreement;

(d) Any breach or non-compliance of any covenants (other than the covenants identified in Article 171.1(a), (b) and (c) above) by the Principal Shareholders and/or the Company under these Articles, repeated atleast 3 (three) times, which breach or non-compliance, if capable of being remedied, is not remedied within a period of 3 (three) months from the date of notification of the breach or non-compliance;

(e) fraud, gross negligence or wilful misconduct by the Company and/or the Principal Shareholders in relation to the Business, Transaction Documents or the Transaction;

171.2. Notwithstanding anything to the contrary in these Articles, upon occurrence of an Event of Default set out in (i) Article 171.1(a), (b), (c) or (e) above; and/or (ii) Article 171.1(d) above, if it pertains to any breach of Applicable Law in relation to labour and employment:

(a) all obligations of the Investor under these Articles and the Transaction Documents shall cease to apply (including under Article 162.1(w), 166.1(a)); and/or

(b) all rights of the Principal Shareholders under these Articles and the Transaction Documents shall fall away (including under Article 162), and all obligations of the Principal Shareholders under these Articles and the Transaction Documents shall continue to remain in full force and effect.

171.3. Notwithstanding anything to the contrary in these Articles and without prejudice to Article 174.2 above, upon occurrence of (i) an Event of Default set out in Article 171.1(c) or (e) above; and/or (ii) any breach in any material respect of Applicable Law in relation to labour and employment which is not cured within 6 (six) months from the date of notification of such breach or non-compliance, (A) the rights set out in Articles 168.2, 168.3, 168.4 and 168.5 shall be available to the Investor automatically, and without any further actions on behalf of the Parties, and (B) a DVR Rights Trigger Event shall have been deemed to have occurred.

171.4. The Principal Shareholders and the Company shall provide all assistance and co-operation reasonably necessary for the Investor to give effect to its rights set out in Article 171.2 above, in accordance with the instructions provided by the Investor.

171.5. It is clarified that upon the exercise by the Investor of any of its rights set out in this Article 171, the Investor shall not be precluded from exercising any other rights or remedies as available to it under the Transaction Documents, equity and Applicable Laws.

171.6. The Parties agree and undertake that all reasonable costs and expenses associated with the exercise of any of the rights of the Investor under this Article 171, shall be borne by the Company.

172. **LIQUIDATION PREFERENCE**

172.1. Upon the occurrence of a Liquidation Event, the Parties agree and undertake that, subject to Applicable Law, the Investor shall be entitled to, in preference to the payments made to the other Shareholders (including the Principal Shareholders), an amount equal to the aggregate of the Investment Amount plus any accrued and unpaid dividends (including accruing dividends), coupon or other distributions on the Equity Securities held by the Investor and its Affiliates calculated up to the date of such payment by the Company (the "**Liquidation Preference Amount**").

172.2. Upon occurrence of a Liquidation Event, if the proceeds distributable by the Company are not sufficient for the Investor and its Affiliates to receive the Liquidation Preference Amount, then such funds and assets of the Company legally available for distribution shall be distributed among the Investor and its Affiliates in priority to the other Shareholders (including the Principal Shareholders). For the avoidance of doubt, in the event of winding up of the Company, the Equity Securities held by the Investor and its Affiliates shall rank ahead and in seniority to the Equity Securities held by other Shareholders and have preference over all other Equity Securities in case of a repayment of capital upon winding up of the Company up to the Liquidation Preference Amount, in the manner and preference set out in Article 172.1 above.

172.3. The Parties hereby agree and undertake to fully co-operate with each other in making the payment of the Liquidation Preference Amount in the order and manner provided above, to do all such things as may be necessary, and that they shall use and employ all necessary efforts, to ensure that payment of the Liquidation Preference Amount is made to the Investor, in accordance with this Article 172. It is hereby clarified that the Liquidation Preference Amount shall be calculated on a gross of Taxes basis (and any applicable Taxes as may be required to be paid/withheld under Applicable Law shall be to the account of the Investor).

172.4. It is clarified that upon the occurrence of a Liquidation Event (if it involves Transfer of Equity Securities):

(a) each of the Parties who participate in such Liquidation Event shall Transfer their respective Equity Securities in a manner that gives effect to this Article 172;

(b) a Party that is not Transferring any of its Equity Securities pursuant to such Liquidation Event shall not be entitled to receive any proceeds from such Liquidation Event; and

(c) each relevant Party shall bear their own Taxes in relation to any payments made pursuant to Article 172.4.

172.5. The Company and the Principal Shareholders covenant that they shall do all necessary acts, deeds and things to obtain any regulatory approvals and consents in a timely manner such that the liquidation preference in the manner provided in this Article 172 are made to the Investor in a timely and efficient manner and in the manner set out herein.

172.6. In the event the Investor is unable to receive the Liquidation Preference Amount due to any restriction under Applicable Law(s), the Investor will have the right to nominate any Person to receive such Liquidation Preference Amount in accordance with this Article 172 and the Parties shall negotiate in good faith to achieve as closely as possible, the same commercial intent as set out in this Article 172.

SCHEDULE 1

LIST OF RESERVED MATTERS

1. Amending or modifying any provision of or waiving any rights under, the Charter Documents of the Company, or the memorandum of association or the articles of association of any Subsidiary;

2. Any increase or decrease in the capital structure of the Company or any Subsidiary (including to the authorised, issued or paid up share capital of the Company or any Subsidiary), or creating, increasing, issuing, allotting, repurchasing, reducing, redeeming, altering, transferring (other than any transfer by the Principal Shareholders in accordance with these Articles) reorganizing or retiring any Equity Securities of the Company (including Equity Securities) or a Subsidiary, or any rights attached thereto, or otherwise permitting any change in class rights for the Securities (including, Equity Securities) of the Company or of a Subsidiary, whether as a private sale, public issue, or otherwise;

3. Effecting any consolidation, merger/demerger, spin-off, divestment, scheme of amalgamation or reconstruction or buy-back of Securities (including Equity Securities) or restructuring or reorganisation (which has a similar effect) of the Company or the Subsidiary;

4. Making any further investment in any Joint Venture, or divestment/ Transfer of any interest of the Company in any of the Joint Ventures;

5. Incorporation or creating any Subsidiaries, or formation, modification or termination (as applicable) of any associates, joint ventures, or partnerships, or acquisition of any other business (by way of purchase of shares, business transfer or any other mode), or any strategic alliance with any Person, or change in Control of the Company or any Subsidiary, other than as expressly contemplated in the SSPA;

6. Consummation of any IPO;

7. Any change to the business of the Group Entities which does not form a part of the 'Business', change in the name of the Company or its trading style, entry into any new business or new lines of business either directly or indirectly through a merger with or acquisition of any other Person other than as expressly contemplated in the SSPA (in each case other than the Business), suspension of more than 15 (Fifteen) continuous days or cessation of any business, Transfer of all or part of the business;

8. Any allocation of funds or capital for new business or new line of business which does not form a part of the 'Business';

9. Any Transfer of, disposal or creation of an Encumbrance on equity interests in the Company or any Subsidiary;

10. Authorization, creation, or incurrence of any Indebtedness by the Company or any Subsidiary of an amounts which exceed the limits prescribed in the Annual Budget in a Financial Year by 5% (five per cent.); or providing, or creating any Encumbrances over any assets, properties or undertakings of the Company or the Subsidiaries to secure any Indebtedness of any Person; or undertaking any Indebtedness or creating any such Encumbrance outside of the Ordinary Course;

11. Any amendment, modification or voluntary termination of any Material Contracts, or any waiver by the Company of its rights under any Material Contract;

12. Declaring, paying or making any dividends or other distributions (whether in cash, securities, property or other assets);

13. Commencement of a voluntary dissolution, winding up or liquidation or corporate insolvency resolution process of the Company or any Subsidiary, or entering into a general compromise or scheme of arrangement with creditors of the Company or Subsidiary;

14. Entering into transactions for sale, license, disposal, liquidation or Transfer of assets of the Company or any Subsidiary outside the Ordinary Course, or transaction for closure of any part of the Business;

15. Incurring any capital expenditure in a single transaction or a series of related transactions of an amount which (a) exceeds 5% (five per cent.) of the capital expenditure set out in the applicable Annual Budget or (b) has not been specifically provided for in the Annual Budget;

16. Any capital infusion by the Company or any Subsidiary into any Person or any project undertaken by the Company or a Subsidiary, other than as expressly contemplated in the SSPA;

17. Adoption, alteration or amendment to the accounting methods, accounting period and bases, practices or policies (including any accounting or Tax policy), in each case, other than as mandatorily required to comply with Applicable

Laws or specifically required by the statutory auditors of the Company or the relevant Subsidiary and appointed in compliance with the terms of these Articles;

18. (a) Any change in the size of the Board or committees or sub-committees thereof; (b) appointment of any committee or sub-committee thereof; and (c) assignment of the power of the Board to any Person, committee or sub-committee, other than as set out under these Articles;

19. Appointment, transfer, removal, determining / change in terms of appointment of, any Key Employees;

20. Creating, amending, modifying any new employee stock option plan or similar employee incentive plan (including, any phantom stock plan), for any employees of the Company or the Subsidiaries;

21. Acquisition, purchase, sale, licensing, sub-licensing, franchising, consulting, assigning or any other Transfer of or creation of any Encumbrance on brand names, service marks, trademarks, or any other Intellectual Property used by the Company;

22. Adoption or amendment of Business Plan and Annual Budget or any deviation from the Business Plan and Annual Budget;

23. Any increase in the advertising expenditure of the Company which is in deviation to the Business Plan and Annual Budget;

24. Adoption of Annual Financial Statements (including, standalone and consolidated annual accounts and profit and loss statements of the Company or any Subsidiary);

25. Appointment or change or removal of the auditors (whether statutory and/or internal) of the Company or the Subsidiaries other than in compliance with the provisions of Article 164.6;

26. Initiation of any litigation, arbitration, mediation or settlement of any Action which involves an amount in excess of the amount mentioned in item 26 of schedule 3 of the Agreement;

27. Any change in corporate governance policy or whistle blower policy;

28. Any change in the corporate name, trade name, or registered office of the Company;

29. Appointing or removing from office any Investor Director or his/her Alternate Director;

30. Entering into, modifying, or terminating any contract or transaction with any Related Party, or waiving any rights with respect to such contract or transaction;

31. Any Transfer of Securities held by the Company of the Subsidiary or Securities held by the Subsidiaries in any Person, as applicable;

32. The Company or a Subsidiary entering into, amendment or termination of any Contract or commitment (including for creating any encumbrance on any asset of the Company or the relevant Subsidiary (as applicable)) which is unusual, not on arm's length basis or outside the Ordinary Course; and

33. Any Contract to give effect to any of the foregoing.

It is clarified that, (a) any reference in this **Schedule 1** (*List of Reserved Matters*), to the Company shall be deemed to be reference to the Subsidiary if such matter is proposed to be undertaken by a Subsidiary (regardless of whether the relevant Reserved Matter specifically includes such matter in respect of a Subsidiary) and (b) none of the Reserved Matters shall apply to any matter or action being undertaken for the purposes of an IPO, provided that the consent of the Investor should be obtained in accordance with provisions of Article 162.3 read with **Schedule 1** (*List of Reserved Matters*) for any ancillary or consequential actions proposed to be undertaken by the Company and/or the Subsidiaries (as applicable) in connection with the IPO.

SCHEDULE 2

LIST OF PRINCIPAL SHAREHOLDERS RESERVED MATTERS I

1. Amending or modifying any provision of, or waiving any rights under, the Charter Documents, or the memorandum of association or the articles of association of any Subsidiary, to the extent that it has an adverse impact on the rights of the Principal Shareholders thereunder, other than any amendment or modification as contemplated under or pursuant to the Transaction Documents.

2. Any issuance of Equity Securities by the Company, other than any issuance as contemplated under or pursuant to the Transaction Documents.

3. Commencement of a voluntary dissolution, winding up or liquidation or corporate insolvency resolution process of the Company or any Subsidiary.

4. Any change in the Business, change in the name of the Company or its trading style, entry into any new business or new lines of business;

5. Adoption, alteration or amendment to the accounting methods, accounting period and bases, practices or policies (including any accounting or Tax policy), in each case, other than as mandatorily required to comply with Applicable Laws or specifically required by the statutory auditors of the Company or the relevant Subsidiary and appointed in compliance with the terms of these Articles;

6. Any allocation of funds or capital for new business or new line of business which does not form a part of the 'Business';

7. Any change in corporate governance policy or whistle blower policy;

8. Any change in the corporate name, trade name, or registered office of the Company;

9. Entering into, modifying, or terminating any contract or transaction with any Related Party, or waiving any rights with respect to such contract or transaction;

10. Any Contract to give effect to any of the foregoing.

It is clarified that, any reference in this **Schedule 2** (*List of Principal Shareholders Reserved Matters I*), to the Company shall be deemed to be reference to the Subsidiary if such matter is proposed to be undertaken by a Subsidiary (regardless of whether the relevant Principal Shareholders Reserved Matter I specifically includes such matter in respect of a Subsidiary).

SCHEDULE 3

LIST OF PRINCIPAL SHAREHOLDERS RESERVED MATTERS II

1. Amending or modifying any provision of, or waiving any rights under, the Charter Documents of the Company, or the memorandum of association or the articles of association of any Subsidiary;

2. Any increase or decrease in the capital structure of the Company or any Subsidiary (including, changes or modifications to the authorised, issued or paid up share capital of the Company or any Subsidiary), or creating, increasing, issuing, allotting, repurchasing, reducing, redeeming, altering, reorganizing or retiring any Equity Securities of the Company (including Equity Securities) or a Subsidiary, or any rights attached thereto, or otherwise permitting any change in class rights for the Securities (including, Equity Securities) of the Company or of a Subsidiary, whether as a private sale, public issue, or otherwise;

3. Effecting any consolidation, merger/demerger, spin-off, divestment, scheme of amalgamation or reconstruction or buy-back of Securities (including Equity Securities) or restructuring or reorganisation (which has a similar effect) of the Company or the Subsidiary;

4. Making any further investment in any Joint Venture, or divestment/ Transfer of any interest of the Company in any of the Joint Ventures;

5. Incorporation or creating any Subsidiaries, or formation, modification or termination (as applicable) of any associates, joint ventures, or partnerships, or acquisition of any other business (by way of purchase of shares, business transfer or any other mode), or any strategic alliance with any Person, or change in Control of the Company or any Subsidiary other than as expressly contemplated in the SSPA;

6. Any change to the business of the Group Entities which does not form a part of the 'Business', change in the name of the Company or its trading style, entry into any new business or new lines of business either directly or indirectly through a merger with or acquisition of any other Person other than as expressly contemplated in the SSPA (in each case other than the Business), suspension of more than 15 (Fifteen) continuous days or cessation of any business, Transfer of all or part of the business;

7. Any allocation of funds or capital for new business or new line of business which does not form a part of the 'Business';

8. Any Transfer of, disposal or creation of an Encumbrance on equity interests in the Company or any Subsidiary;

9. Authorization, creation, or incurrence of any Indebtedness by the Company or any Subsidiary of an amounts which exceed the limits prescribed in the Annual Budget in a Financial Year by 5% (five per cent.), or providing, or creating any Encumbrances over any assets, properties or undertakings of the Company or the Subsidiaries to secure any Indebtedness of any Person, or undertaking any Indebtedness or creating any such Encumbrance outside of the Ordinary Course;

10. Any amendment, modification or voluntary termination of any Material Contracts, or any waiver by the Company of its rights under any Material Contract;

11. Commencement of a voluntary dissolution, winding up or liquidation or corporate insolvency resolution process of the Company or any Subsidiary, or entering into a general compromise or scheme of arrangement with creditors of the Company or Subsidiary;

12. Entering into transactions for sale, license, disposal, liquidation or Transfer of assets of the Company or any Subsidiary outside the Ordinary Course, or transaction for closure of any part of the Business;

13. Incurring any capital expenditure in a single transaction or a series of related transactions of an amount which (a) exceeds 5% (five per cent.) of the capital expenditure set out in the applicable Annual Budget or (b) has not been specifically provided for in the Annual Budget;

14. Any capital infusion by the Company or any Subsidiary into any Person or any project undertaken by the Company or a Subsidiary other than as expressly contemplated in the SSPA;

15. Adoption, alteration or amendment to the accounting methods, accounting period and bases, practices or policies (including any accounting or Tax policy), in each case, other than as mandatorily required to comply with Applicable Laws or specifically required by the statutory auditors of the Company or the relevant Subsidiary and appointed in compliance with the terms of these Articles;

16. (a) Any change in the size of the Board or committees or sub-committees thereof; (b) appointment of any committee or sub-committee thereof; and (c) assignment of the power of the Board to any Person, committee or sub-committee, other than as set out under these Articles;

17. Appointment, transfer, removal, determining / change in terms of appointment of, any Key Employees;

18. Creating, amending, modifying any new employee stock option plan or similar employee incentive plan (including, any phantom stock plan), for any employees of the Company or the Subsidiaries;

19. Acquisition, purchase, sale, licensing, sub-licensing, franchising, consulting, assigning or any other Transfer of or creation of any Encumbrance on brand names, service marks, trademarks, or any other Intellectual Property used by the Company;

20. Any increase in the advertising expenditure of the Company which is in deviation to the Business Plan and Annual Budget;

21. Adoption of Annual Financial Statements (including, standalone and consolidated annual accounts and profit and loss statements of the Company or any Subsidiary);

22. Initiation of any litigation, arbitration, mediation or settlement of any Action which involves an amount in excess of the item 22 of schedule 7 of the Agreement;

23. Any change in corporate governance policy or whistle blower policy;

24. Any change in the corporate name, trade name, or registered office of the Company;

25. Appointing or removing from office any Promoter Director or his/her Alternate Director other than pursuant to the provisions of these Articles, Article 168.2 and 168.4;

26. Entering into, modifying, or terminating any contract or transaction with any Related Party, or waiving any rights with respect to such contract or transaction;

27. Any Transfer of Securities held by the Company of the Subsidiary or Securities held by the Subsidiaries in any Person, as applicable;

28. The Company or a Subsidiary entering into, amendment or termination of any Contract or commitment (including for creating any encumbrance on any asset of the Company or the relevant Subsidiary (as applicable)) which is unusual, not on arm’s length basis or outside the Ordinary Course; and

29. Any Contract to give effect to any of the foregoing.

It is clarified that, (a) any reference in this **Schedule 3** to the Company shall be deemed to be reference to the Subsidiary if such matter is proposed to be undertaken by a Subsidiary (regardless of whether the relevant Principal Shareholders Reserved Matter II specifically includes such matter in respect of a Subsidiary); and (b) none of the Principal Shareholders Reserved Matters II shall apply to any matter or action being undertaken for the purpose of an IPO, provided that the consent of the Principal Shareholders should be obtained under this **Schedule 3** (*List of Principal Shareholders Reserved Matters II*) for any ancillary or consequential actions proposed to be undertaken by the Company and/or the Subsidiaries (as applicable) in connection with the IPO.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, copies of which will be attached to the copy of the Red Herring Prospectus filed with the RoC, may be inspected at our Registered Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available on our website at https://varmora.com/investor-relations/ from the date of the Red Herring Prospectus until the Bid/Issue Closing Date (except for such documents or agreements executed after the Bid/Issue Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant laws.

Material contracts to the Offer

1. Offer Agreement dated August 7, 2025, entered into among our Company, the Selling Shareholders and the BRLMs;
2. Registrar Agreement dated August 7, 2025, entered into among our Company, the Selling Shareholders and the Registrar to the Offer;
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Members of the Syndicate, Banker(s) to the Offer and the Registrar to the Offer;
4. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and the Share Escrow Agent;
5. Syndicate Agreement dated [●] entered into among our Company, the Members of the Syndicate, the Selling Shareholders and the Registrar to the Offer;
6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material documents

7. Certified copies of our Memorandum of Association and Articles of Association, as amended until date;
8. Certificate of incorporation dated November 18, 2003, issued by the RoC;
9. Fresh certificate of incorporation consequent to change in name dated May 14, 2025;
10. Board resolutions of our Company dated July 21, 2025 and July 28, 2025, authorizing the Offer and other related matters;
11. Copies of annual reports of our Company as of and for the Fiscals 2025, 2024 and 2023;
12. Shareholders' resolution dated July 28, 2025, authorising the Offer and other related matters;
13. Board resolution of our Company dated August 7, 2025 approving this Draft Red Herring Prospectus;
14. Resolution dated August 7, 2025 passed by the Audit Committee approving the KPIs;
15. Consent letter dated July 28, 2025 from the Investor Selling Shareholder;
16. Consent letters each dated July 28, 2025 from each of the Promoter Group Selling Shareholders;
17. Certificate dated August 7, 2025 on Basis of Offer Price issued by M/s Doshi Doshi & Co., Independent Chartered Accountants;
18. Certificate dated August 7, 2025 issued by the Independent Chartered Accountant, namely M/s Doshi Doshi & Co., certifying the key performance indicators of our Company;
19. Consent dated August 7, 2025 from our Statutory Auditor, Walker Chandiok & Co LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report dated July 28, 2025

on the Restated Consolidated Financial Information; and (ii) the statement of special tax benefits available to the Company and its Shareholders, under the direct and indirect tax laws in India dated August 7, 2025, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.;

20. Consent dated August 7, 2025, from the Independent Chartered Accountant, namely M/s Doshi Doshi & Co., Chartered Accountants, having firm registration number 153683W, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company;

21. Consent dated August 7, 2025, from the Independent Chartered Engineer, namely Nimesh Upadhyay bearing chartered engineer registration number CE/IET/LM/111996-24, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the certificate dated August 7, 2025, issued by them in their capacity as an independent chartered engineer to our Company and details derived therefrom as included in this Draft Red Herring Prospectus;

22. The examination report dated July 28, 2025 from Walker Chandiok & Co LLP, our Statutory Auditor on the Restated Consolidated Financial Information;

23. The statement of special tax benefits available to the Company and its shareholders, under the direct and indirect tax laws in India dated August 7, 2025;

24. Consents of Banker(s) to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, legal counsel to our Company as to Indian law, Syndicate Members, Directors and Company Secretary and Compliance Officer to act in their respective capacities;

25. Industry report titled "*Industry Report on Tiles, Bathware & Sanitaryware Market in India*" dated August 7, 2025 prepared by Technopak Advisors Private Limited and commissioned and paid by our Company;

26. Consent dated August 7, 2025 issued by Technopak Advisors Private Limited with respect to report titled "*Industry Report on Tiles, Bathware & Sanitaryware Market in India*" dated August 7, 2025;

27. Share Subscription and Purchase Agreement dated June 2, 2022, entered by and amongst our Company, Bhavesh Vallabhdas Varmora, Vallabhbhai Jivrajbhai Varmora, Pramodkumar Parsotambhai Patel, Bharatbhai Vallabhdas Varmora, Ranjanben Vallabhbhai Varmora, Ramanbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Vaishali Bhavesh Varmora, Hetal Bharatbhai Varmora, Manishkumar Vallabhbhai Varmora, Nidhi Bharatkumar Zalariya, Parsotambhai Jivrajbhai Patel, Savitaben Parsotambhai Patel, Prakash P Varmora, Ekta Prakashbhai Patel, Lataben Pramodbhai Patel, Praful Parsotambhai Varmora, Vanitaben Prafulbhai Varmora, Naranbhai Hansrajbhai Patel, Ashokkumar Naranbhai Patel, Renukaben Ashokbhai Patel, Rasilaben Hitendrakumar Maksana, Adarsh Harilal Patel, Hiren R Varmora, Meeraben Manishkumar Varmora, Rutvi Hiren Varmora and Katsura Investments, as amended pursuant to the amendment agreements dated August 29, 2022, and March 21, 2023;

28. Shareholders' agreement dated June 2, 2022, entered into by and amongst our Company, Vallabhbhai Jivrajbhai Varmora, Pramodkumar Parsotambhai Patel, Bharatbhai Vallabhdas Varmora, Ranjanben Vallabhbhai Varmora, Ramanbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Bhavesh Vallabhdas Varmora, Vaishali Bhavesh Varmora, Hetal Bharatbhai Varmora, Manishkumar Vallabhbhai Varmora, Nidhi Bharatkumar Zalariya, Parsotambhai Jivrajbhai Patel, Savitaben Parsotambhai Patel, Prakash P Varmora, Ekta Prakashbhai Patel, Lataben Pramodbhai Patel, Praful Parsotambhai Varmora, Vanitaben Prafulbhai Varmora, Naranbhai Hansrajbhai Patel, Ashokkumar Naranbhai Patel, Renukaben Ashokbhai Patel, Rasilaben Hitendrakumar Maksana, Adarsh Harilal Patel, Hiren R Varmora, Meeraben Manishkumar Varmora, Rutvi Hiren Varmora and Katsura Investments, as amended pursuant to the amendment agreement dated March 21, 2023 and waiver cum amendment agreement dated July 28, 2025;

29. Share purchase agreement entered into between our Company, Lataben Pramodbhai Patel, Parsotambhai Jivrajbhai Patel, Pramodkumar Parsotambhai Patel, Savitaben Parsotamdas Patel, Bharatbhai Vallabhdas Varmora, Bhavesh Vallabhdas Varmora, Hetal Bharatbhai Varmora, Manishkumar Vallabhbhai Varmora, Meera Manishbhai Varmora, Ranjanben Vallabhbhai Varmora, Vaishali Bhavesh Varmora, Vallabhbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Hiren R Varmora, Nidhi Bharatkumar Zalariya, Ramanbhai Jivrajbhai Varmora, Rutvi Hiren Varmora, Ashokbhai Naranbhai Patel, Naranbhai Hansraj Varmora, Rashilaben Harilal Patel, Renukaben Ashokbhai Patel and Fiorenza Granito Private Limited dated March 21, 2017;

30. Share purchase agreement entered into between our Company and Sentosa Granito Private Limited with Pramodkumar Parsotambhai Patel, Parsotambhai Jivrajbhai Patel, Vanitaben Prafulbhai Varmora, Lataben Pramodbhai Patel, Ektaben Prakashbhai Patel, Prakash P Varmora, Praful Parsotambhai Varmora, Bharatbhai Vallabhdas Varmora, Bhavesh Vallabhdas Varmora, Vallabhbhai Jivrajbhai Varmora, Manishkumar Vallabhbhai Varmora, Meeraben Manishkumar Varmora, Ranjanben Vallabhbhai Varmora, Hetalben Bharatbhai Varmora, Ramanbhai Jivrajbhai Varmora, Bhaunaben Ramanbhai Patel, Hiren R Varmora, Ashokkumar Naranbhai Patel, Naranbhai Hanshrajbhai Patel and Rashilaben Hiralal Patel dated March 21, 2017;

31. Share purchase agreements entered into between our Company with Savjibhai Devshibhai Baraiya dated August 25, 2023, and individually with Rameshbhai Devshibhai Baraiya, Pravinbhai Devshibhai Baraiya, Nimeshkumar Savjibhai Baraiya and Harshil Snehalbhai Shah, each dated September 12, 2023 and Covertek Ceramica Private Limited;

32. Limited liability agreement entered into between our Company, Renite Vitrified LLP, Dhirajlal Kanjibhai Kavathia, Shailesh Parsot, Ambhai Surani, Sandip Dhirajlal Kavathiya, Dhirajlal Babulal Kavathia, Paras Dhirajlal Kavathia, Piyush Dhirajlal Surani, Rajani Parsotambhai Surani, Sanjaybhai Jerambhai Viramgama, Abhishek Jagdishbhai Viramgama, Vipinkumar Vograj Arora, Patel Hargovind Prabhubhai and Teotia Bhagwantsingh Amarsingh dated July 28, 2022

33. Joint venture agreement entered into between our Company, Avalta Granito Private Limited, Santoshkumar Narshibhai Sherashiya, Ashwinbhai Narshibhai Sherasiya, Mamtaben Ashwinbhai Sherasiya, Mansukhlal Narshibhai Sherasiya, Mayurkumar Mansukhbhai Sherasiya, Nipaben Ashishbhai Sherasiya, Ranjanben Mansukhbhai Sherasiya, Shital Mayurkumar Sherasiya, Alinta Granito Private Limited, Bhagavanjibhai Vaghjibhai Chikani, Dilipbhai Bhagavanjibhai Chikani, Chiragbhai Harjibhai Fefar, Hetal Chirag Fefar, Dipakkumar Prabhulal Detroja, Hareshbhai Vinodbhai Patel, Kamlesh Tahkarshibhai Rupala, Jay Narendrabhai Koringa, Jitendra Ratilal Aghara, Kishorbhai Laxmanbhai Vidja, Kishorbhai Manjibhai Patel, Kuldip Chamanlal Detroja, Raj Anilkumar Vidja, Rameshbhai Limbabhai Patel, Vanitaben Rameshbhai Patel, Ashishkumar Mansukhbhai Sherasiya, Sanjay Harakhji Sherasia and Upal Santoshkumar Shershiya dated July 19, 2022

34. Investment agreement between our Company, Nextile Marbosys Private Limited, Kamalshil Harishbhai Shirvi, Rajeshkumar Naranbhai Shirvi and Simola Tiles LLP dated August 25, 2022, as amended pursuant to the amendment agreement to the investment agreement dated January 28, 2023;

35. Employment agreement dated July 15, 2022 read with the amendment agreement dated July 30, 2025 with Bhavesh Vallabhdas Varmora setting out the details of the remuneration and other terms of his employment;

36. Employment agreement dated July 15, 2022 read with the amendment agreement dated July 30, 2025 with Pramodkumar Parsotambhai Patel setting out the details of the remuneration and other terms of his employment;

37. Employment agreement dated July 15, 2022 read with the amendment agreement dated July 30, 2025 with Hiren R Varmora setting out the details of the remuneration and other terms of his employment;

38. Employment agreement dated July 15, 2022 read with the amendment agreement dated July 30, 2025 with Ashokkumar Naranbhai Patel setting out the details of the remuneration and other terms of his employment;

39. Employment agreement dated July 15, 2022 with Amit Doshi setting out the details of the remuneration and other terms of his employment;

40. In-principle listing approvals dated [●] and [●], from BSE and NSE, respectively;

41. Tripartite agreement dated June 6, 2022 among our Company, NSDL and Registrar to the Offer;

42. Tripartite agreement dated March 18, 2025 among our Company, CDSL and Registrar to the Offer;

43. SEBI observation letter bearing reference number [●] and dated [●];

44. Scheme of amalgamation of Conffi Sanitaryware Private Limited, Tocco Ceramic Private Limited, Varmora Ceramics Private Limited, Solaris Ceramics Private Limited and Nextile Marbosys Private Limited with our Company; and

45. Resolution of our Board of Directors dated November 30, 2023, and Shareholders' resolution dated December 8, 2023, approving the Employee Stock Option Plan 2023.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Bhavesh Vallabhdas Varmora
(Chairman and Managing Director)

Place: Ahmedabad
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pramodkumar Parsotambhai Patel
(Executive Director)

Place: Morbi
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Hiren R Varmora
(Executive Director)

Place: Ahmedabad
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Aamir Zeb
(Non-Executive Nominee Director)

Place: Mumbai, Maharashtra
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Amit Jain
(Non-Executive Nominee Director)

Place: Mumbai, Maharashtra
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Suryanarayanan Sivaramakrishnan
(Independent Director)

Place: Mumbai
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Chandubhai Virani
(Independent Director)

Place: Rajkot
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sandhya Maulik Patel
(Independent Director)

Place: Ahmedabad
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vivek Vikram Singh
(Independent Director)

Place: Gurgaon
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shital Bharatkumar Badshah
(*Independent Director*)

Place: Ahmedabad
Date: August 7, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Bhaveshkumar H Koshti
(Chief Financial Officer)

Place: Ahmedabad
Date: August 7, 2025

DECLARATION

We, Katsura Investments, the Investor Selling Shareholder, hereby certify that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves as an Investor Selling Shareholder and our respective portion of the Offered Shares are true and correct. We assume no responsibility for any other statements, disclosures and undertaking including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE INVESTOR SELLING SHAREHOLDER

For Katsura Investments

Name: Purnima Boyjonauth-Bhogun
Designation: Director
Place: Mauritius
Date: August 7, 2025

DECLARATION

I, acting as a Promoter Group Selling Shareholder, hereby certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and my respective portion of the Offered Shares are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertaking including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER

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Parsotambhai Jivrajbhai Patel

Place: Morbi
Date: August 7, 2025

DECLARATION

I, acting as a Promoter Group Selling Shareholder, hereby certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and my respective portion of the Offered Shares are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertaking including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER

Ramanbhai Jivrajbhai Varmora

Place: Ahmedabad
Date: August 7, 2025

DECLARATION

I, acting as a Promoter Group Selling Shareholder, hereby certify that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and my respective portion of the Offered Shares are true and correct. I assume no responsibility as a Selling Shareholder, for any other statements, disclosures and undertaking including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE PROMOTER GROUP SELLING SHAREHOLDER

Vallabhbhai Jivrajbhai Varmora

Place: Morbi
Date: August 7, 2025