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**DRAFT RED HERRING PROSPECTUS**

Dated: April 04, 2024

(Please read section 26 and 32 of the Companies Act, 2013)

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Offer



**EMERALD TYRE MANUFACTURERS LIMITED**

Corporate Identification Number: U25111TN2002PLC048665

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Emerald House, Plot No.2, Second Street Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu-600095, India	Ms. Raja Devika Dhivya Company Secretary and Compliance Officer	Tel: +91 9043063194 Email: cosec@emeraldtyres.com	www.emeraldtyres.com

**PROMOTER OF OUR COMPANY: CHANDHRASEKHARAN THIRUPATHI VENKATACHALAM**

**DETAILS OF THE OFFER**

Type	Fresh Offer Size (By Number of Shares)	OFS* Size (By Number of Shares)	Total Offer Size (By Number of Shares)	Eligibility & Share Reservation among NII & RII
Fresh Offer and Offer for Sale	Upto 50,00,000 equity shares of face value of ₹ 10 each ("Equity Shares") aggregating up to ₹ [●] lakhs ("Offer")	Upto 2,00,000 Equity Shares aggregating to ₹ [●] Lakhs	Upto 52,00,000 equity shares of face value of ₹ 10 each ("Equity Shares") aggregating up to ₹ [●] lakhs ("Offer")	This Offer is being made in terms of Regulation 229(2) and 253(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. (As the Company's post Offer face value capital exceeds ₹1000 Lakhs but does not exceed ₹ 2500 Lakhs.)

\*OFS: Offer for Sale

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION**

Names of Selling Shareholders	Type	No. of shares offered	WACA in Rs. Per Equity Shares
Karthikeyan Swarnam	OSS	Up to 1,20,000 Equity Shares, aggregating up to ₹ [●] Lakhs.	66.50
S Vijayalakshmi	OSS	Upto 80,000 Equity Shares, aggregating up to ₹ [●] Lakhs.	10.72

\*As Certified by the Rajani & Co. Chartered Accountants by their certificate dated March 22, 2024 vide UDIN 24229881BKBIDS7670

P: Promoter; PG: Promoter Group, OSS: Other Selling Shareholders, WACA: Weighted Average Cost of Acquisition on fully diluted basis

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public Offer of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10/-. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the Book Running Lead Manager, 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 Offer Price" on page 91 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 or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after Listing.

**GENERAL RISK**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this 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 issued in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled "Risk Factors" beginning on Page No. 27 of this Draft Red Herring Prospectus.

**ISSUER'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 this Offer, which is material in the context of this 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..

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited ("NSE").

**BOOK RUNNING LEAD MANAGER**

**REGISTRAR TO THE ISSUE**



**GYR Capital Advisors Private Limited**  
428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad-380 054, Gujarat, India.  
**Telephone:** +91 8777564648  
**E-mail id:** info@gyrcapitaladvisors.com  
**Website:** www.gyrcapitaladvisors.com  
**Investor Grievance e-mail ID:** investors@gyrcapitaladvisors.com  
**Contact Person:** Mohit Baid  
**SEBI Registration Number:** INM000012810  
**CIN:** U67200GJ2017PTC096908

**Link Intime India Private Limited**  
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India  
**Telephone:** +091 8108114949  
**E-mail id:** emerald.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Investor Grievance e-mail ID:** emerald.ipo@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058  
**CIN:** U67190MH1999PTC118368

**BID/ OFFER PERIOD**

ANCHOR PORTION OFFER OPENS/CLOSES ON: [●]*	BID/OFFER OPENS ON: [●]*	BID/OFFER CLOSES ON: [●]**
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\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

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



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**EMERALD TYRE MANUFACTURERS LIMITED**

Our Company was originally incorporated as “Emrald Resilient Tyre Manufactures Private Limited” a private limited company under the Companies Act, 1956 with the Registrar of Companies (“ROC”), Tamil Nadu pursuant to Certificate of Incorporation dated March 27, 2002. Thereafter, the name of our Company was changed from “Emrald Resilient Tyre Manufactures Private Limited” to “Emerald Resilient Tyre Manufacturers Private Limited” vide special resolution passed by the members at the Extra-ordinary General Meeting held on July 16, 2018. Subsequently, our company was converted into Public Limited Company and name of company was changed from “Emerald Resilient Tyre Manufacturers Private Limited” to “Emerald Resilient Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on November 25, 2023, and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu dated December 22, 2023. Thereafter, the name of our Company was changed from “Emerald Resilient Tyre Manufacturers Limited” to “Emerald Tyre Manufacturers Limited” vide special resolution passed by the members at the Extra-ordinary General Meeting held on January 11, 2024. The CIN of the Company is U25111TN2002PLC048665. For further details please refer to the chapter titled “History and Corporate Structure” beginning on Page No. 147 of this Draft Red Herring Prospectus.

**Registered Office:** Emerald House, Plot No.2, Second Street, Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu, India, 600095

**Telephone:** +91 9043063194; **Email:** cosec@emeraldtyres.com; **Website:** www.emeraldtyres.com;

**Contact Person:** Raja Devika Dhivya, Company Secretary and Compliance Officer;

**Corporate Identification Number:** U25111TN2002PLC048665

**PROMOTER OF OUR COMPANY: CHANDHRASEKHARAN THIRUPATHI VENKATACHALAM**

**INITIAL PUBLIC OFFERING UP TO 52,00,000 EQUITY SHARES OF RS. 10/- EACH (“EQUITY SHARES”) OF EMERALD TYRE MANUFACTURERS LIMITED (“EMERALD” OR THE “COMPANY”) FOR CASH AT A PRICE OF RS. [●] /- PER EQUITY SHARE (THE “OFFER PRICE”), AGGREGATING TO RS. [●] LAKHS (“THE OFFER”), COMPRISING A FRESH OFFER OF UP TO 50,00,000 EQUITY SHARES AGGREGATING TO RS. [●] LAKHS BY OUR COMPANY (“FRESH OFFER”) AND AN OFFER FOR SALE OF UP TO 1,20,000 EQUITY SHARES BY KARTHIKEYAN SWARNAM AND UP TO 80,000 EQUITY SHARES BY S VIJAYALAKSHMI (“THE SELLING SHAREHOLDER”) AGGREGATING TO RS. [●] LAKHS (“OFFER FOR SALE”). OUT OF THE OFFER, [●] EQUITY SHARES AGGREGATING TO RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10.00/- EACH AT AN OFFER PRICE OF RS. [●] /- PER EQUITY SHARE AGGREGATING TO RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●]%, RESPECTIVELY OF THE POST OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITION OF [●], A TAMIL REGIONAL NEWSPAPER (TAMIL BEING THE REGIONAL LANGUAGE OF TAMILNADU 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 NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER 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 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. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net 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 BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. 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) (“Net QIB Portion”). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate

allocation to QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see “Offer Procedure” on page 224.

*All potential investors shall participate in the Offer through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Offer Procedure” on page 224 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.*

#### ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled “Offer Procedure” beginning on Page No. 224 of this Draft Red Herring Prospectus.

#### RISKS IN RELATION TO THE FIRST OFFER

"This being the first Offer of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is Rs. 10/-. The Offer price/floor price/price band should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the issuer nor regarding the price at which the equity shares will be traded after listing."

#### GENERAL RISK

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this 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 issued in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on Page No. 27 of this this Draft Red Herring Prospectus.

#### ISSUER’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 this 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.

#### LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”).

#### BOOK RUNNING LEAD MANAGER



**GYR Capital Advisors Private Limited**  
428, Gala Empire, Near JB Tower, Drive in Road, Thaltej,  
Ahemdabad-380 054, Gujarat, India.  
**Telephone:** +91 8777564648  
**E-mail id:** info@gyrcapitaladvisors.com  
**Website:** www.gyrcapitaladvisors.com  
**Investor Grievance e-mail ID:** investors@gyrcapitaladvisors.com  
**Contact Person:** Mohit Baid  
**SEBI Registration Number:** INM000012810  
**CIN:** U67200GJ2017PTC096908

#### REGISTRAR TO THE ISSUE



**Link Intime India Private Limited**  
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli  
(West), Mumbai 400 083 Maharashtra, India  
**Telephone:** +091 8108114949  
**E-mail id:** emerald.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Investor Grievance e-mail ID:** emerald.ipo@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration Number:** INR000004058  
**CIN:** U67190MH1999PTC118368

#### OFFER PROGRAMME

**ANCHOR PORTION OFFER OPENS/CLOSES ON:** [●]

**BID/OFFER OPENS ON:** [●]

**BID/OFFER CLOSES ON:**  
[●]

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

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

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Pursuant to Schedule VI of SEBI (ICDR) Regulations, 2018**

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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. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

Notwithstanding the foregoing, the terms used in **“Industry Overview”**, **“Key Regulations and Policies”**, **“Statement of Special Tax Benefits”**, **“Financial Information”**, **“Basis for Offer Price”**, **“Outstanding Litigation and Material Developments”** and **“Description of Equity Shares and Terms of the Articles of Association”** beginning on pages 98, 139, 95, 174, 91, 196 and 252, respectively, shall have the meaning ascribed to them in the relevant section.

**GENERAL AND COMPANY RELATED TERMS**

Term	Description
“Company”, “our Company”, “the Company”, “the issuer”, “ETML” or “EMERALD”	Emerald Tyre Manufacturers Limited (formerly known as Emerald Resilient Tyre Manufacturers Limited, Emerald Resilient Tyre Manufacturers Private Limited, Emerald Resilient Tyre Manufacturers Limited), a public limited company incorporated in India under the Companies Act, 1956 having its registered office at Emerald House, Plot No.2, Second Street Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu-600095, India.
Our Promoter	Mr. Chandrasekharan Thirupathi Venkatachalam
Promoters’ Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled <b>“Our Promoter and Promoter Group”</b> on page 168 of this Draft Red Herring Prospectus.

**COMPANY RELATED TERMS**

Term	Description
Articles/Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled <b>“Our Management”</b> on page 153 of this Draft Red Herring Prospectus.
Auditor/ Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company M/s. Rajani & Co, Chartered Accountants.
Bankers to the Company	State Bank of India
Board of Directors/Board/BOD	The Board of Directors of Emerald Tyre Manufacturers Limited unless otherwise specified.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U25111TN2002PLC048665.
CMD	Chairman and Managing Director.
Chief Executive Officer (CEO)	The Chief Executive officer of our Company, being Mr. Varadarajan Krishnaram
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Mr. Shankar Ganesh Subramanian.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Raja Devika Dhivya.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number.
Director(s)	Directors on our Board as described <b>“Our Management”</b> beginning on page 153 of this Draft Red Herring Prospectus.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
ED	Executive Director.
Group Companies	Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other

Term	Description
	companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director	A Non-executive Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	INE0RHD01013
Key Managerial Personnel / Key Managerial Employees/KMP	Key Managerial Personnel of our company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, 2018 and Section 2(51) of the companies Act, 2013 as applicable and as further disclosed in the section titled <b>“Our Management”</b> on page 153 of this Draft Red Herring Prospectus.
LLP	LLP incorporated under the Limited Liability Partnership Act, 2008.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on March 07, 2024, 2024 in accordance with the requirements of the SEBI ICDR Regulations.
MD	The Managing Director of our Company is Mr. Chandrasekharan Thirupathi Venkatachalam.
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA, 1999.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled <b>“Our Management”</b> on page 153 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Promoter	The Promoter of our company, being Mr. Chandrasekharan Thirupathi Venkatachalam For details, see <b>“Our Promoter and Promoter Group”</b> on page 168 of this Draft Red Herring Prospectus.
Promoter Group	Person and entities constituting the promoter group of our company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in <b>“Our Promoter and Promoter Group”</b> on page 168 of this Draft Red Herring Prospectus.
Registered Office	Emerald House, Plot No. 2, Second Street Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu-600095, India
Restated Financial Information/Restated Financial Statements	The Restated Financial Information of our Company, which comprises the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows for the eight months period ended on November 30, 2023 and the year ended on March 31, 2023, 2022, 2021 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Chennai, Tamilnadu.
Shareholders	Shareholders of our company
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013 and Listing Regulations. For details refer section titled <b>“Our Management”</b> on page 153 of this Draft Red Herring Prospectus.
Whole-time Director/WTD	Whole-time director(s) on our Board is Mr. Eswara Krishnan D, as described in <b>“Our Management”</b> , beginning on page 153 of this Draft Red Herring Prospectus.

## **OFFER RELATED TERMS**

Term	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of Prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Offer pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our company.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.

Term	Description
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Applicant	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Bid	A Bid made by ASBA Bidder.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Offer who apply(ies) through the ASBA process.
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant and which will be considered as the application for Allotment in terms of the Prospectus
Allotment	Offer of the Equity Shares pursuant to the Offer to the successful applicants.
Allottee(s)	The successful applicant to whom the Equity Shares are being/have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Offer Period.
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 Prospectus
Anchor Investor Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the 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 Book Running Lead Managers.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR 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.
Banker(s) to the Offer	Banks which are clearing members and registered with SEBI as bankers to an Offer and with whom the Public Offer Account will be opened, in this case being [●].
Bid	An indication to make an Offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period 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 and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper and [●] editions of [●] in Tamil Newspaper, Tamil being the regional language of Tamil Nadu, where our registered office is located, each with wide circulation. Our Company in consultation with the BRLM, 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 BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, 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	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper) and published in [●] editions of [●] in Tamil Newspaper, Tamil being the regional language of Tamil Nadu, where our registered office is located, each with wide circulation.
Bid/ Offer Period	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



Term	Description
	<p>thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days.</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of the Red Herring Prospectus.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Manager/ BRLM	The Book Running Lead Manager to the Offer, being GYR Capital Advisors Private Limited.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Offer and which is described in paragraph titled 'Basis of allotment' under chapter titled " <b>Offer Procedure</b> " starting from page no. 224 of this Draft Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price will not be finalized and above which no Bids will be accepted.
Client ID	The client identification number maintained with one of the Depositories in relation to demat 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 from relevant Bidders at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE.
Circular on Streamlining of Public Offers/ UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
Controlling Branches	Such branches of SCSBs which coordinate Applications under the Offer with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Cut Off Price	The Offer Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.

Term	Description
Designated CDP Locations	Such locations of the CDPs where Bidders 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 ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Prospectus following which Equity Shares will be Allotted in the Offer.
Demographic Details	Details of the Applicants including their address, name of the father/husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated Intermediaries/Collecting agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
DP ID	Depository Participant’s identity number.
Draft Red Herring Prospectus/DRHP	This Draft Red Herring Prospectus dated April 04, 2024 issued in accordance with Section 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Application Form and the Prospectus constitutes an invitation to subscribe to the Equity Shares.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Emerge Platform of National Stock Exchange of India Limited	The EmERGE Platform of National Stock Exchange of India Limited for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as a National Stock Exchange of India Limited EmERGE on October 14, 2011.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst our Company, the Registrar to the Issue, the Book Running Lead Manager and Banker to the Offer and Sponsor Bank, to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Offer Account.
Escrow Account(s)	Account(s) opened with the Bank(s) to the Offer pursuant to Escrow and Sponsor Bank Agreement.
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an Offer under the SEBI (Bankers to an Offer) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●].

Term	Description
First Applicant	The Applicant whose name appears first in the 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 being [●], subject to any revision(s) thereto, not being less than the face value of Equity Shares and the Anchor Investor Offer Price, at or above which the Offer Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fresh Offer	The Fresh Offer of upto 50,00,000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
General Information Document (GID)	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, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the Book Running Lead Manager.
GIR Number	General Index Registry Number
Offer Agreement	The agreement dated March 07, 2024 amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Period	The periods between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application.
Offer Price	The price at which the Equity Shares are being issued by our Company in consultation with the Book Running Lead Manager under the Red Herring Prospectus and the Prospectus being ₹ [●] per share.
Offer Proceeds	The proceeds of the Offer shall be available to our Company. For further information about the use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” beginning on page 72.
Offer Opening	The date on which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Offer, which shall be the date notified in an English national newspaper, Hindi national newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Offer Closing	The date after which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Offer, which shall be notified in a English national newspaper, Hindi national newspaper and Tamil regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Offer/ Offer Size/ Initial Public Offer/ Initial Public Offering/IPO	Initial Public Offering up to 52,00,000 equity shares of Rs. 10/- each (“equity shares”) of Emerald Tyre Manufacturers Limited (“EMERALD” or the “Company”) For cash at a price of Rs. [●] /- per equity share (The “Offer Price”), Aggregating to Rs. [●] Lakhs (“The Offer”), comprising a fresh Offer of up to 50,00,000 Equity Shares Aggregating to Rs. [●] Lakhs by our company (“fresh Offer”) and an offer for sale of up to 1,20,000 equity shares by Karthikeyan Swarnam , and upto 80,000 equity shares by S Vijayalakshmi (“selling shareholders”) aggregating to Rs. [●] Lakhs (“Offer for Sale”).
Offer Price	The price at which the Equity Shares are being issued by our Company through this Prospectus, being ₹ [●]/- (including share premium of ₹ [●]/- per Equity Share).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the [●].
Market Maker	Market Maker of the Company, in this case being [●].
Market Maker Reservation Portion	The Reserved portion of up to [●] Equity shares of ₹ 10/- each at an Offer Price of ₹ [●] aggregating to ₹ [●] for Designated Market Maker in the Public Offer of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Book Running Lead Manager and our Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion (other than anchor allocation), or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.

Term	Description
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of [●] equity Shares of face value of ₹10 each fully paid for cash at a price of ₹ [●] per Equity Share (the “Offer Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●].
Net Proceeds	The proceeds from the Offer less the Offer related expenses applicable to the Offer. For further information about use of the Offer Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” on page 72.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors/ Non-Institutional Bidders/ NIB’s	All Applicants that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Non Retail Portion including Qualified Institution Buyers (NRII)	The remaining portion of the Net Offer, after retails portion, being not more than 50% of the Net Offer which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.
Pay-in-Period	The period commencing on the Bid/Offer Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper and [●] editions of [●] in Tamil Newspaper, Tamil being the regional language of Tamil Nadu, where our registered office is located, each with wide circulation
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer opening and closing dates, the size of the Offer and certain other information.
Public Offer Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCBSs from bank accounts of the ASBA Investors.
Pricing Date	The date on which our Company, in consultation with the Managers, will finalise the Offer Price.
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI.
QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares aggregating to ₹ [●] lakhs which shall be Allotted to QIBs (including Anchor Investors) 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 Anchor Investor Offer Price (for Anchor Investors).
Red Herring Prospectus / RHP	The Red Herring Prospectus dated [●] issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be issued and the size of the Offer, including any addenda or corrigenda thereto.
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Refund Account	The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s) /Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].



Term	Description
Registrar Agreement	The agreement dated March 28, 2024, among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Offer.
Registrar to the Issue / Registrar	Registrar to the Issue being <b>Link Intime India Private Limited</b> .
Retail Individual Investor(s)/ RII(s)	Individual Applicants, who have applied for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 50 % of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion and remaining Equity Shares to be allotted on a proportionate basis.
Revision Form	Form used by the Applicants 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), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Applications during the Offer Period and withdraw their Applications until Offer Closing Date
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Offer reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System
SEBI Master Circular	The SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.
Self-Certified Syndicate Bank(s) or SCSB(s)	<p>The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>, 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 RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or at such other websites as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids 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 Application Forms from the members of the Syndicate is available on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) as updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public Offers using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.</p>
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Applicants, a list of which will be included in the Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars, Being [●]
Stock Exchange	National Stock Exchange of India Limited
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.



Term	Description
Underwriter	The BRLM who has underwritten this Offer pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time, The BRLM shall act as the underwriter to the Offer.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated [●]
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non- Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public Offers where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the websites of the stock exchange as eligible for such activity), and (iv) a registrar to an Offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority 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 Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Red Herring Prospectus are open for business :- 1. However, in respect of announcement of price band and Offer Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Red Herring Prospectus are open for business. 2. In respect to the time period between the Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

## Conventional and General Terms and Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate

Term	Description
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
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
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto 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
CRAR	Capital to Risk Asset Ratio
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996.
Depository or Depositories	NSDL and CDSL both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMERGE	The SME platform of National Stock Exchange of India Limited
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number

Term	Description
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
IMPS	Immediate Payment Service
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
KYC	Know your customer
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NPCI	National Payments Corporation of India
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Offer of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Merchant Bankers Regulation	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time

Term	Description
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may Offer from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TAN	Tax deduction account number
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Holder	A beneficial owner of Equity Shares that is for United States federal income tax purposes: (a) an individual who is a citizen or resident of the United States; (b) a corporation organized under the laws of the United States, any state thereof or the District of Columbia; (c) an estate whose income is subject to United States federal income taxation regardless of its source; or (d) a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust, or (2) has a valid election in effect under the applicable U.S. Treasury regulations to be treated as a U.S. person
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.
VAT	Value Added Tax
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

## **INDUSTRY RELATED TERMS**

Term	Description
Covid-19	Coronavirus Disease
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
U.S.	United States of America
US\$	United States Dollar

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Offer Procedure*” on pages 252, 95, 98, 139, 174, 196 and 224 respectively of this Draft Red Herring Prospectus, will have the meaning as described to such terms in these respective sections. Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Offer Procedure*” on pages 252, 95, 98, 139, 174, 196 and 224 respectively of this Draft Red Herring Prospectus, will have the meaning as described to such terms in these respective sections.

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

### Certain Conventions

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

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

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

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “**Financial Information**” on Page No. 174 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Statements of our Company for the period ended on eight months ended on November 30, 2023 and on Financial Years ended March 2023, 2022 and 2021 which comprise restated summary statement of assets and liabilities, the restated summary statement of profit and loss, the restated summary statement of cash flow and restated summary statement of changes in equity together with the annexures and notes thereto and the examination report thereon, as compiled from the Indian GAAP financial statements for respective period/year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “*Reports in Company Prospectuses (Revised 2019)*” issued by ICAI.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. 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 financial data. Accordingly, 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, Ind AS, the Indian GAAP 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.

Unless the context otherwise indicates, 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 Page Nos. 27, and 110 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

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 the percentage figures have been rounded off to two decimal places including percentage figures in “**Risk Factors**”, “**Industry Overview**” and “**Our Business**” on Page Nos. 27, 98 and 110 respectively, this Draft Red Herring Prospectus.

### Currency and Units of Presentation

All references to:

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

Our Company has presented all numerical information in is Draft Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

### Exchange rates

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

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



Currency	Exchange rate as on			
	As on November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.35	82.23	75.91	73.53

(Source: RBI reference rate)

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

### **Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "**Basis for Offer Price**" on Page No. 91 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" on Page No. 27 of this Draft Red Herring Prospectus.

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## FORWARD - LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

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

- We are required to obtain licenses and approvals under several legislations. Our inability to obtain or renew such permits, approvals and licenses in the ordinary course of our business may adversely affect our business, financial condition and results of operations.
- There have been instances of delays of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to RoC. Further, there have also been instances where our Company has inadvertently filed incorrect information with the RoC in its statutory filings.
- We conduct our business activities on a purchase order basis and therefore, have not entered into long-term agreements with our customers.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” beginning on Page Nos. 27, 110 and **Error! Bookmark not defined.**, respectively, of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoter, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoter and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Offer.

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## **SECTION II – SUMMARY OF OFFER DOCUMENT**

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled “Risk Factors”, “Industry Overview”, “Outstanding Litigation and Material Developments”, “Our Promoter and Promoter Group”, “Financial Information”, “Objects of the Offer”, “Our Business”, “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association” beginning on Page Nos. 27, 98, 196, 168, 174, 72, 110, 224 and 252 respectively of this Draft Red Herring Prospectus.

### **1. Summary of Industry in which the Company is operating**

Our company operates in Off Highway Tyres (OHT) manufacturing, contributing significantly to the global market. The Off Highway Tyre (OHT) manufacturing industry continues to demonstrate its resilience and importance, backed by statistical data from the previous year. In 2023, the global OHT tyre market witnessed significant growth, with a notable increase in demand driven by infrastructure projects, mining activities, and agricultural mechanization. According to industry reports, the market experienced a robust compound annual growth rate (CAGR) of over 8% during the fiscal year.

On a regional level, various countries, including India, China, the United States, and Brazil, emerged as key contributors to this growth, each witnessing substantial expansion in their respective OHT tyre markets. India, in particular, showcased remarkable growth, fuelled by government initiatives aimed at enhancing infrastructure and accelerating industrial development. This statistical data underscores the industry's vitality and underscores its pivotal role in supporting critical sectors worldwide. As we look ahead, the OHT tyre manufacturing industry remains poised for further growth and innovation, driven by evolving market dynamics and a relentless commitment to meeting the demands of off-road applications across the globe. For further details, please refer to the chapter titled “Industry Overview” beginning on Page No. 98 of this Draft Red Herring Prospectus.

### **2. Summary of Business**

Our Company is engaged in the Business of Manufacturing, Supplying and Services for a comprehensive range of tyres for material handling applications like forklifts, skid loaders, ground support equipment of Airports, Port trailers, agri implements, lawn and garden mowers, mining equipment, aerial work platform trucks, backhoe loaders etc. Our Company being incorporated in the year 2002, has a presence in the Domestic market as well as Global market for more than two decades. Pursuant to the strong market position in off highway tyre manufacturing industry, our manufacturing unit is operational at Plot No.79 & 80, EPIP Zone SIPCOT Industrial Complex Gummidipoondi, Tiruvallur District Tamil Nadu 601201 spread over 10.05 acres. We have an installed production capacity of 7040 MT of tyres, tubes and wheels (Not annualised). On the date of this Draft Red Herring Prospectus, our product range covers a wide range of off highway tyres. Our Company has the flexibility in our manufacturing facility to address market requirements.

Our Company was promoted and pioneered by Mr. Chandhrasekharan Venkatachalam Thirupathi.

For further details, please refer to chapter titled “Our Business” beginning on Page No. 110 of this Draft Red Herring Prospectus.

### **3. Promoter(s)**

The Promoter of our Company Mr. Chandhrasekharan Venkatachalam Thirupathi. For further details please refer to the chapter titled “Our Promoters and Promoter Group” beginning on Page No. 168 of this Draft Red Herring Prospectus.

### **4. Details of the Offer**

Initial Public Offering upto 52,00,000 Equity Shares of Rs. 10/- Each (“Equity Shares”) Of Emerald Tyre Manufacturers Limited (“Emerald” or The “Company”) For Cash at A Price of Rs. [●] /- Per Equity Share (The “Offer Price”), Aggregating to Rs. [●] Lakhs (“The Offer”), Comprising a Fresh Offer of upto 50,00,000 Equity Shares Aggregating to Rs. [●] Lakhs By Our Company (“Fresh Offer”) and an Offer for Sale of up to 2,00,000 Equity Shares by [●] (“The Selling Shareholder”) Aggregating to Rs. [●] Lakhs (“Offer for Sale”) upto 1,20,000 equity shares by Karthikeyan Swarnam , and upto 80,000 equity shares by S Vijayalakshmi (“selling shareholders”) aggregating to Rs. [●] Lakhs (“Offer for Sale”). Out of the Offer, [●] Equity Shares Aggregating to Rs. [●] Lakhs Will Be Reserved for Subscription by Market Maker (“Market Maker Reservation Portion”). The Offer Less the Market Maker Reservation Portion i.e. offer of [●] equity shares of face value of Rs. 10.00/- Each at An Offer Price of Rs. [●] /- Per Equity Share Aggregating to Rs. [●] lakhs is hereinafter referred to as the “net offer”. The offers and the net offer will constitute [●] % and [●] %, respectively of the post Offer paid up equity share capital of our company.

The price band will be decided by our company in consultation with the book running lead manager (“BRLM”) and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), [●] and Tamil editions of [●] (a widely circulated Regional language daily newspaper) (Tamil being the regional language of Tamil Nadu, where our Registered Office is located), each with wide circulation, at least 2 (two) working days prior to the bid/ Offer opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the emerge platform of National Stock Exchange of India Limited (“NSE Emerge”, referred to as the “Stock Exchange”) for the purpose of uploading on their website for further details kindly refer to chapter titled “Terms of the Offer” beginning on page 214 of this Draft Red Herring Prospectus.

### **5. Objects of the Offer**

The details of the proceeds of the Offer are set out in the following table:

Particulars	Estimated amount (in ₹ lakhs)
Gross proceeds of the Fresh Offer	Up to [●]
(Less) Offer expenses in relation to the Fresh Offer <sup>(2)</sup>	[●]
Net Proceeds <sup>(1)</sup>	[●]

<sup>(1)</sup> For details with respect to sharing of fees and expenses please refer to “Offer Expenses” on page [●].

<sup>(2)</sup> To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

#### 6. Utilization of Net Offer Proceeds

(₹ in lacs)

Sr. No.	Particulars	Estimated amount
1.	Funding of the Capital Expenditure of our Company	Upto 1755.00
2.	Funding Working Capital Requirements	Upto 1800.00
3.	General corporate purposes*	[●]

\*The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Offer

For further details, please see chapter titled “Objects of the Offer” beginning on Page No. 73 of this Draft Red Herring Prospectus.

#### 7. Aggregate Pre Offer Shareholding of Promoter and Promoter Group

Following are the details of the shareholding of Promoter:

Sr. No.	Name of the Shareholders	Pre-Offer	
		Number of Equity Shares	% of Pre-Offer Equity Share Capital
<i>Promoter</i>			
1.	Chandhrasekharan Venkatachalam Thirupathi	68,71,948	47.42%
<i>Promoter Group</i>			
2.	V Thirupathi	17,01,000	11.74%
3.	T Kannaki	6,80,000	4.69%
4.	V T Srinivas	5,45,880	3.77%
<b>Total</b>		<b>97,98,828</b>	<b>67.62%</b>

Our Promoter Group holds shareholding in our Company.

For further details, please refer to the chapter titled “Capital Structure” beginning on Page No. 57 of this Draft Red Herring Prospectus

#### 8. Summary of Financial Information

Following are the details as per the Restated Consolidated Financial Information as at the period of eight months ended on November 30, 2023 and Financial Years ended on March 31, 2023, 2022 and 2021:

(₹ in lacs)

S. No.	Particulars	November 30, 2023*	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	1433.43	656.05	656.05	1128.78
2.	Net Worth	4899.06	3682.95	2909.00	2644.98
3.	Revenue from operations	10726.99	16393.95	13364.26	8664.56
4.	Profit after Tax	790.18	865.40	475.11	(330.28)
5.	Earnings per Share	5.68	6.60	3.72	(2.71)
6.	Net Asset Value per equity share	34.18	56.14	44.34	42.07
7.	Total borrowings	9006.75	8466.40	7504.59	6414.37

\*Not annualised

For further details, please refer to the section titled “Financial Information” beginning on Page No. 174 of this Draft Red Herring Prospectus.

#### 9. Auditor qualifications which have not been given effect to in the Restated Financial Information

The Restated Financial Information does not contain any qualification from Auditors.

#### 10. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company and our Promoter is provided below:

a) **Litigations involving our Company**

i) *Cases filed against our Company:*

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	-	-
Direct Tax matters	10	515.67
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

ii) *Cases filed by our Company:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	-	-
Direct Tax matters	-	-
Indirect Tax matters	-	-
Material civil litigations	-	-

b) **Litigations involving our Directors/KMP**

i) *Cases filed against our Directors/KMP:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	04	Not quantifiable
Direct Tax matters	03	0.23
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

ii) *Cases filed by our Directors/KMP:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	-	-
Direct Tax matters	-	-
Indirect Tax matters	-	-
Material civil litigations	-	-

c) **Litigations involving our Promoter**

i) *Cases filed against our Promoter:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	01	Not quantifiable
Direct Tax matters	01	0.11
Indirect Tax matters	-	-
Actions taken by regulatory authorities	-	-
Material civil litigations	-	-

ii) *Cases filed by our Promoter:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	-	-
Direct Tax matters	-	-
Indirect Tax matters	-	-
Material civil litigations	-	-

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on Page No. 196 of this Draft Red Herring Prospectus.

11. **Risk Factors**

Please refer to the section titled “*Risk Factors*” beginning on Page No. 27 of this Draft Red Herring Prospectus.



## 12. Summary of Contingent Liabilities

As per the Restated Financial Information for the period of eight months ended November 30, 2023, and Financial Years ended on March 31, 2023, 2022 and 2021, there are no contingent liabilities of our Company which have been recognized and reported in the Restated Financial Information. For further details, please refer to the chapter titled “*Restated Financial Statements*” beginning on Page No. 174 of this Draft Red Herring Prospectus.

## 13. Summary of Related Party Transactions

**Related Party Disclosures are given below:**

Based on restated financial statement

(₹ in lacs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended November 30, 2023	Amount of transaction during the year ended March 31, 2023	Amount of transaction during the year ended March 31, 2022	Amount of transaction during the year ended March 31, 2021
Emrald Middle East FZ LLC	Wholly Owned Subsidiary	Sale of products	302.80	244.56	408.52	497.43
Emrald Tyres Europe BVBA	Wholly Owned Subsidiary	Sale of products	1,973.12	2,738.12	2,428.70	1,405.93
S A Rubber Engineering Pvt Ltd	Company Owned by brother of Chairman	Sale of products	73.58	232.51	145.13	202.20
Mr. V. T. Chandhrasekharan	Chairman & Managing Director	Remuneration	47.56	74.57	61.26	53.93
Mr. D. Eswara Krishnan	Whole Time Director	Remuneration	28.29	45.53	36.70	32.00
Mr.V.Krishnaram (Resigned as Director dated 25.11.2023)	CEO	Remuneration	46.00	65.25	58.00	51.64
Mr.V.Thirupathi (Resigned as Director dated 29.07.2022)	Father of Chairman and MD	Remuneration	-	18.90	56.70	54.22
Mr.V.Thirupathi - (Consolidated Pay)	Father of Chairman and Managing Director	Salary Paid to Other Related Parties and KMPs	48.00	37.80	-	-
Mr.V T Srinivas - (Salary)	Brother of Chairman and Managing Director	Salary Paid to Other Related Parties and KMPs	40.48	64.52	52.30	45.90
Mr S Shankar Ganesh (Appointed CFO from 21.10.2023)	CFO	Salary Paid to Other Related Parties and KMPs	12.78	16.00	14.20	12.52
Mrs S N Satiya Priya	CS	Salary Paid to Other Related Parties and KMPs	1.60	2.40	2.40	2.40

For further details, please refer “*Annexure: Related Party Disclosures*” from the chapter titled “*Restated Financial Information*” beginning on Page No. 174 of this Draft Red Herring Prospectus.

## 14. Financials Arrangements

There are no financing arrangements whereby the Promoter, members of the Promoter Group, the Directors of our Company 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 financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

**15. Weighted Average Price of the Equity Shares acquired by our Promoter and Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus**

The details of the weighted average price of the Equity Shares acquired by our Promoter and Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name of Promoter and Selling Shareholder	No. of shares acquired in last one year from the date of this Draft Red Herring Prospectus	Weighted Average Price (in ₹)
Chandhrasekharan Thirupathi Venkatachalam	34,35,974	0
Karthikeyan Swarnam	6,10,815	24.56
S Vijayalakshmi	79,250	0

*^As Certified by the Rajani & Co. Chartered Accountants by their certificate dated March 22, 2024.*

**16. Weighted average cost of acquisition for all Equity Shares transacted in One year, 18 months and Three years preceding the date of this Draft Red Herring Prospectus**

Name of Promoter and Selling Shareholder	Weighted average cost of acquisition <sup>^</sup> (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price <sup>^</sup> (in ₹)
<b>During Last 1 Year</b>			
Chandhrasekharan Thirupathi Venkatachalam	0	[●]	[●]
Karthikeyan Swarnam	24.56	[●]	[●]
S Vijayalakshmi	0	[●]	[●]
<b>During Last 18 Months</b>			
Chandhrasekharan Thirupathi Venkatachalam	0	[●]	[●]
Karthikeyan Swarnam	24.56	[●]	[●]
S Vijayalakshmi	0	[●]	[●]
<b>During Last 3 Years</b>			
Chandhrasekharan Thirupathi Venkatachalam	0	[●]	[●]
Karthikeyan Swarnam	50.93	[●]	[●]
S Vijayalakshmi	0	[●]	[●]

*^As Certified by the Rajani & Co. Chartered Accountants by their certificate dated March 22, 2024.*

*\* To be updated upon finalization of price band.*

**17. Average Cost of Acquisition of Equity Shares for Promoter and Selling Shareholders**

The average cost of acquisition of Equity Shares for the Promoter and selling shareholders is as follows:

Name of Promoter and Selling Shareholder	No. of shares held	Average Cost of Acquisition (in ₹)
Chandhrasekharan Thirupathi Venkatachalam	68,71,948	1.99
Karthikeyan Swarnam	11,28,080	66.50
S Vijayalakshmi	1,58,500	10.72

*^^As Certified by the Rajani & Co. Chartered Accountants by their certificate dated March 22, 2024.*

**18. Pre-IPO Placement**

Our Company does not contemplate any issuance or placement of Equity Shares in this Offer until the listing of the Equity Shares.

**19. Offer of equity shares made in last one year for consideration other than cash**

Except as disclosed in “Capital Structure – History of Equity Share capital of our Company” on page 57, 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.

**20. Split or consolidation of Equity Shares in the last one year**

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Red Herring Prospectus.

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

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

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### SECTION III – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Offer. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 98, 110 and 182 **Error! Bookmark not defined.** of this Draft Red Herring Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 20 of this Draft Red Herring Prospectus.

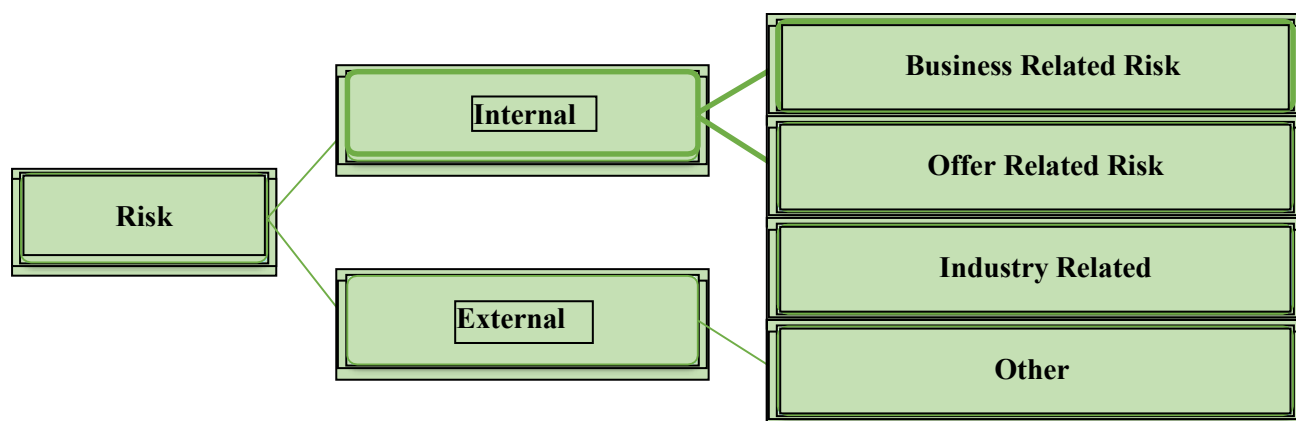
Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.

#### **Materiality:**

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

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively; and
- Some events may not be material at present but may have a material impact in future.

#### **Classification of Risk Factors**



The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

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

*In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Emerald Tyre Manufacturers Limited.*

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

**Internal Factors:**

- 1. Our company's ability to secure raw materials at favorable prices is subject to market fluctuations. Any increase in raw material costs could significantly impact our sales, profitability, and overall performance.**

As a key player in the tire manufacturing industry, our operations rely heavily on various raw materials including natural rubber, synthetic rubber, tire cord fabric, carbon black, steel cord, and certain chemicals. A significant portion of these materials, such as synthetic rubber, tire cord fabric, carbon black, and certain chemicals, are derived from crude oil. The cost of raw materials represents a substantial portion of our expenses and it represented 5554.50 lacs, 8,899.67 lacs, 10,351.85 lacs and 5,936.28 lacs of our consolidated net purchases for fiscal 2021, 2022, 2023 and for the eight months ended November 30, 2023, respectively.

Our business is susceptible to fluctuations in the prices of natural rubber and crude oil, both of which are influenced by external factors beyond our control. Additionally, the demand and supply dynamics of these raw materials contribute significantly to their pricing volatility. Historical instances, such as the floods in Thailand in January 2017, have demonstrated how natural disasters can disrupt the availability and escalate the prices of raw materials like natural rubber.

Natural rubber availability is subject to factors like adverse weather conditions, which may disrupt supply and led to price fluctuations. Additionally, political instability and logistical constraints can affect natural rubber availability and prices. Measures taken by major rubber-producing countries, such as Malaysia, Thailand, and Indonesia, through organizations like the International Tripartite Rubber Council, may further influence market dynamics and prices.

Although we are exploring alternative material sources and partial replacement of natural rubber with synthetic rubber, cost-efficiency and feasibility remain concerns. Our heavy reliance on natural rubber, coupled with volatile raw material prices, poses a potential threat to our business and financial performance if we are unable to respond effectively or timely to such fluctuations in the future.

- 2. Our business is dependent on a few of our clients who contribute to significant of our revenues from operations. Any loss of business from them may adversely affect our revenues and profitability.**

Our business and revenues are substantially dependent on a few clients. Our top 05 clients contributed nearly upto 30%, of our aggregate revenues for the period of eight months ended on November 30, 2023 , as per our restated consolidated financial statements. We do not enter into long term contracts with our client and most of the solutions and services provided are project specific and last only upto the completion of the project. Where required, we also provide back-up support services to the engineers and technicians of the client once the project goes on stream or to the next level of activity of the specific project.

As our business is currently concentrated with a select number of clients, any adverse development with such customers, including because of any dispute with, or disqualification by such major customer, may result in us experiencing significant reduction in our cash flows. If our clients are able to fulfil their requirements by employing any of our competitors, we may lose a significant portion of our business.

- 3. Our operational efficiency is closely linked to the consistent supply of raw materials, sourced from a selected group of suppliers. Any potential interruption in the flow of raw materials from these suppliers could pose challenges to our operations.**

We rely significantly on these suppliers to furnish the essential components for our products, drawing from both domestic and international markets based on considerations of cost-effectiveness and quality. However, the bulk of our raw material requirements are met by a handful of key suppliers.

While we remain confident in our ability to secure alternative sources of raw materials, if necessary, any disruption in the supply chain from these critical suppliers or any unfavourable changes in procurement terms could impact our operations and financial standing.

We prioritize transparency and strive to keep our investors informed about potential risks, ensuring that we maintain resilience in the face of challenges.

- 4. Significant portions of our revenue hinges upon a selected group of clientele, and the potential loss of any of these key customers may substantially impact our business operations and profitability.**

As we actively pursue new opportunities, the composition of our customer base may evolve. However, factors such as fluctuations in quality standards, heightened competition, or shifts in customer demand could potentially jeopardize our ability to retain these valued clients.



Despite our efforts to foster enduring relationships, there is no guarantee of sustained long-term partnerships with our customers. Additionally, delays or defaults in payment by these key clients could negatively affect our financial stability and operational performance.

While we remain committed to delivering exceptional service, we cannot guarantee consistent business volume from these customers. The loss of one or more key clients could have adverse effects on our revenue and profitability.

We are dedicated to mitigating these risks through diligent customer relationship management and strategic diversification efforts. Nonetheless, investors should be aware of the inherent uncertainties associated with our dependence on key customers.

**5. There have been certain lapses and discrepancies and/or typographical errors in Statutory filings. We cannot assure you that no regulatory action will be initiated against us and that no penalties will be imposed on us on account of these lapses.**

There have been certain instances of lapse such as factual or typographical errors and certain discrepancies in certain allotment related forms and the corresponding secretarial records filed by us.

For example, there has been instances of Non Filing of Charge Forms (CHG-1) where charge was created on Vehicles, however the company has obtained comfort letter from Kotak Mahindra Prime for non-filing of such charge forms. Also, the company has failed to open a separate bank account with a schedule bank for collection of application amount for preferential allotment in previous years and that the amount was inadvertently deposited in Company's Current Bank account. We cannot assure you that no regulatory action will be initiated against us and that no penalties will be imposed on us on account of these lapses.

**6. We may not be able to continue investing to increase existing capacities in order to meet the market requirements, capitalize on the new opportunities available or to drive future growth.**

The off highway tyre industry demands substantial capital investment and entails extended payback periods. At times, we may encounter limitations in allocating significant funds towards expanding existing capacities or seizing new market opportunities. This could potentially lead to a loss of market share to competitors or the inability to capitalize on lucrative prospects. Moreover, sizable investments are likely to impact our short-term profitability and cash flows due to the prolonged period required for returns. Constraints on capital expenditure may also have adverse effects on future business operations and financial performance. Similarly, investments aimed at future growth may temporarily affect our profitability and return ratios. It is essential for investors to consider these factors as potential risks, albeit with the understanding that prudent financial strategies are in place to navigate such challenges and foster sustainable growth.

**7. Inadequate inventory management may pose risks to our business performance, affecting our sales, profitability, and financial health.**

The success of our operations hinges on our ability to efficiently handle our inventory and stock levels. This involves accurately gauging customer demand, ensuring adequate supply, and timely production of inventory. Any misjudgement in estimating customer demand could result in either product shortages or surplus inventory, impacting our operations adversely.

Moreover, failure to sell manufactured inventory or procure third-party manufactured inventory could lead to inventory write-downs or supplier payments without corresponding sales, necessitating additional financing arrangements. This may exert pressure on our income and cash flow, affecting our financial stability.

**8. Competition may result in the reduction of our market share or margins, either of which could adversely affect our business or results of operations.**

We face significant competition in the markets in which we operate, particularly in our key markets of India and Europe. We compete with other tyre manufacturers on, among other things, product design, price, warranty terms, customer service and our network reach.

The global tyre market is led primarily handful of market players, each of which has substantial global market share, large resources, large R&D teams, strong relationships with OEMs, larger sales and distribution networks and extensive experience in certain markets and the industry. We face competition from such companies as well as local manufacturers in many of the markets in which we operate, have recently entered or has planned to enter. Such competitive intensity may further increase due to more tyre manufacturers entering the markets where we operate or due to the capacity expansions undertaken by existing players, which in turn will result in pricing pressure. In India, we face competition primarily from our listed peers.

Any increase in competition may make it difficult for us to pass on raw material price increases to our customers, which could adversely affect our margins. Our inability to compete successfully with other companies could also result in a decline of our market share and adversely affect our results of operations and financial condition.

**9. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy.**

The fund requirement and deployment, as mentioned in the “Objects of the Offer” on page 73 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Offer” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Offer” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**10. Company may be not be able to procure Equipment at costs specified in “Objects to Issue Chapter”**

There can be no assurance that we would be able to procure equipment at the estimated costs. The procurement of necessary equipment constitutes a critical component of our operations. However, various factors, including market fluctuations, supply chain disruptions, and unforeseen regulatory requirements, may lead to significant deviations from our projected equipment procurement costs.

These uncertainties could arise from changes in supplier pricing, availability of raw materials, transportation costs, or geopolitical events affecting trade relations. Additionally, unforeseen technical challenges or modifications to equipment specifications may necessitate costly adjustments to procurement plans.

As a result, any inability to procure equipment within anticipated cost parameters could adversely affect our financial performance, operational efficiency, and ability to execute strategic initiatives. Investors should recognize the inherent risks associated with uncertainties in equipment procurement costs and carefully consider these factors before making investment decisions.

**11. Inherent risk for expanding our business internationally which may potentially impact our financial standing and operational performance.**

Sustaining in the markets requires substantial investment, and we may encounter higher-than-anticipated costs during the establishment phase. Moreover, competition in these regions could be intense, adding another layer of complexity to our expansion efforts.

Operating internationally brings forth a myriad of challenges such as language barriers, cultural differences, and logistical hurdles in staffing and managing overseas operations. Additionally, navigating foreign legal systems poses inherent difficulties, particularly concerning contract enforcement and receivables collection. We must also contend with non-tariff barriers, trade restrictions, and compliance with diverse foreign regulations, which could impact our operational efficiency.

Furthermore, our reliance on third-party dealers and distributors in certain regions introduces a level of vulnerability, as their actions could potentially affect our brand reputation and business performance.

Unlike our established footholds in India and Europe, our business in other geographies relies on a select number of dealers, leading to customer concentration risks. Moreover, any inability of these dealers to fulfil their financial obligations could adversely impact our cash flow and profitability.

**12. In past, there has been instances of delayed filing of Statutory Returns.**

In past, there has been instances where the Company has delayed to file GST Returns, PF Returns, ESI Returns, TDS Returns, Professional Tax Returns in specified time. The delays in filings are as follows:

**GST Return delay filing:**

Financial Year	Month	Due Date	Actual Filing Date	Delay Filing(In Terms of Days)
2021-2022	June	20/7/2021	21/07/2021	1
2021-2022	August	20/9/2021	21/09/2021	1

**PF Returns:**

Period	No of Days Delay
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April-2020	60
May-2020	32
June-2020	12
July-2020	3
August-2020	3
May-2021	1

**ESI Returns:**

Period	No of Days Delay
April-2020	55
May-2020	24
July-2020	10

**TDS Returns:**

Period	No of Days Delay
26Q 1Q 2020-21	114
26Q 2Q 2020-21	155
26Q 3Q 2020-21	63
26Q 4Q 2022-23	24
26Q 1Q 2023-24	17

**Professional Tax Returns:**

Period	No of Days Delay
Apr To Sep 2020	138
Oct To Mar 2021	131
Oct To Mar 2022	130
Oct To Mar 2023	16

Non- compliance of applicable laws may attract penal provisions and inability to file the statutory returns on time and failure to remit statutory dues will have an adverse effect on our operations and the company shall also face negative brand image in the market.

**13. The seamless functioning of our manufacturing facilities stands as a cornerstone of our operations, playing a pivotal role in sustaining our business. Any interruptions in their operation could potentially pose significant challenges to our business continuity, financial health, and operational performance.**

Our business is supported by our manufacturing capabilities. Our manufacturing facilities located at Plot No.79 & 80, EPIP Zone SIPCOT Industrial Complex Gummudipoondi, Tiruvallur District Tamil Nadu - 601201 in India. See section titled “**Our Business – Our Manufacturing Facility, Capacity and Capacity Utilization**” on page 127 to this Draft Red Herring Prospectus. As of and for eight months ended November 30, 2023, our manufacturing facilities collectively have a manufacturing capacity of around 7040 MT (Not annualized).

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, fire, power interruption and natural disasters. Further, the obsolete or outdated machinery and equipment that may have surpassed their optimal lifespan may affect our operational efficiency and productivity, resulting in prolonged production cycles and decreased overall productivity. Additionally, older machinery may lack the capacity and flexibility needed to adapt to changes in production volume or shifts in market demand. Such disruptions could adversely affect our sales, financial performance, business expansion, and future prospects.

In addition, we may be required to carry out planned shutdowns of our manufacturing facilities for maintenance, or due to some reasons beyond our control such as an outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions could adversely affect operations of our integrated production facility. In the future, we may also experience shutdowns or periods of reduced production because of regulatory Offers, power outage, natural disaster, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries.

**14. We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.**

Our company has incurred a substantial level of indebtedness, which could pose challenges if we fail to meet repayment obligations or adhere to the terms outlined in our financing agreements. As of November 30, 2023, our outstanding borrowings amounted to ₹ 9006.75 crores.

We maintain agreements with various banks and financial institutions for both short-term and long-term borrowings. These agreements typically entail restrictive covenants, necessitating prior consent from lenders for certain actions such as modifications to our capital structure, alterations in shareholding patterns, or seeking additional resources through debt or equity offerings in the capital market. Additionally, these agreements often require collateral in the form of charges on our fixed and current assets, mortgages on immovable properties, and hypothecation of movable assets.

The fluctuation of interest rates also presents a direct impact on the interest costs of our loans, potentially affecting our financial stability. Our ability to service and refinance our debts relies heavily on generating cash flow from our operations. However, there is a possibility that we may not generate sufficient cash flow or secure adequate capital to meet our debt obligations.

The level of leverage we carry can significantly influence our shareholders and future financial performance. It could increase our vulnerability to economic downturns, hinder our growth initiatives, and limit our flexibility in responding to industry changes. Moreover, it may reduce our ability to allocate funds towards capital expenditures, working capital requirements, and other corporate purposes, including dividend payouts. This situation could also place us at a competitive disadvantage compared to less leveraged competitors.

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

The majority of our sales are to customers on a purchase order basis, with standard payment terms. However, for our domestic orders, we typically rely on our monitoring of the ability of our customers to pay under open credit arrangements. While we limit the credit, we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses in the event our customers are unable to pay. As a result, while we maintain what we believe to be a reasonable 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. The table below sets forth our trade receivables and receivable turnover days as of the dates stated:

Particulars	As of November 30, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
Trade receivables (in ₹ crore)	4,139.41	3,025.81	2,743.27	2,101.89
Trade receivables days (in days)*	108	93	98	124

\*(Based on Restated standalone financials).

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

**16. Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.**

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

Particulars	(₹ in lakhs)			
	Eight month ended November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flow from/ (used in) Operating Activities	654.55	1459.85	954.62	(1659.14)
Net cash generated from/(used in) investing activities	(866.64)	(1480.95)	(1205.63)	(52.11)
Net Cash Flow from/ (used in) Financing Activities	312.37	75.55	180.94	1,786.69

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

**17. Our main operations may be adversely affected in case of industrial accidents at our manufacturing unit and also Rubber is a combustible commodity which may lead to any fire mishaps or accidents could lead to property damages, property loss and accident claims.**

Throughout our production processes, various factors such as machinery operation, material handling, and heating procedures carry inherent risks. These risks extend to potential injuries to our labour force, employees, and other individuals on-site, as well as the possibility of property damage, all of which could disrupt our operations and impact our financial performance.

Furthermore, the combustible nature of rubber introduces fire hazards across various stages, from procurement and processing to storage and transportation. The risk is further heightened due to increased automation and the extensive use of air in material handling processes. While we have secured insurance coverage against fire damage.

**18. Our Company has availed certain unsecured loans which may be recalled at any time.**

Our Company has availed certain unsecured loans of which an amount of ₹ 857.79 lakhs is outstanding as on November 30, 2024, which may be recalled at any time. In the event, any of such unsecured lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see “*Financial Indebtedness*” on page 177 of this Draft Red Herring Prospectus.

**19. Our dependence on our Subsidiaries exposes us to significant operational and financial risks.**

We have two wholly owned subsidiary as on the filing of Draft red herring prospectus “Emerald Tyres (Europe)”, and “Emerald Middle East FZE”. We rely on our Subsidiaries for expanding our market share and business in various jurisdictions for sale of our products, and consequently our revenues, our free cash flows, and other permitted payments.



Additionally, a significant dependency on our Subsidiaries may have an adverse effect on our financial condition, results of operations and prospects. As our Subsidiaries are separate and distinct legal entities, they have no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future. In addition, our financial condition may be adversely affected, should they cease to be our Subsidiaries.

**20. We operate within a regulatory framework governed by stringent labour laws which could potentially impact our operations.**

Our manufacturing processes heavily rely on labour, necessitating significant management involvement in labour relations, and thus expose us to the risk of industrial disputes. Any potential tightening or stricter enforcement of these laws may constrain our ability to adapt flexible human resource strategies, manage employee separations, or downsize, thereby adversely affecting our business, financial health, and operational stability. Additionally, we face the threat of strikes, lockouts, and other disruptions across all our manufacturing facilities.

Furthermore, we depend on third-party entities for various operational aspects, some of whom engage contract labourers as independent contractors. While we do not directly employ these labourers, we bear responsibility for their wages in case of default by the independent contractors. In the event of such defaults, we may be compelled to cover the wages of contract labourers, thereby increasing our operational costs and potentially impacting our financial performance. It's noteworthy that many of these independent contractors employ members of registered unions, both in India and other countries, adding a layer of complexity to our labour relations.

**21. Our Company's name & logo and Brand names are not registered trademark.**

We hold trademark for the logo  “EMERALD”, and Brand Name “SOLIDPLUS” and “GRECKSTER” which is registered at the name of Emerald Resilient Tyre Manufactures Private Limited which our previous name. Since name of our company change to Emerald Tyre Manufacturers Limited, we have not applied for trademark application for new logo , Name change application for holder of trademark of Brand Name “SOLIDPLUS” and “GRECKSTER” and application for our brand names “em POWER”, “GRECKSTER – MEO”, “POWER XT”, “GRECKSTER – GOLD”, “SOLID TRAC” and “SUPER STAR”. Hence, we do not enjoy complete statutory protection accorded to a registered trademark. If we are unable to obtain a registration, we may still continue to use the corporate name but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our corporate name which may adversely affect our reputation and business and could require us to incur additional costs.

Costly and time-consuming litigation could be necessary to enforce or defend our intellectual property rights. If we are unable to protect our intellectual property rights our competitive position and brand recognition could suffer and our revenue, financial condition, results of operations and cash flows could be adversely affected.

**22. There are outstanding legal proceedings involving our Company, Promoter and one of our KMP. Any unfavourable development in these proceedings or in other proceedings in which we become involved could have a material**



**adverse effect on our business, financial condition and results of operations and the price of our Equity Shares.**

There are several outstanding legal proceedings involving our Company which are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals in India. There are income tax proceedings involving us pertaining to various assessment years. Additionally, there are 04 criminal cases filed against our promoter and one of our KMP, amount involved is non-quantifiable till the date of filing of this DRHP. For further details see the section titled “Outstanding Litigation and Material Developments” beginning on page 196 of this Draft Red Herring Prospectus. If any of our current cases or future cases are not resolved in our favour, and if our insurance coverage or any applicable indemnity is insufficient to cover the damages awarded, we may be required to make substantial payments or we may need to make provisions in our financial statements, which could have an adverse impact on our business, financial condition and results of operation and the price of our Equity Shares.

**23. Potential risks inherent in our operations demand careful consideration. Accidents within our facilities or during our operational activities pose significant liabilities, potentially impacting our revenues and expenses.**

Our manufacturing processes involve the operation of heavy machinery, heightening the risk of accidents. Such incidents can result in personal injury, loss of life, and extensive damage to property and equipment. Moreover, they may lead to operational suspensions and legal repercussions, including civil and criminal liabilities. Claims stemming from workmen injuries could further challenge our operations and tarnish our reputation.

Although we maintain comprehensive insurance coverage, the protection it offers may not fully offset the liabilities, revenue losses, or additional expenses we could face. Furthermore, it might not adequately safeguard our reputation.

**24. If we encounter challenges in executing our production schedules efficiently, it could significantly impact our business and financial performance.**

Our ability to meet market demands relies on our capacity to swiftly upscale production of technically intricate products within designated, often tight timeframes. Additionally, we depend on our capability to discontinue outdated products and models while reconfiguring production lines to accommodate new ones. This necessitates continuous enhancements to our production capabilities by refining processes, acquiring modern testing equipment, and expanding/upgrading our production facilities.

However, there's a risk that we may encounter difficulties in maintaining or enhancing our production capabilities promptly or executing production plans effectively. Failure to do so could result in an inability to meet customer demand or prolonged disruptions in our production operations, adversely affecting our business and financial performance.

**25. Volatility in energy and fuel expenses poses a potential risk to our business, financial performance, and cash flow.**

Our manufacturing facilities rely heavily on energy resources such as oil, natural gas, water, and electricity to sustain operations. We have made the necessary arrangements for regular uninterrupted power supply at our manufacturing unit. We have availed a power connection from TANGEDCO Limited (Tamil Nadu Generation and Distribution Corporation Limited) for our manufacturing unit premises with a sanctioned load of 1479 KVA. Please refer section titled “**Our Business - Utilities & Infrastructure Facilities**” on page no. 127 of this draft red herring prospectus. The fluctuating demand and limited availability of these resources may lead to significant cost escalations, thereby substantially increasing our operational expenditures. In such circumstances, we may face challenges in passing on these increased costs to our customers, potentially impacting our ability to execute future expansion plans. While we have historically managed our energy needs effectively, there's no guarantee that we will continue to secure a consistent and cost-effective energy supply in the future, which could adversely affect our business operations.

Furthermore, notable spikes in fuel prices can influence consumer behaviour, potentially resulting in reduced sales of passenger vehicles and a slowdown in industrial activities. Such broad impacts on economic dynamics may lead to a decrease in demand for tyres, consequently affecting our business performance.

**26. The continued success of our business heavily relies on the expertise and dedication of our management team and operational workforce. Any challenges in retaining them could potentially impact our operations negatively.**

Our board of directors and senior management possesses invaluable experience in steering our diverse business operations, making them irreplaceable assets. For further details please refer chapter titled ‘**Our Management**’ at Page no. 153 of this draft red herring prospectus. Their insights enable us to make informed decisions crucial for our business and future growth. However, there's a risk associated with retaining them, and the departure of any key member could impede our ability to sustain and expand our business, hindering the execution of our strategic plans.

Losing any board of directors or key personnel, or facing difficulties in recruiting replacements, could disrupt our daily operations, impede new product development, and hamper our expansion efforts. Moreover, as the competition for skilled labour intensifies in both India and Europe, we may encounter challenges in maintaining an adequate workforce for our manufacturing facilities, posing a threat to our business continuity and growth trajectory.

Our research and development (R&D) endeavours hinge on our capacity to attract and retain talented technical and R&D personnel. Failing to do so could undermine our growth strategy. Despite our confidence in our current team, the heightened demand for such personnel from competitors may pose retention challenges or compel us to offer more competitive terms.

**27. Late Submission or Non-compliance with environmental, labour, and occupational health and safety laws, as well as other regulations applicable to our operations, could pose significant risks to our business.**

Ensuring compliance with environmental, labour, and occupational health and safety laws, along with other regulatory requirements, is crucial for our operations. We operate in India, Europe, and the Middle East, where we must adhere to stringent environmental standards governing emissions, waste management, and employee safety.

Our commitment to compliance entails significant costs, which we have diligently incurred and will continue to do so in the future. While ISO 9001-2015 certified company and we have also been certified by ISO 14001-2015 (Environment Management System) and comply with Norms specified by the European Union - REACH Standards and have not encountered any major violations, the ramifications of potential non-compliance could be severe. Authorities may shut down our facilities in cases of material breaches, leading to substantial penalties, legal appeals, and operational disruptions without generating revenues.

Furthermore, any perception of our products posing environmental hazards could trigger recalls, production halts, and financial penalties, tarnishing our brand reputation and increasing operational expenses while dampening profits.

We also operate under diverse labour laws governing wages, working conditions, and hiring practices across our regions. Securing requisite licenses and permits in a timely manner is vital for our business continuity. Any lapses in obtaining or maintaining these authorizations could result in their suspension or termination, along with penalties imposed by regulatory bodies, adversely impacting our business operations and financial performance.

**28. Our company's success is significantly influenced by the strength of our brands and the perception they hold in the market. Any decline in their reputation or market perception, coupled with ineffective sales and marketing strategies, could potentially impact our sales, profitability, and hinder the execution of our growth plans.**

We own certain trademarks and patents relating to our products. See the section titled “*Our Business – Intellectual Property Rights*” on page 129 of this draft red herring prospectus. Our brand and reputation are among our important assets, and the performance and quality of products are critical to the success of our business. In particular, we operate and sell our products under our brand names “GRECKSTER”, “SOLIDPLUS”, “em POWER”, “GRECKSTER – MEO”, “POWER XT”, “GRECKSTER – GOLD”, “SOLID TRAC” and “SUPER STAR”. Please refer **Risk Factor No. 19 *Our Company’s name & logo and Brand names are not registered trademark*** .

While we have not encountered any instances of infringement or misappropriation of intellectual property rights in recent past, there remains the possibility of facing such challenges in the future. Safeguarding our intellectual property rights and defending against potential infringements are crucial aspects that may impact our business operations and financial performance.

Furthermore, the effectiveness of our sales and promotional activities, as well as our choice of channel partners, significantly contribute to our brand building efforts. However, there's inherent uncertainty regarding the consistent effectiveness of these initiatives. Any adverse developments or decline in the value and reputation of our brands could adversely affect our business prospects, financial performance, and overall market standing.

**29. Our company faces the risk of incurring significant liabilities due to uninsured losses, which could have adverse effects on our financial health.**

Despite maintaining insurance coverage for various risks such as fire, special perils, and asset protection including boilers and pressure machines, among others, there are certain risks and losses for which we may not be adequately insured. These include loss of business, environmental liabilities, cyber-attacks, terrorism, and key personnel loss, which are either uninsurable or not available at commercially acceptable terms.

While we believe our insurance coverage is reasonably adequate for normal operational risks, there's no guarantee that claims under these policies will be fully honoured or that our coverage is sufficient to indemnify all material losses.

In the event of an uninsured loss or a loss exceeding insured limits, we may face financial liabilities, capital loss, or foregone future income. This could impede our ability to replace damaged property or equipment promptly, thereby adversely impacting our business operations and financial performance.

**30. Foreign exchange fluctuations could result in financial losses that could adversely affect our results of operations and cash flows.**

Foreign exchange fluctuations pose a significant risk to our financial stability and performance. Our exposure to currency fluctuations, particularly in Euro and Dinar, affects various aspects of our operations:

- **Revenue from Overseas Business:** We generate revenue in foreign denominations, subjecting us to fluctuations in exchange rates.
- **Currency Translation Losses:** As we consolidate our financial statements in Indian Rupees, the value of our global operations is subject to currency translation losses.
- **Value of Foreign Assets:** Fluctuations in exchange rates impact the valuation of our foreign assets.

Our revenue is directly influenced by the currency of the countries where we operate. The exchange rates between the Indian Rupee and these currencies have historically fluctuated, impacting our operations. For instance, when the Indian Rupee strengthens, our overseas sales and revenues may decline. However, the impact of Rupee depreciation may vary due to other factors affecting our business concurrently.

While we aim to pass on foreign currency losses to our customers, predicting future fluctuations is challenging. Our products priced in foreign currencies may result in gains or losses for our company based on currency movements. We regularly renegotiate prices, including adjustments for currency fluctuations, with our customers. However, these adjustments may not fully offset the impact of currency fluctuations, leading to potential losses or gains.

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

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

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management’s attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations.

In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

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

As of November 30, 2023, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for in our results of operations were as follows:

*(in ₹ crores)*

S. No.	Particulars	As of November 30, 2023	2022-23	2021-22	2020-21
1.	Other money for which the company is contingently liable*	515.67	515.67	515.67	515.67

If a significant portion of these liabilities materialize, we may have to fulfil our payment obligations, which could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see “**Financial Information**” on page 174 of this draft red herring prospectus.

**33. We have engaged in transactions with related parties in the past and may continue to do so in the future.**

These transactions encompass various activities including the sale of our products, Remuneration and Salary paid to KMPs and other related parties. For comprehensive information, please refer section titled “**Financial Statements**” on page 174 of this draft red herring prospectus.

While we have ensured that all such transactions have received the necessary corporate approvals in accordance with applicable laws and have been conducted in the ordinary course of business and at arm's length, it is important to note that we cannot guarantee that more favourable terms could not have been negotiated had these transactions been conducted with unrelated parties.

Furthermore, there is a possibility that such related party transactions, whether individually or collectively, may have an adverse impact on our business, reputation, financial condition, regulatory compliance, and results of operations.

**34. We have consistently paid dividends in the fiscal years 2022-23 and 2021-22 on preference shares. However, it's crucial to note that our ability to continue paying dividends in the future may hinge on several factors, including our forthcoming earnings, financial health, cash flows, working capital needs, capital investments, and the terms of our financing agreements.**

While we have a history to distribute dividend to our preference shareholders through dividends, the quantum of future dividend distributions, if any, will be subject to a variety of considerations, such as our future profitability, financial stability, cash generation, and the necessity to allocate funds towards operational activities and business expansion endeavors. It's important to recognize that there are no guarantees regarding our ability to declare dividends in the future.

The decision-making authority regarding the declaration and disbursement of dividends lies with our esteemed Board of Directors, and any such determinations will be made based on the prevailing circumstances and strategic objectives of the company. For a more detailed understanding of our approach to dividends, please refer to the 'Dividend Policy' section, available on page 173 of this Draft Red Herring Prospectus.

**35. We do not own all the premises from which we operate, and continuous and uninterrupted use and possession of such premises are subject to certain conditions.**

In particular, our manufacturing facilities located at Plot No.79 & 80, EPIP Zone SIPCOT Industrial Complex Gummudipoondi, Tiruvallur District Tamil Nadu - 601201 in India are established on leased properties, all under long-term lease agreements. For more comprehensive insights, kindly refer to the Chapter titled "Our Business" of Section "Immovable Properties" beginning at page 131 of our documentation.

It's imperative to acknowledge that any breach of the lease terms and conditions could potentially result in contract termination. Should we forfeit the right to utilize these properties, it would necessitate relocating our operations, inevitably leading to disruptions and incurring substantial costs. Failure to renew existing leases or secure new agreements for suitable premises on favourable terms could significantly impact our business and financial performance.

**36. Our consolidated net revenue will be adversely affected if the Government reduces or withdraws tax benefits and other incentives it currently provides to us or otherwise increases our effective tax rate.**

Our company gets export incentives under scheme of government "Remission of Duties and Taxes on Export Products". The scheme ensures that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. It was introduced with the intention to boost exports which were relatively poor in volume previously. Mandi tax, VAT, Coal cess, Central Excise duty on fuel etc. will now be refunded under this particular scheme. We get duty draw back of 0.75% on Solid Tyres and 1.40% on Pneumatic Tyres. Duty drawback is a refund in payments that were initially collected upon importation of foreign-made goods; these payments could have been for customs duties, sales taxes, or other fees. Which will be credited within 30 days.

In absence of removal of such incentive our profitability and financial position may be affected.

**37. If we inadvertently infringe upon the intellectual property rights of others, our business and results of operations may be adversely affected.**

Despite our best efforts to uphold intellectual property regulations, it is challenging to ascertain definitively whether we are infringing on third-party rights. Noncompliance with intellectual property laws may necessitate adjustments to our technologies, acquisition of licenses, or even discontinuation of certain operations. Moreover, we may become subject to legal claims from third parties alleging infringement, which could require us to obtain licenses, modify technology, or develop alternative non-infringing solutions. These processes often involve substantial costs, and there is no guarantee that satisfactory license terms will be obtainable, if at all. Additionally, settling infringement claims can impose significant financial burdens.

**38. Rapid advancements in technology pose a significant risk to our current operations and financial stability.**

As new technologies emerge, we may face the necessity of significant capital investments to adopt these advancements or upgrade existing machinery in our manufacturing facilities. While such upgrades are essential for enhancing efficiency and productivity, they also come with substantial costs that could impact our financial health and operational capabilities.

The adoption of new technologies in manufacturing could necessitate substantial capital investments to implement or upgrade machinery and equipment. While such modernization efforts are crucial for cost reduction and increased productivity, the associated costs can exert significant pressure on our finances and operations.

**39. Our Promoter and certain Directors hold Equity Shares in our Company, thereby aligning their interests with the company's performance alongside their regular compensation and expense reimbursements.**

Some of our Directors, including our Promoter, have vested interests in our Company beyond their standard remuneration and benefits, owing to their shareholding. While they are obligated to act in the best interests of the company, there's no guarantee that they will always exercise their shareholder rights to favour the company's growth.

As a consequence, our Promoter retain significant control over strategic decisions, such as board composition and voting on key matters. This control may limit the influence of other shareholders on important decisions. Additionally, there exists a possibility that actions taken by our Promoter could diverge from the interests of the company or minority shareholders.

For a deeper understanding of the interests held by our Promoter and Directors, beyond typical remuneration and benefits, please refer to the section titled "**Related Party Transactions**" on page F-49 of this Draft Red Herring Prospectus.

**40. We export our products to various countries, on account of which we may be subject to significant import duties or restrictions in the jurisdictions we export to. Further, unavailability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.**

Our company exports the products to various countries. However, it is crucial to acknowledge the inherent risks associated with exporting, particularly concerning import duties and regulatory restrictions imposed by the jurisdictions to which we export. These factors pose potential hurdles that could impact our business dynamics and financial performance.

The factors such as fluctuations in import duties, or imposition of new tariffs by importing countries could increase our operational costs and erode profit margins. Moreover, the evolving landscape of international trade agreements and geopolitical dynamics may introduce unpredictability, further complicating our export activities.

Furthermore, our business may be subject to regulatory requirements pertaining to fiscal benefits enjoyed in certain jurisdictions. Failure to comply with these requirements or the unavailability of such benefits could have adverse implications for our financial position and operational efficiency. In light of these potential challenges, we are diligently monitoring regulatory developments and assessing their potential impact on our business strategy. Our proactive approach includes engaging with relevant stakeholders, leveraging legal expertise, and exploring mitigation strategies to safeguard our interests and ensure continued growth.

While we remain committed to expanding our global footprint and serving diverse markets, it is essential to recognize and address the risks inherent in our international operations and we may not assure the seamless operations, in case of any disruptions in working.

**41. Employee misconduct, errors, or fraudulent activities pose significant risks to our business operations, financial stability, and reputation. Such instances could lead to regulatory penalties, damage our standing in the market, and undermine investor confidence.**

These risks encompasses various forms of misconducts, including breaches in security protocols, misuse of funds, concealment of unauthorized activities, failure to adhere to operational standards, and improper handling of confidential information. Despite our efforts to prevent and to detect such behaviour, we acknowledge the inherent challenge in eliminating these risks.

Furthermore, losses incurred due to misconduct, such as misappropriation of petty cash expenses and advances, may not always be recoverable, potentially necessitating write-offs that could impact our financial performance. Additionally, employee errors may expose us to claims of negligence and regulatory scrutiny, further jeopardizing our reputation and financial well-being.

**42. Our lenders have charge over our fixed assets in respect of finance availed by us.**

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our Fixed asset. As on November 30, 2023, total amount outstanding and payable by us as secured loans are Rs.3815.48 Lacs. In the event of default in repayment of the loans / facilities availed by company and any interest thereof, the properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further details of secured loans of our Company, please refer the chapter titled "**Restated Financial Statements**" on page 174 of this Draft Red Herring Prospectus.

**43. Our business primarily operates on a purchase order basis without long-term contractual commitments with our customers.**

Our company does not engage in any long-term contracts with our customers, opting instead for a flexible purchase order system. However, it's essential to note that any significant shift in our customers' buying behaviour or the potential loss of key clients could pose risks to our operations. The absence of long-term contracts leaves us vulnerable to shifts in



purchasing behaviours or the potential disengagement of key customers, which could significantly impact our business operations. Any disruption in the workflow from major customers or challenges in securing new orders regularly could potentially disrupt our revenue streams, cash flows, and overall operations. While our focus on purchase orders offers agility, it also exposes us to the possibility of revenue fluctuations and operational challenges in the event of interruptions in client engagements or difficulties in securing new orders.

**44. The occurrence of COVID-19 or any other severe communicable disease poses a potential threat to our business, financial health, and operational outcomes.**

One significant risk associated with COVID-19 pertains to disruptions in supply chains. We rely extensively on various suppliers for components, raw materials, and equipment. The pandemic led to widespread lockdowns, travel restrictions, and manufacturing constraints in numerous countries. Should similar circumstances arise in the future, it could disrupt the production schedules of solar panel manufacturers, potentially resulting in project delays or increased expenses.

Furthermore, if crucial components or raw materials are sourced from severely affected regions, their production and distribution may be significantly hampered, leading to prolonged delays in order fulfilment or even production stoppages. The risk of supply chain disruptions underscores the importance for companies to diversify their supplier base geographically and establish contingency plans for alternative sources of essential components.

**45. Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company even after the Offer which will allow them to determine the outcome of matters submitted to shareholders for approval.**

Post this Offer, our Promoter and Promoter Group will collectively own [●] of our post Offer equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over the Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing, or deterring a change in control of our Company.

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

**46. We have issued Equity Shares during the last one year at a price that may be below the Offer Price.**

During the last one year we have issued Equity Shares at a price that is lower than the Offer Price as detailed in the following table:

Date of allotment	No. of Equity Shares allotted	Face Value	Offer Price	Nature of Consideration	Nature of allotment
September 22, 2023	6,06,642	10	74	Cash	Preferential Allotment
November 27, 2023	71,67,131	10	Nil	Non-Cash	Bonus Offer in the ratio of 1 Equity Shares issued for every 1 Equity Share held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on October 21, 2023 and by our Shareholders pursuant to a resolution passed at the EGM held on November 25, 2023.
March 18, 2024	1,56,250	10	160	Non-Cash	Conversion of CCD to Equity

For details of the Allottees, please refer “**Capital Structure**” on page 57 of this Draft Red Herring Prospectus.

**47. Potential conflicts of interest may arise if our Promoter or Directors engage in business activities that compete with or align closely with our own operations.**

Currently, our Promoter is involved in any ventures with objectives similar to those of our company. Nevertheless, it's important to recognize that No assurance the future actions of our Promoter, Directors or members of the Promoter Group. There remains a possibility that they may enter into ventures that compete with our existing business or any future endeavours we may undertake, potentially leading to conflicts of interest.

Such conflicts, should they arise, could have a significant adverse impact on our reputation, business continuity, financial performance, and overall financial health.

**48. Our Company does not have a designated monitoring agency to oversee the utilization of the Offer proceeds.**

According to SEBI (ICDR) Regulations, 2018, as amended, the appointment of a monitoring agency is mandated only for Offer sizes exceeding ₹1,00,00,00,000/-. Consequently, we have not engaged a monitoring agency for this purpose. However, our Board's audit committee will diligently oversee the deployment of Offer proceeds, in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, our Company shall inform about material deviations in the utilization of Offer proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**49. The trading price of our Equity Shares may experience fluctuations and the development of an active trading market cannot be guaranteed.**

Prior to this offering, our Equity Shares have not been traded publicly. To facilitate liquidity and trading, [●] is designated as the Market Maker for our Company's Equity Shares. Despite this, it's important to note that the trading price of our Equity Shares may experience fluctuations post-offering due to various factors.

These factors encompass our operational performance and business trajectory, competitive landscape, broader economic, political, and social influences both domestically and globally, shifts in India's fiscal policies, volatility in local and international securities markets, performance trends among our industry peers, and changes in analysts' assessments or market sentiments. Additionally, announcements regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments can impact our share prices.

Furthermore, external events affecting investor confidence or sentiments in the broader stock markets may lead to fluctuations in our share prices, unrelated to our company's fundamentals. Even developments affecting other companies within our industry may indirectly influence our share prices.

It's worth noting that any significant divestment of Equity Shares by our Promoter or major shareholders could significantly impact share prices. Even the perception or anticipation of such divestments might affect market sentiment negatively.

Although we've engaged a Market Maker, there's no guarantee of establishing or sustaining an active trading market for our Equity Shares post-offering. It's also uncertain whether the offering price will align with subsequent market trading prices.

For detailed information on the obligations and constraints of the Market Maker, please refer to the section titled "**General Information** – Details of the Market Making Arrangement," starting on page 47 of this draft red herring prospectus.

**OFFER RELATED RISK**

**50. We strive to ensure that our equity shares shall be listed on the SME platform of the National Stock Exchange (NSE) in a timely manner, however, we cannot assure the listing of the proposed shares. This may impact investors ability to sell or dispose of their equity shares.**

While we are committed to meeting all regulatory, financial, and operational requirements to facilitate the listing of the equity shares as proposed in this Draft Red Herring Prospectus on the EMERGE platform of NSE within a specified timeframe, it is important to note that unforeseen factors such as changes in laws, economic conditions, or other unfavourable circumstances beyond our control may prevent the timely listing of the shares, or listing at all.

In such instances, we assure you that the company remains fully dedicated to compliance and will adhere to any applicable regulatory directives. We are committed to safeguarding the interests of our investors, and in the event of any delay or non-listing, the company will promptly address concerns, including the payment of interest and/or refund of the full application amount as required by regulatory guidelines. However, the company cannot assure the listing timely listing of its equity shares.

**51. The Offer price of our Equity Shares may not necessarily reflect their market value post-Offer, and there is a possibility that the market price could fall below the Offer price, potentially affecting your ability to sell shares at or above the Offer Price.**

The determination of the Offer Price through the book building method involves consideration of various factors (please refer to the chapter titled "**Basis for Offer Price**" on page 91 of this Draft Red Herring Prospectus, but it may not accurately predict the market price post-Offer. Following the Offer, the market price of our Equity Shares may experience significant fluctuations, potentially declining below the Offer Price. Hence, we cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

Factors influencing our share price post-Offer may include, but are not limited to:

- Variations in the growth rate of our financial indicators such as earnings per share, net income, and revenues over half-yearly periods.
- Changes in revenue or earnings estimates, or the release of research reports by analysts.
- Speculative activities within the press or investment community.
- General market conditions, both domestically and internationally.
- Economic, legal, and regulatory factors, regardless of our performance.

**52. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares**

The sale of equity shares by our Promoter or significant shareholder(s) presents a risk that may adversely affect the trading price of our Equity Shares. Such actions could signal uncertainty about the company's future, leading to decreased investor confidence and a subsequent decline in share value. Moreover, an oversupply of shares resulting from significant divestment may outstrip market demand, exerting downward pressure on the trading price and increasing volatility. This factors collectively highlight the potential for negative repercussions on the trading price of our Equity Shares. As such, we actively monitor market dynamics and strive to maintain transparent communication to mitigate these risks and uphold shareholder value.

**53. Following the issuance of our Equity Shares, it is important to acknowledge the potential for significant volatility in their price, and the possibility that an active trading market may not immediately materialize.**

The price of our Equity Shares on the Stock Exchange could experience fluctuations due to various factors including:

- a. Volatility;
- b. Our company's financial performance and operational results;
- c. Performance of our industry competitors;
- d. Negative media coverage regarding our company or industry;
- e. Changes in our performance estimates or financial analysts' recommendations;
- f. Significant changes in India's economic and fiscal policies;
- g. Major developments in India's environmental regulations.

It's important to note that current valuations may not be sustainable in the future and may not accurately reflect future valuations for our industry or our Company. Given the absence of a prior public market for our Equity Shares, their prices may experience fluctuations following this Offer. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Offer or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Offer.

## **EXTERNAL RISK FACTORS**

**54. Changes in government regulations or their enforcement have the potential to disrupt our operations and negatively impact our business performance.**

Our operations fall within the purview of various laws, rules, and regulations established by both the Central and State Governments. These regulations are subject to amendments or modifications at the discretion of the authorities, often with short notice. Non-compliance with these regulations or unfavourable changes in their enforcement could lead to increased operational expenses or penalties, posing a risk to our operations and financial performance.

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

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

**56. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include custom duties on imports of raw materials and components, Goods and Service. These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**57. We cannot assure the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Draft Red Herring Prospectus.**

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various web site data and IBEF that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness.

These facts and other statistics include the facts and statistics included in the chapter titled “**Industry Overview**” beginning on page 98 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**58. The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition.**

India’s physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company’s normal business activity. Any deterioration of India’s physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company’s business operations, which could have an adverse effect on its results of operations and financial condition.

**59. Investing in Equity Shares may entail potential tax liabilities in India.**

According to current Indian tax regulations, gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and is taxable at 15%. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs.1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India.

Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

**60. Political instability or shifts in economic policies favouring deregulation could potentially impact the business landscape in India, including our operations.**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well.

Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**61. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt

levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

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

**63. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.**

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Russia, Ukraine, Indonesia, Madrid, London and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade the global equity markets as well generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

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## SECTION IV - INTRODUCTION

### **THE OFFER**

The following table summarises the Offer details of this Draft Red Herring Prospectus:

Issue of Equity Shares by our Company <sup>(1)(2)</sup>	Upto 52,00,000 Equity Shares of face value of ₹ 10/- each fully paid up of our company at a price of ₹ [●] per Equity share aggregating up to ₹ [●] lakhs
<b>The Issue Consist of:</b>	
Fresh Issue	50,00,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh.
Offer For Sale	2,00,000 Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●]/- per Equity Share aggregating to Rs. [●] Lakh.
<b>of which:</b>	
Market Maker Portion Reservation	Offer of [●] Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs
Net Offer to Public <sup>(3)</sup>	Offer of [●] Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs
<b>Out of which*:</b>	
A. QIB Portion <sup>(4)(5)</sup>	Not more than [●] Equity Shares aggregating to ₹ [●] Lakhs
Of Which	
(a) Anchor Investor Portion	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(i) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion)	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>B. Non-Institutional Category</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>C. Retail Portion</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Pre and post-Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	1,44,90,512 Equity Shares of face value of ₹10/- each
<b>Equity Shares outstanding after the Offer</b>	[●] Equity Shares of face value of ₹10/- each
<b>Use of Net Proceeds</b>	Please refer “ <i>Objects of the Offer</i> ” on page 73 for further information about the use of the Net Proceeds.

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

#### **Notes:**

- 1) The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Offer is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – Offer paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 03, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 11, 2024 and offer for sale has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 07, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 17, 2024.
- 3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- 4) The SEBI ICDR Regulations permit the Offer of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject



to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e. not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Offer shall be available for allocation to Non-institutional bidders.

- 5) Subject to valid Bids being received at or above the Offer Price, undersubscription, 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 at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- 6) Our Company in consultation with the Book Running Lead Manager, may 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 Investor Allocation Price. In the event of under subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Offer Procedure*” beginning on page 224 of this Draft Red Herring Prospectus.
- 7) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see “*Other Regulatory and Statutory Disclosures*” on page 203.

For details, including grounds for rejection of Bids, refer to “*Offer Structure*” and “*Offer Procedure*” on page 221 and 224, respectively. For details of the terms of the Offer, see “*Terms of the Offer*” on page 214.

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## SUMMARY OF FINANCIAL INFORMATION

*The following tables provide the summary of financial information of our Company derived from the Restated Financial Information for the period of eight months ended on November 30, 2023 and Financial Years ended March 31, 2023, 2022 and 2021. The Restated Financial Information referred to above is presented under the section titled “**Financial Information**” beginning on Page No. 174 of this Draft Red Herring Prospectus. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the chapters titled “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” beginning on Page Nos. 174 and 182, respectively of this Draft Red Herring Prospectus.*

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**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN: 251117N202PL1 048665  
 EMERALD HOUSE, Plot No.1, Second Street, Pagar Gardens, Phase-I, Vengal Rao, Chennai 600 025

STANDARDISED FINANCIAL STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE - I

Particulars	Asset No.	As at			
		Mar 30, 2022	Mar 31, 2021	Mar 31, 2021	Mar 31, 2021
<b>I. EQUITY AND LIABILITIES</b>					
<b>A. SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	6	1,433.45	858.00	858.00	1,028.70
(b) Reserves and Surplus	7	4,311.88	4,220.86	5,412.41	2,731.96
<b>B. NON-CURRENT LIABILITIES</b>					
(i) Long-Term Borrowings	8	1,327.83	2,256.42	2,244.81	1,021.29
(ii) Deferred Tax Liabilities	9	292.98	275.88	281.77	259.74
(iii) Other Long-Term Liabilities	10	100.76	341.74	124.98	79.81
(iv) Long-Term Provisions	11	27.00	8.14	18.44	19.00
<b>C. CURRENT LIABILITIES</b>					
(a) Short-Term Borrowings	12	4,204.14	4,077.61	4,440.21	4,111.21
(b) Trade Payables	13				
(i) Amount outstanding from all M/s. Small and Medium Enterprises		177.02	267.79	192.44	127.62
(ii) Other amounting from creditable other than M/s. Small and Medium Enterprises		1,108.63	1,149.22	1,258.18	1,079.64
(c) Other Current Liabilities	14	427.02	595.56	1,369.61	401.98
(d) Short-Term Provisions	15	186.44	242.31	177.62	137.49
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,236.66</b>	<b>15,098.62</b>	<b>16,952.71</b>	<b>11,684.44</b>
<b>II. ASSETS</b>					
<b>A. NON-CURRENT ASSETS</b>					
(a) Property, Plant & Equipment and Intangible Assets					
(i) Property, Plant and Equipment	16	4,709.31	4,377.56	2,962.89	2,862.83
(ii) Intangible Assets	17	214.73	157.73	162.84	27.22
(iii) Capital Work-in-Progress	18	556.67	889.88	1,099.34	364.04
(b) Non-Current Investments	19	444.93	517.91	207.93	227.06
(c) Long-Term Loans & Advances	20	36.24	212.38	384.60	2.41
(d) Other Non-Current Assets	21	221.54	428.12	468.71	203.14
<b>B. CURRENT ASSETS</b>					
(a) Inventories	22	3,117.94	4,712.44	4,280.76	4,760.06
(b) Trade Receivables	23	4,159.62	4,234.71	5,091.75	5,067.24
(c) Cash & Bank Balances	24	369.63	67.45	10.71	64.11
(d) Short-Term Loans and Advances	25	179.69	139.52	450.38	480.73
(e) Other Current Assets	26	347.97	807.64	287.93	287.27
<b>TOTAL ASSETS</b>		<b>16,236.66</b>	<b>15,098.62</b>	<b>16,952.71</b>	<b>11,684.44</b>

In per cent report of error date attached.

For Rajani and Co.,  
 Chartered Accountants  
 FRN: 001270  
 Place: Chennai 600 025  
 Phone: 24229013/24229014  
 Membership No: 212981  
 Chartered Accountant  
 UIN: 24229013  
 UIN: 24229014  
 UIN: 24229013/24229014

*V. T. Chandrasekaran*  
 V. T. Chandrasekaran  
 Managing Director  
 DIN: 00628014  
*S. S. Srinivasan*  
 Member Company  
 Chief Financial Officer  
 PAN / ADEPN6454K

For and on behalf of the Board of Directors of  
 Emerald Tyre Manufacturers Ltd  
*[Signature]*  
 Managing Director  
 DIN: 01750106  
*[Signature]*  
 Chief Executive Officer  
 Company Secretary  
 Membership No: 157118



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN: U25111TN2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-I, Vengal Rao, Chennai 600 055

STANDARDISED FINANCIAL STATEMENT OF PROFITS & LOSS AS RESTATED

ANNEXURE -2

Particulars	Amn. No.	For the Year (period ended)			
		Amount in ₹ Lakhs			
		Nov 26, 2003	March 31, 2003	March 31, 2003	March 31, 2003
<b>I. Income</b>					
(a) Revenue From Operations	25	9,376.83	15,199.13	21,227.34	7,663.62
(b) Other Income	26	89.14	383.69	89.84	129.49
<b>Total Revenue</b>		<b>9,465.97</b>	<b>15,582.82</b>	<b>21,317.18</b>	<b>7,793.11</b>
<b>IV. Expenditure</b>					
(a) Cost of Materials Consumed	27	5,725.83	19,819.75	8,405.52	4,062.75
(b) Changes in Inventories of Work-in-Progress & Finished Goods	28	(294.29)	(101.08)	(442.44)	(349.97)
(c) Employee Benefit Expenses	29	1,245.14	1,712.65	1,127.73	1,038.95
(d) Finance Costs	30	397.96	951.23	698.63	(574.43)
(e) Depreciation & Amortisation Expenses	31	311.73	399.73	323.34	381.34
(f) Other Expenses	32	1,583.93	1,379.89	1,335.33	993.34
<b>Total Expenditure</b>		<b>8,718.98</b>	<b>14,246.34</b>	<b>10,498.68</b>	<b>7,578.89</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax (EIT-IV)</b>		<b>746.99</b>	<b>1,336.48</b>	<b>1,818.50</b>	<b>224.22</b>
<b>VI. Exceptional and Extraordinary Items</b>					
<b>VII. Profit/(Loss) Before Tax (E-VI)</b>		<b>746.99</b>	<b>1,336.48</b>	<b>1,818.50</b>	<b>224.22</b>
<b>VIII. Tax Expense</b>					
(a) Current Tax		(81.75)	(207.29)	(81.43)	(90.33)
(b) Deferred Tax		(1.38)	(1.32)	(14.17)	(14.23)
<b>(IX. Profit/(Loss) for the Year (E-VIII)</b>		<b>663.86</b>	<b>1,127.87</b>	<b>1,722.90</b>	<b>119.66</b>
<b>X. Earnings per Equity Share of Rs. 10 Each</b>					
Pre - Bonus Basis					
Face		4.98	12.49	7.97	2.87
Diluted		4.98	12.42	7.93	2.85
Post - Bonus Basis					
Face		4.98	6.44	3.54	1.28
Diluted		4.98	6.38	3.50	1.26

As per our report of even date attached

For Rajani and Co.  
 Chartered Accountants  
 FRN: 0034335  
 Practising Certificate No: 603110  
 Address:  
 Partner  
 Membership Number: 22980

Place: Chennai  
 Date: 22.03.2014  
 UDIN: 11220600000000000000

For and on behalf of the Board of Directors of  
**Emerald Tyre Manufacturers Ltd**

*V.T. Chandrasekhar*  
 V.T. Chandrasekhar  
 Managing Director  
 DIN: 00020812

*S. S. Srinivasan*  
 S. S. Srinivasan  
 Member - Cash  
 Chief Financial Officer  
 PAN: A2099A0442

*Shirish D*  
 Shirish D  
 Joint Secretary  
 Company Secretary  
 Membership No: 107118



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111N2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Purus Gardens, Phase-I, Vengal Rao, Chennai 600 095

STANDALONE FINANCIAL STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE - 3

Particulars	For the Year specified			
	For 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax	70.93	1,342.98	1,191.07	222.04
Adjustments for:				
Depreciated and amortisation	311.27	400.73	323.74	383.33
Profit/(loss) on sale of assets				11.18
Dividend Income	0.31	0.30	0.17	1.14
Net gain on foreign currency transactions	138.12	1,017.59	1,127.90	179.96
Finance Cost	(217.89)	(311.22)	(325.42)	(171.41)
Bad Debts	0.11	0.19		22.28
Current Provisions and Liabilities Provisions	0.54	21.87	31.13	1.46
Other items	0.00			
Operating Profit before working capital changes	1,003.42	2,063.76	1,937.68	1,678.89
Adjustments for changes in working capital				
Adjustments for (increase)/decrease in operating assets				
(Increase)/Decrease in Inventories	(461.38)	(225.72)	(222.20)	(177.02)
(Increase)/Decrease in Trade Receivables	110.86	(322.16)	(251.43)	(174.71)
(Increase)/Decrease in Short Term Loans and Advances	(23.93)	719.47	18.33	76.31
(Increase)/Decrease in Long Term Loans and Advances	111.76	176.48	(341.31)	(2.31)
(Increase)/Decrease in Other Current assets	(91.95)	47.90	(1.81)	(30.00)
(Increase)/Decrease in Other Non Current assets	88.36	(39.32)	(71.38)	(27.24)
Increase/(Decrease) in Trade and Other payables	181.65	239.43	239.15	186.71
Increase/(Decrease) in Other Current Liabilities	228.84	(794.72)	70.13	(17.67)
Increase/(Decrease) in Other Long Term Liabilities	0.24	27.20	10.28	0.00
Increase/(Decrease) in Short term provisions	31.22	(26.97)	(46.47)	86.42
Increase/(Decrease) in Long term Provisions	119.44	(13.31)	(11.76)	4.18
	87.00	(178.68)	(405.06)	(1,076.16)
Cash generated from operations	1,090.42	1,885.08	1,532.62	602.73
Income Taxes paid	(342.81)	(339.41)	(36.43)	(79.51)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>1,083.44</b>	<b>1,485.44</b>	<b>1,465.64</b>	<b>523.22</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Capital expenditures on fixed assets, including capital additions	(771.72)	(1,474.24)	(1,714.02)	(82.49)
Proceeds from sale of fixed assets				43.63
Interest Income	0.14	0.14	0.17	15.54
Long Term Investments	(200.96)			
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(972.54)</b>	<b>(1,474.10)</b>	<b>(1,713.85)</b>	<b>(67.36)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from equity share applications received	418.00		291.10	240.20
Proceeds from issue of loans of shares				240.94
Proceeds from long-term borrowings (Net of expenses)	1,009.15	7.63	127.54	240.40
Tax income - (decrease)/to working capital for working	11,893.92	1,171.49	569.70	242.94
Finance cost	(487.00)	(481.22)	(448.82)	(474.41)
Dividend paid including tax			(37.47)	(17.60)
<b>NET CASH CRED IN FINANCING ACTIVITIES (C)</b>	<b>1,043.10</b>	<b>426.90</b>	<b>522.06</b>	<b>1,349.49</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>111.90</b>	<b>438.34</b>	<b>(146.21)</b>	<b>455.86</b>
Opening Cash and Cash Equivalents	17.00	11.37	14.13	12.71
<b>CLOSING CASH AND CASH EQUIVALENT</b>	<b>128.90</b>	<b>450.71</b>	<b>(302.34)</b>	<b>588.57</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH THE BALANCE SHEET</b>				
Cash & cash equivalent as per Balance Sheet	128.90	450.71	302.34	588.57

As per our report of even date attached

For Rajani & Co.  
 Chartered Accountants  
 FRN: 0034335  
 Peer Review Certificate No: 002019  
 Chennai - 600 030  
 Tel: 044-24211111  
 Fax: 044-24211112

For and on behalf of the Board of Directors of  
 Emerald Tyre Manufacturers Limited

*V.T. Chandrasekaran*  
 Managing Director  
 107, 8673814

*S. Suresh*  
 Member - Finance  
 Chief Financial Officer  
 PAN: AAZP9454G

*Shiva R-D*  
 Whole Time Director  
 047-8673816

*Shiva R-D*  
 Managing Director  
 Company Secretary  
 Member No: 35708



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:325111TN2002PLC948665  
 EMERALD HOUSE, Flat No.2, Second Street, Parur Gardens, Phase-I, Vanagaram, Chennai 600 095

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE - I

(Amount in ₹ Lakhs)

Particulars	Asset No.	As at			
		Nov 30, 2021	March 31, 2022	March 31, 2022	March 31, 2021
<b>I EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	6	1,471.43	656.05	656.05	1,128.79
(b) Reserves and Surplus	7	3,463.69	3,026.56	2,217.95	1,216.19
<b>NON-CURRENT LIABILITIES</b>					
(a) Long-Term Borrowings	8	4,267.34	2,766.33	2,863.58	2,170.82
(b) Deferred Tax Liabilities	9	202.08	279.09	217.77	208.34
(c) Other Long-Term Liabilities	10	550.39	141.38	134.09	78.81
(d) Long-Term Provisions	11	17.00	18.43	36.40	30.00
<b>CURRENT LIABILITIES</b>					
(a) Short-Term Borrowings	12	4,475.41	3,780.07	4,268.81	4,241.33
(b) Trade Payables	13				
(c) Total outstanding dues of Micro and Small Enterprises		317.92	167.93	192.40	127.25
(d) Total outstanding dues of creditors other than Micro and Small Enterprises		1,100.61	1,490.22	1,284.18	1,186.26
(e) Other Current Liabilities	14	686.31	1,19.80	1,199.20	362.75
(f) Short-Term Provisions	15	181.40	202.31	177.62	176.19
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,998.17</b>	<b>15,607.19</b>	<b>17,268.38</b>	<b>17,153.45</b>
<b>II ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
(a) Property, Plant & Equipment and Intangible Assets					
(i) Property, Plant and Equipment	16	6,729.08	4,119.43	3,974.44	2,877.29
(ii) Intangible Assets	18	214.33	137.70	162.94	27.22
(iii) Capital Work In Progress	19	158.07	664.89	1,019.44	914.94
(iv) Short-Term Investments	17	870.00	9.00	9.00	9.00
(v) Long-Term Loans & Advances	18	28.24	112.08	340.61	2.51
(vi) Other Non-Current Assets	19	318.60	411.17	581.32	307.13
<b>CURRENT ASSETS</b>					
(a) Inventories	20	5,550.00	3,729.32	3,191.47	4,480.33
(b) Trade Receivables	21	4,119.43	3,015.91	3,255.27	2,014.89
(c) Cash & Bank Balances	22	366.98	88.02	15.37	115.14
(d) Short-Term Loans and Advances	23	208.22	180.19	567.86	671.23
(e) Other Current Assets	24	117.90	100.91	207.31	203.27
<b>TOTAL ASSETS</b>		<b>16,998.17</b>	<b>15,607.19</b>	<b>17,268.38</b>	<b>17,153.45</b>

As per our report of even date attached

Per Rajani and Co.,  
Chartered Accountants  
FRN: 0034335  
Pass Review Certificate No: 802786

Mahesh Jay  
Partner  
Membership No: 204801

Place: Chennai  
Date: 22-03-2024  
ICDN: 312298168-81067101

For and on behalf of the Board of Directors of  
Emerald Tyre Manufacturers Ltd

*V. T. Chandrasekaran*  
V. T. Chandrasekaran  
Managing Director  
DIN: 00528916

*D. Karaneshwaran*  
D. Karaneshwaran  
Whole Time Director  
DIN: 00109186

*S. S. Senthil*  
S. S. Senthil  
Member - CA  
Chief Financial Officer  
PAN: AZEP98894K

*Shiva R.D*  
Shiva R.D  
Joint Director (HR)  
Company Secretary  
Membership No: 497109





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC048645  
 EMERALD HOUSE, Flat No.2, Second Street, Park Gardens, Phase-3, Vengal Rao, Chennai 600 055

CONSOLIDATED FINANCIAL STATEMENT OF PROFIT & LOSS AS RESTATED

ANNEXURE -2

(Amount in ₹ Lakhs)

Particulars	Sl. No.	For the Year (upto) ended			
		Nov 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>I. Income</b>					
II Revenue From Operation	20	11,726.09	10,393.99	11,364.38	8,664.30
III Other Income	26	375.12	434.15	395.41	112.67
<b>Total Revenue</b>		<b>12,101.21</b>	<b>10,828.14</b>	<b>11,759.79</b>	<b>8,776.97</b>
<b>IV. Expenditure</b>					
(a) Cost of Materials Consumed	27	5,976.28	10,359.89	8,899.67	5,244.20
(b) Changes in Inventories of Work-in-Progress & Finished Goods	28	(158.91)	(411.56)	(300.78)	(370.79)
(c) Employee Benefits Expenses	29	1,359.59	1,532.56	1,544.64	1,182.87
(d) Finance Costs	30	670.90	886.23	681.76	703.89
(e) Depreciation & Amortisation Expenses	31	314.46	466.60	395.33	587.27
(f) Other Expenses	32	1,600.15	2,355.56	2,135.45	1,791.36
<b>Total Expenditure</b>		<b>9,864.38</b>	<b>15,045.39</b>	<b>12,857.63</b>	<b>9,803.48</b>
V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		<b>2,236.83</b>	<b>(4,217.25)</b>	<b>8,902.10</b>	<b>(1,026.51)</b>
VI Exceptional and Extraordinary Items					
VII Profit/(Loss) Before Tax (V-VI)		<b>2,236.83</b>	<b>(4,217.25)</b>	<b>8,902.10</b>	<b>(1,026.51)</b>
VIII Tax Expenses:					
(a) Current Tax		181.74	127.28	181.86	86.31
(b) Deferred Tax		13.86	31.31	(14.31)	(14.29)
<b>IX Profit/(Loss) for the Year (VII- VIII)</b>		<b>2,068.83</b>	<b>(4,158.66)</b>	<b>8,635.99</b>	<b>(1,124.49)</b>
X Earnings per Equity Share of Rs 30 Each					
Pre - Bonus Issue					
-Basic		5.69	11.09	7.43	(5.41)
-Diluted		6.09	11.86	8.26	(5.81)
Post - Bonus Issue					
-Basic		5.69	6.58	3.72	(5.79)
-Diluted		6.09	7.01	4.18	(6.09)

As per our report of even date attached

For Rajani and Co,  
Chartered Accountants  
FRN: 0019778  
Peer Review Certificate No: RCD19

Mahesh Jale  
Partner  
Membership No: 249981

Place: Chennai  
Date: 25-03-2024  
CIN: 3422980/96/20071181

For and on behalf of the Board of Directors of  
Emerald Tyre Manufacturers Limited

  
 V.T. Chandrasekhar  
Managing Director  
CIN: 00128010

  
 D. Parasuram  
Whole Time Director  
CIN: 01710100

  
 S. Srinivas  
Member - Finance  
Chief Financial Officer  
PAN: AZEP6854K

  
 Raja Devika  
Company Secretary  
Membership No: A57118



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN(U25111TNDR02PLC088645)  
 EMERALD HOUSE, Plot No.2, Second Street, Park Gardens, Phase-1, Vanagaram, Chennai 600 095

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOW ABSTRACTED

ANNEXURE - 3

(Amount in ₹ Lakhs)

Particulars	For the Year (partial ended)			
	Nov 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Pre Paid Interest Tax	587.81	1,128.00	642.00	(274.13)
<b>Adjustments for:</b>				
Depreciation and amortisation	314.16	409.62	326.15	367.07
(Profit)/Loss on sale of Assets	-	-	-	(111.11)
Interest Income	(7.45)	(9.86)	(8.17)	(13.86)
Net gain on foreign currency transactions	(80.24)	(147.50)	(71.58)	(86.61)
Finance Cost	675.88	886.26	481.31	501.99
Bad Debt	16.19	16.96	1.32	22.44
Ordinary Dividend and Income From Interest Payments	8.54	15.47	16.11	1.66
Warranty	5.06	-	-	-
<b>Operating Profit before working capital changes</b>	<b>1,025.88</b>	<b>3,126.76</b>	<b>1,889.79</b>	<b>701.47</b>
<b>Adjustments for changes in working capital:</b>				
<b>Adjustments for increase / decrease in operating assets:</b>				
Increase / (Decrease) in Inventories	(23.71)	(380.43)	(638.16)	(20.24)
Increase / (Decrease) in Trade Receivables	(1,072.67)	(43.43)	(324.67)	(486.12)
Increase / (Decrease) in Short Term Loans and Advances	(18.19)	432.95	198.78	(87.65)
Increase / (Decrease) in Long Term Loans and Advances	131.56	182.81	(342.31)	153.26
Increase / (Decrease) in Other Current assets	(87.95)	47.26	(4.44)	(44.66)
Increase / (Decrease) in Other Non-Current assets	84.89	(80.83)	(74.21)	(80.91)
Increase / (Decrease) in Trade and Other payables	(88.65)	236.32	231.38	(193.12)
Increase / (Decrease) in Other Current Liabilities	238.42	(680.38)	756.41	(3,181.71)
Increase / (Decrease) in Other Long Term Liabilities	6.21	27.29	50.28	(6.81)
Increase / (Decrease) in Short term provisions	81.27	(26.87)	(46.47)	(17.31)
Increase / (Decrease) in Long term Provisions	(13.46)	(12.21)	(11.74)	(7.21)
	<b>(906.42)</b>	<b>(446.24)</b>	<b>(846.77)</b>	<b>(2,802.78)</b>
<b>Cash generated from operations</b>	<b>65.28</b>	<b>1,665.46</b>	<b>1,043.02</b>	<b>(1,401.36)</b>
Security Taxes paid	(191.81)	(213.61)	(76.48)	(27.61)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>654.55</b>	<b>1,450.85</b>	<b>966.54</b>	<b>(1,409.14)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Capital expenditure on fixed assets, including capital advances	(751.75)	(1,480.45)	(1,213.86)	(98.71)
Proceeds from sale of fixed assets	-	-	-	28.21
Interest Income	7.46	9.36	8.17	13.86
Long Term Investments	(180.89)	-	-	1.28
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(865.14)</b>	<b>(1,480.95)</b>	<b>(1,205.69)</b>	<b>(82.16)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from equity share applications money	446.02	-	289.95	281.23
Proceeds from issue of term deposits	-	-	-	280.00
Proceeds from long term borrowings (Net of expenses)	1,803.10	(498.13)	264.56	(31.07)
Reductions / (Increase) in working capital borrowings	(1,240.06)	1,171.26	525.20	1,741.48
Finance cost	(676.86)	(886.26)	(481.31)	(501.99)
Dividends paid including tax	-	-	(27.47)	(73.91)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>312.20</b>	<b>75.55</b>	<b>180.94</b>	<b>1,786.69</b>
<b>3) NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>100.28</b>	<b>54.46</b>	<b>(72.88)</b>	<b>78.24</b>
Opening Cash and Cash Equivalents	88.12	31.37	104.64	30.20
<b>CLOSING CASH AND CASH EQUIVALENT</b>	<b>188.40</b>	<b>85.83</b>	<b>33.77</b>	<b>108.44</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH THE BALANCE SHEET:</b>				
Cash & cash equivalent as per Balance sheet	188.40	85.83	33.77	108.44

As per our report of even date attached

For Rajani & Co.  
Chartered Accountants  
FRN: 003433S  
Place: Chennai  
Date: 21-03-2024

Mahesh Srinivasan  
Partner  
Membership Number: 22981

Place: Chennai  
Date: 21-03-2024  
TIN: 3422881060007101



For and on behalf of the Board of Directors of  
Emerald Tyre Manufacturers Ltd

V.T. Chandrasekhar  
Managing Director  
DIN: 0012014

S. Srinivasan  
Shareholder  
Chief Financial Officer  
PAN: AZEP6054K

D. Eswaralingam  
Whole Time Director  
DIN: 8129226

Shrija R.D.  
Kajal Devisha Shrija  
Company Secretary  
Membership No: 197130



## GENERAL INFORMATION

Our Company was originally incorporated as “Emerald Resilient Tyre Manufactures Private Limited” a private limited company under the Companies Act, 1956 with the Registrar of Companies (“ROC”), Tamil Nadu pursuant to Certificate of Incorporation dated March 27, 2002. Thereafter, the name of our Company was changed from “Emerald Resilient Tyre Manufactures Private Limited” to “Emerald Resilient Tyre Manufacturers Private Limited” vide special resolution passed by the members at the Extraordinary General Meeting held on July 16, 2018. Subsequently, our Company was converted into Public Limited Company and name of company was changed from “Emerald Resilient Tyre Manufacturers Private Limited” to “Emerald Resilient Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on November 25, 2023. Thereafter, the name of the company was changed from “Emerald Resilient Tyre Manufacturers Limited” to “Emerald Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on March 07, 2024, and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu dated January 17, 2024. The CIN of the Company is U25111TN2002PLC048665.

For further details including details of change in registered office of our Company, please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 147 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	Emerald House, Plot No.2, Second Street, Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu, India, 600095. <b>Telephone:</b> +91 9043063194 <b>E-mail:</b> cosec@emeraldtyres.com <b>Investor grievance id:</b> investor.relations@emeraldtyres.com <b>Website:</b> www.emeraldtyres.com <b>CIN:</b> U25111TN2002PLC048665
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### Address of Registrar of Companies

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

"Shastri Bhavan", II Floor, 26, Haddows Road, Chennai, Tamil Nadu-600 006, India.

### Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

S. No.	Name	Designation	DIN	Address
1.	Eswara Krishnan D	Whole-time director	01739106	No.60/97, G 1 Anand Flat, Dr. Ranga Road, Mylapore, Chennai, Tamil Nadu-600004, India
2.	Chandrasekharan Thirupathi Venkatachalam	Managing Director	00628816	KRV House, No 3, Ninth Lane Shastri Nagar, Adyar, Chennai, Tamil Nadu-600020, India
3.	Krishna Moorthy Subramonia Iyer	Director	10366029	96/5, C R, Quarters, 15th Main Road, Anna Nagar West, Chennai, Tamil Nadu-600040, India
4.	Narasimhan	Director	10366032	B2, Nahar Deshna Apartment, 165, East Mada Street, Tiruvanmiyur, Chennai, Tamil Nadu-600041, India
5.	Krishnam Priya Vedavalli	Director	10366109	SG Divinity Apartments Flat C1, 3/2 7th Street Nanganallur, Opp to Aavin, Saidapet, Kanchipuram, Tamil Nadu-600061, India

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 147 of the Draft Red Herring Prospectus.

Chief Executive Officer	Company Secretary & Compliance Officer	Chief Financial Officer
<b>Mr. Varadarajan Krishnam</b> <b>Emerald Tyre Manufacturers Limited</b> <b>Address:</b> 3/2, SG Divinity Apartment, Flat No 1C, 1st Floor, 7th Street, 2nd Main Road, Nanganallur, Saidapet, Kanchipuram, Tamil Nadu-600061	<b>Ms. Raja Devika Dhiyva</b> <b>Emerald Tyre Manufacturers Limited</b> <b>Address:</b> Emerald House, Plot No.2, Second Street Porur Gardens, PHASE-I, Vanagaram, Tiruvallur, Poonamallee,	<b>Mr. Shankar Ganesh Subramanian</b> <b>Emerald Tyre Manufacturers Limited</b> <b>Address:</b> 50 New 85/87/89/91, D1 40 Anand Apts, LB Road, Tiruvanmiyur, Chennai, Tamil Nadu-600041

Chief Executive Officer	Company Secretary & Compliance Officer	Chief Financial Officer
<b>Telephone:</b> + +91 9444037201 <b>E-mail:</b> vkr@emeraldtyres.com	Tamil Nadu, India, 600095 <b>Telephone:</b> +91 9043063194 <b>E-mail:</b> cosec@emeraldtyres.com	<b>Telephone:</b> +919043080136 <b>E-mail:</b> ssg@emeraldtyres.com

#### Investor grievances

**Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue 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 and non-receipt of funds by electronic mode.**

All grievances relating to the Offer other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

For all Offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

#### Details of Key Intermediaries pertaining to this Offer of our Company:

Book Running Lead Manager to the Offer	Registrar to the Issue
<b>GYR Capital Advisors Private Limited</b> 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahemdabad-380 054, Gujarat, India. <b>Telephone:</b> +91 87775 64648 <b>Fax:</b> N.A. <b>Email ID:</b> <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a> <b>Website:</b> <a href="http://www.gyrcapitaladvisors.com">www.gyrcapitaladvisors.com</a> <b>Investor Grievance ID:</b> <a href="mailto:investors@gyrcapitaladvisors.com">investors@gyrcapitaladvisors.com</a> <b>Contact Person:</b> Mohit Baid <b>SEBI Registration Number:</b> INM000012810	<b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India <b>Telephone:</b> +091 8108114949 <b>E-mail id:</b> <a href="mailto:emerald.ipo@linkintime.co.in">emerald.ipo@linkintime.co.in</a> <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Investor Grievance e-mail ID:</b> <a href="mailto:emerald.ipo@linkintime.co.in">emerald.ipo@linkintime.co.in</a> <b>Contact Person:</b> Shanti Gopalkrishnan <b>SEBI Registration Number:</b> INR000004058 <b>CIN:</b> U67190MH1999PTC118368
Legal Advisor to the Offer	Statutory and Peer Review Auditor of our Company
<b>Yana Attorneys and Legal</b> 108 Medavakkam Tank Road, Kellys, Kilpauk, Chennai, Tamilnadu- 600010 <b>Telephone:</b> 8015997745 <b>Email ID:</b> <a href="mailto:advroshanrajput@outlook.com">advroshanrajput@outlook.com</a> <b>Contact Person:</b> S Roshan	<b>Rajani &amp; Co.</b> Chartered Accountants No.3-A, Sivanandham Apartments,3rd Floor, 1B/1C, East Park Road, Shenoy Nagar, Chennai, Tamil Nadu – 600030, India Email: <a href="mailto:rajanico@yahoo.com">rajanico@yahoo.com</a> FRN: 003433S Peer Review No.: 012706
Bankers to our Company	
<b>State Bank of India</b> No. 157, 1 <sup>st</sup> Floor, Anna Salai (Adjacent to LIC Building), Chennai-600002 <b>Tel:</b> +91 9176458368 <b>Facsimile:</b> N.A. <b>Email:</b> <a href="mailto:sme.07024@sbi.co.in">sme.07024@sbi.co.in</a> <b>Website:</b> <a href="http://www.onlinesbi.sbi">www.onlinesbi.sbi</a> <b>Contact person:</b> P. Vinoth Kumar	



<b>Banker to the Offer*</b>	<b>Sponsor Bank*</b>
[●]	[●]
<b>Refund Bank*</b>	<b>Syndicate Member*</b>
[●]	[●]

\*The Banker to the Offer, Refund Bank, Sponsor Bank and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

## Designated Intermediaries

### *Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

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, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

### *SCSBs 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, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public Offers using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

### *Registered Brokers*

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) as updated from time to time.

### *Registrar and Share Transfer Agent*

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 website of National Stock Exchange of India Limited at [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) as updated from time to time.

### *Collecting Depository Participants*

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## IPO Grading

Since the Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency

## Credit Rating

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

## Green Shoe Option

No Green Shoe Option is applicable for this Offer.

## Brokers to the Offer

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

#### **Debenture Trustees**

As this is an Offer of Equity Shares, the appointment of Debenture trustees is not required.

#### **Monitoring Agency**

As the Net Proceeds of the Offer will be less than ₹10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

#### **Appraising Entity**

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

#### **Expert Opinion**

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

Our Company has received written consent dated January 03, 2024 from the Statutory Auditors 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 as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated March 22, 2024 on our restated consolidated financial information; and (ii) its report dated March 22, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

#### **Inter-se Allocation of Responsibilities**

GYR Capital Advisors Private Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Offer. Hence, a statement of inter se allocation of responsibilities is not required.

#### **Filing**

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI Offer any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of Draft Red Herring Prospectus shall be furnished to the Board. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of this Red Herring Prospectus, will be filed with the EMERGE Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts and documents will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

*(The remainder of this page is intentionally left blank)*



### Changes in Auditors during the last three years

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Date of Change	Reason for change
<b>STARP &amp; Associates</b> Cost Accountants Flat-B, Phase -3, Ranga Apts., Ganga Avenue, Perumal Street, Alapakkam, Near Valasaravakkam, Chennai, Tamil Nadu – 600116, India Email: <a href="mailto:starpassociates@gmail.com">starpassociates@gmail.com</a> FRN: 004143	01/09/2023	Re-appointment
<b>STARP &amp; Associates</b> Cost Accountants Flat-B, Phase -3, Ranga Apts., Ganga Avenue, Perumal Street, Alapakkam, Near Valasaravakkam, Chennai, Tamil Nadu – 600116, India Email: <a href="mailto:starpassociates@gmail.com">starpassociates@gmail.com</a> FRN: 004143	07/11/2022	Appointment
<b>Rajani &amp; Co</b> Chartered Accountants No.3-A, Sivanandham Apartments,3rd Floor, 1B/1C, East Park Road, Shenoy Nagar, Chennai, Tamil Nadu – 600030, India Email: <a href="mailto:rajanico@yahoo.com">rajanico@yahoo.com</a> FRN: 003433S	30/09/2022	Appointment
<b>Lopa Verma &amp; Associates</b> Chartered Accountants Flat 50, 1st Floor, Bhaiya Complex, 286, Purasawalkam High Road, Chennai, Tamil Nadu – 600007, India Email: <a href="mailto:ankitbjain@hotmail.com">ankitbjain@hotmail.com</a> FRN: 325977E	03/05/2022	Appointment as auditor in causal vacancy
<b>ABJ Jain &amp; Associates</b> Chartered Accountants No.347, Balaji Complex, Mint Street,2nd Floor, Shop No.4, Sowcarpet, Near Kakda Sweets, Chennai, Tamil Nadu – 600001, India Email: <a href="mailto:Auditors_india@outlook.com">Auditors_india@outlook.com</a> FRN: 021844S	03/05/2022	Resignation
<b>ABJ Jain &amp; Associates</b> Chartered Accountants No.347, BALAJI COMPLEX, Mint Street,2nd Floor, Shop No.4, Sowcarpet, Near Kakda Sweets, Chennai, Tamil Nadu – 600001, India Email: <a href="mailto:Auditors_india@outlook.com">Auditors_india@outlook.com</a> FRN: 021844S	29/12/2020	Appointment
<b>Rakesh Chand Singhvi</b> Chartered Accountants 22, Thandavaraya Pillai Street, 1st Floor, Chennai, Tamil Nadu – 600001, India. Email: <a href="mailto:rakeshsinghvi1@yahoo.co.in">rakeshsinghvi1@yahoo.co.in</a> M. No. 212893	29/12/2020	Resignation

### BOOK BUILDING PROCESS

Book Building, with reference to the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and in Regional newspaper where our registered office is situated at least two working days prior to the

Bid/Offer Opening date. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Offer Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager, in this case being GYR Capital Advisors Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Offer and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Offer of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 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 Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

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

All Bidders, other than Anchor Investors are mandatorily required to use 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. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.

Subject to valid Bids being received at or above the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. 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.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Offer Procedure*” beginning on page 224 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

For further details on the method and procedure for Bidding, please see section entitled “Offer Procedure” on page 224 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “Offer Procedure” on page 224 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Offer Program:

Events	Indicative Dates
Anchor Portion Offer Opens/Closes On	[●]
Bid/Offer Opening Date <sup>1</sup>	[●]
Bid/Offer Closing Date <sup>2</sup>	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or Before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or Before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or Before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or Before [●]

<sup>1</sup> Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI (ICDR) Regulations

<sup>2</sup> Our Company in consultation with the Book Running Lead Manager, 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 above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/ Offer Closing Date, the

timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidder on Bid/Offer Closing Date maybe extended in consultation with the Book Running Lead Manager, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 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 Bid Cum Application Forms are received on the Bid/Offer Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid Cum Application Forms prior to the Bid/Offer Closing Date. Allocation to Retail Individual Bidders, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

#### **WITHDRAWAL OF THE OFFER**

Our Company in consultation with the BRLM, reserve the right not to proceed with the Offer at any time before the Bid/Offer Opening Date without assigning any reason thereof.

If our Company withdraw the Offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Offer after the Bid/Offer Closing Date and subsequently decides to proceed with an offer of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approval of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment;

#### **UNDERWRITING AGREEMENT**

The Company and the Book Running Lead Manager to the Offer hereby confirm that the Offer will be 100% Underwritten by the Underwriters [•].

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Offer size
[•]	[•]	[•]	[•]

\*Includes [•] Equity shares of ₹10.00 each for cash of ₹ [•]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above- mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER**

Our Company has entered into a Market Making Agreement dated [●] with the following Market Maker for fulfilling the Market Making obligations under this Offer:

Name, address, telephone number and e-mail address of the Market Maker	Indicative Number of shares	Amount	% of the total Offer size
[●]	[●]	[●]	[●]

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Offer.

[●], registered with EMERGE Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

#### **Following is a summary of the key details pertaining to the Market Making Arrangement:**

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Offer Size (Including the [●] Equity Shares ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of market maker in our Company reduce to 24% of Offer Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
6. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Offer price.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market

Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

11. **Risk containment measures and monitoring for Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
12. **Punitive Action in case of default by Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
13. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
14. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to ₹ 250 crores, the applicable price bands for the first day shall be:
- a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.
15. Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

S. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

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

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

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

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

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## CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price
<b>A</b>	<b>Authorized Share Capital</b> 2,50,00,000 <sup>#</sup> Equity Shares having Face Value of ₹ 10/- each	25,00,00,000 <sup>#</sup>	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer</b> 1,44,90,512 Equity Shares having Face Value of ₹10/- each	14,49,05,120	-
<b>C</b>	<b>Present Offer in terms of this Draft Red Herring Prospectus*</b> Upto 52,00,000 Equity Shares having Face Value of ₹ 10/- each at a Premium of ₹ [●] per share	[●]	[●]
	<b>Consisting of:</b>		
	(a) Fresh Offer of upto 50,00,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. [●]/- per share	[●]	[●]
	(b) Offer for Sale of upto 2,00,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. [●]/- per share	[●]	[●]
	<b>Which comprises of:</b>		
<b>D</b>	<b>Reservation for Market Maker Portion</b> [●] Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
<b>E</b>	<b>Net Offer to Public</b> Net Offer to Public of [●] Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
	<b>Of which:</b>		
	i. At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	ii. At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	iii. Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers	[●]	[●]
<b>F</b>	<b>Issued, Subscribed and Paid up Equity Share Capital after the Offer**</b> [●] Equity Shares of face value of ₹10/- each		[●]
<b>G</b>	<b>Securities Premium Account</b>		
	Before the Offer (as on date of this Draft Red Herring Prospectus)	1468.705	
	After the Offer		[●]

\* The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 03, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 11, 2024 and offer for sale has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 07, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 17, 2024.

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

<sup>#</sup>Note: The MCA Master data wrongly shows Authorized Capital of Rs. 50,00,00,000/-. The company has filed for rectification of the same through Change Request Form, dated March 14, 2024, vide the SRN: AA7082714.

The Selling Shareholders confirm that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Further, the Selling Shareholder confirms that the Offered Shares is within the thresholds prescribed under the SEBI ICDR Regulations, to the extent applicable to it. Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to a resolution at its meeting held on March 07, 2024 and approved by shareholders in EGM dated March 17, 2024. For details on the authorizations of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page 203.

## Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹ 10/- each only. All the Offered Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1) Details of changes in Authorized Share Capital of our Company

The current authorised capital of our Company is ₹ 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 Equity Shares of ₹ 10/- each. Further, the changes in authorised share capital of our Company are provided in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
May 24, 2002	₹ 10,00,000 (Rupees Ten Lacs only) consisting of 1,00,000 Equity shares of face value of ₹ 10/- each	₹ 49,90,000 (Rupees Forty Nine Lacs only) consisting of 4,99,000 Equity Shares of face value of ₹10/- each	EGM
October 16, 2002	₹ 49,90,000 (Rupees Forty Nine Lacs only) consisting of 4,99,000 Equity Shares of face value of ₹10/- each	₹ 75,00,000 (Rupees Seventy Five Lacs only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	EGM
July 14, 2003	₹ 75,00,000 (Rupees Seventy Five Lacs only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	₹ 1,00,00,000 (Rupees One Crore only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	EGM
March 25, 2004	₹ 1,00,00,000 (Rupees One Crore only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	₹ 1,50,00,000 (Rupees One Crore Fifty Lacs only) consisting of 15,00,000 Equity Shares of face value of ₹10/- each	EGM
November 04, 2005	₹ 1,50,00,000 (Rupees One Crore Fifty Lacs only) consisting of 15,00,000 Equity Shares of face value of ₹10/- each	₹ 4,00,00,000 (Rupees Four Crore only) consisting of 40,00,000 Equity Shares of face value of ₹10/- each	EGM
March 28, 2007	₹ 4,00,00,000 (Rupees Four Crore only) consisting of 40,00,000 Equity Shares of face value of ₹10/- each	₹ 7,00,00,000 (Rupees Seven Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each	EGM
July 30, 2007	₹ 7,00,00,000 (Rupees Seven Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each	₹ 9,00,00,000 (Rupees Nine Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each	EGM
January 19, 2011	₹ 9,00,00,000 (Rupees Nine Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each	EGM
July 27, 2015	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 90,00,000 Equity Shares of face value of ₹10/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each	EGM
January 11, 2017	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,35,00,000 Equity Shares of face value of ₹10/- each aggregating to Rs. 13,50,00,000 and 5,00,000, 12 years 15% cumulative Non-convertible Redeemable preference shares of Rs. 100/- each aggregating to Rs.	<sup>(1)</sup>

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
	Shares of face value of ₹100/- each	5,00,00,000/-	
September 18, 2023	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,35,00,000 Equity Shares of face value of ₹10/- each aggregating to Rs. 13,50,00,000 and 5,00,000, 12 years 15% cumulative non-convertible redeemable preference shares of Rs. 100/- each aggregating to Rs. 5,00,00,000/-	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,85,00,000 Equity Shares of face value of ₹10/- each	EGM
September 18, 2023	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,85,00,000 Equity Shares of face value of ₹10/- each	₹25,00,00,000 (Rupees Twenty-Five Crore only) consisting of 2,50,00,000 Equity Shares of face value of ₹10/- each <sup>#</sup>	EGM

(1) Emerald Rims Private Limited (ERPL) and Mosq Industrial Rubber Products Private Limited (MOSQ) amalgamated with our Company pursuant to an order passed by the High Court of Judicature at Madars dated 11/01/2017 approving the scheme of amalgamation. Result of which, authorized share capital of our company increased from ₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each to 18,50,00,000 (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,35,00,000 Equity Shares of face value of ₹10/- each aggregating to Rs. 13,50,00,000 and 5,00,000, 12 years 15% cumulative non-convertible redeemable preference shares of Rs. 100/- each aggregating to Rs. 5,00,00,000/-

<sup>#</sup>Note: The MCA Master data wrongly shows Authorized Capital of Rs. 50,00,00,000/-. The company has filed for rectification of the same through Change Request Form, dated March 14, 2024, vide the SRN: AA7082714.

#### History of Paid-up Equity Share Capital of our Company:

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares	Face value (₹)	Offer Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
On Incorporation	10,000	10	10	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	10,000	1,00,000
December 30, 2002	6,40,000	10	10	Cash	Further Allotment <sup>(2)</sup>	6,50,000	65,00,000
March 31, 2003	21,000	10	10	Cash	Further Allotment <sup>(3)</sup>	6,71,000	67,10,000
December 29, 2003	2,65,000	10	10	Cash	Further Allotment <sup>(4)</sup>	9,36,000	93,60,000
March 30, 2006	21,54,000	10	10	Cash	Further Allotment <sup>(5)</sup>	30,90,000	3,09,00,000
March 10, 2007	4,60,000	10	20	Cash	Further Allotment <sup>(6)</sup>	35,50,000	3,55,00,000
October 10, 2007	4,25,000	10	20	Cash	Further Allotment <sup>(7)</sup>	39,75,000	3,97,50,000
September 04, 2008	1,00,000	10	70	Cash	Further Allotment <sup>(8)</sup>	40,75,000	4,07,50,000
September 04, 2013	45,000	10	80	Non-Cash	Conversion of CCPS into Equity <sup>(9)</sup>	41,20,000	4,12,00,000
October 18, 2013	7,00,000	10	35	Cash	Further Allotment <sup>(10)</sup>	48,20,000	4,82,00,000
January 27, 2017	22,79,574	10	41	Non-Cash	Offer of shares on Amalgamation <sup>(11)</sup>	70,99,574	7,09,95,740

Date of Allotment	No. of Equity Shares	Face value (₹)	Offer Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
January 27, 2017	(11,50,000)	10	N.A.	Non-Cash	Cancellation of Share Capital <sup>(12)</sup>	59,49,574	5,94,95,740
March 31, 2020	31,250	10	160	Non-Cash	Conversion of CCD into Equity <sup>(13)</sup>	59,80,824	5,98,08,240
May 02, 2020	1,25,000	10	160	Non-Cash	Conversion of CCD into Equity <sup>(14)</sup>	61,05,824	6,10,58,240
March 26, 2021	1,82,000	10	110	Cash	Preferential Allotment <sup>(15)</sup>	62,87,824	6,28,78,240
September 21, 2021	1,36,300	10	110	Cash	Preferential Allotment <sup>(16)</sup>	64,24,124	6,42,41,240
January 03, 2022	1,36,365	10	110	Cash	Preferential Allotment <sup>(17)</sup>	65,60,489	6,56,04,890
September 22, 2023	6,06,642	10	74	Cash	Preferential Allotment <sup>(18)</sup>	71,67,131	7,16,71,310
November 11, 2023	71,67,131	10	0	Non-Cash	Bonus Offer <sup>(19)</sup>	1,43,34,262	14,33,42,620
March 18, 2024	1,56,250	10	160	Non-Cash	Conversion of CCD into Equity <sup>(20)</sup>	1,44,90,512	14,49,05,120

<sup>(1)</sup> Initial Subscribers to Memorandum of Association held Equity Shares each of face value of ₹ 10/- fully paid up as per the details given below:

SN	Name of Allottee	No. of Shares Allotted
1	Kannaki Thirupathi	5,000
2	Chandhrasekharan Thirupathi Venkatachalam	5,000
<b>Total</b>		<b>10,000</b>

<sup>(2)</sup> The Company had further allotted of 6,40,000 equity shares as on 30-12-2002, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Kannaki Thirupathi	3,00,000
2	Thirupathi Venkatachalam	1,50,000
3	Chandhrasekharan Thirupathi Venkatachalam	20,000
4	R Subramanian	20,000
5	S Vijaylakshmi	50,000
6	C Kalidasan	20,000
7	K Sugunavalli	20,000
8	L Chittal	50,000
9	K Ganesan	10,000
<b>Total</b>		<b>6,40,000</b>

<sup>(3)</sup> The Company had further allotted 21,000 equity shares as on 31-03-2003, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	R Subramanian	10,000
2	K Ganesan	5,000
3	RM Theivarayan	6,000
<b>Total</b>		<b>21,000</b>

<sup>(4)</sup> The Company had further allotted 2,65,000 equity shares as on 29-12-2003, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
----	------------------	------------------------

1	R Subramanian	25,000
2	Thirupathi Venkatachalam	70,000
3	Chandhrasekharan Thirupathi Venkatachalam	45,000
4	Bharani Ravichandran	10,000
5	R Ravichandran	50,000
6	Eswara Krishnan D	50,000
7	S N Bharathi	7,500
8	Kalpana Bharathi	7,500
<b>Total</b>		<b>2,65,000</b>

<sup>(5)</sup> The Company had further allotted 21,54,000 equity shares as on 30/03/2006, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Thirupathi Venkatachalam	3,44,500
2	Kannaki Thirupathi	2,45,000
3	Chandhrasekharan Thirupathi Venkatachalam	1,97,500
4	Srinivas Venkatachalam Thirupathi	1,72,000
5	R Subramanian	45,000
6	MosQ Industrial Rubber Products Pvt Ltd	11,50,000
<b>Total</b>		<b>21,54,000</b>

<sup>(6)</sup> The Company had further allotted 4,60,000 equity shares as on 10/03/2007, the details of which is given below

SN	Name of Allottee	No. of Shares Allotted
1	K R Annamalai	2,25,000
2	V 9 Impex Pvt Ltd	1,00,000
3	Thirupathi Venkatachalam	1,20,000
4	R Subramanian	15,000
<b>Total</b>		<b>4,60,000</b>

<sup>(7)</sup> The Company had further allotted 4,25,000 equity shares as on 10/10/2007, the details of which is given below

SN	Name of Allottee	No. of Shares Allotted
1	Mustang Trading & investments Pvt Ltd	4,25,000

<sup>(8)</sup> The Company had further allotted 1,00,000 equity shares as on 04/09/2008, the details of which is given below

SN	Name of Allottee	No. of Shares Allotted
1	AL Rawas Development & Investment LLC	1,00,000

<sup>(9)</sup> The Company had further allotted 45,000 equity shares as on 04/09/2013 pursuant to conversion of compulsory convertible preference shares, the details of which is given below

SN	Name of Allottee	No. of Shares Allotted
1	AL Rawas Development & Investment LLC	25,000
2	Parasakthi Cement Industries Limited	20,000
<b>Total</b>		<b>45,000</b>

<sup>(10)</sup> The Company had further allotted 7,00,000 equity shares as on 18/10/2013, the details of which is given below

SN	Name of Allottee	No. of Shares Allotted
1	Thirupathi Venkatachalam	5,87,000
2	Chandhrasekharan Thirupathi Venkatachalam	45,000
3	Srinivas Venkatachalam Thirupathi	68,000
<b>Total</b>		<b>7,00,000</b>

<sup>(11)</sup> The Company thereafter has allotted 22,79,574 equity shares as on 27/01/2017 pursuant to an order passed by the High Court of Judicature at Madars dated 11-01-2017 approving the scheme of amalgamation of Emerald Rims Private Limited

(ERPL) and Mosq Industrial Rubber Products Private Limited (MOSQ) with our Company, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Thirupathi Venkatachalam	10,51,810
2	Chandhrasekharan Thirupathi Venkatachalam	2,22,014
3	Srinivas Venkatachalam Thirupathi	17,940
4	Kannaki Thirupathi	8,62,650
5	R Subramanian	87,750
6	Eswara Krishnan D	160
7	Varadarajan Krishnaram	8,000
8	S Vijayalakshmi	29,250
<b>Total</b>		<b>22,79,574</b>

<sup>(12)</sup> The Company cancelled share capital of 11,50,000 equity shares as on 27/01/2017 pursuant to scheme of amalgamation approved by high court of madras via order dated 11/01/2017, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	MosQ Industrial Rubber Products Pvt Ltd	(11,50,000)

<sup>(13)</sup> The Company thereafter had allotted 31,250 Equity shares on preferential basis as on 30/03/2020 pursuant to conversion of compulsory convertible debentures, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Subhasri Sriram	31,250

<sup>(14)</sup> The Company thereafter had allotted 1,25,000 Equity Shares on preferential basis as on 02-05-2020 pursuant to conversion of compulsory convertible debentures, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Abhijeet Trivedi	62,500
2	Karthikeyan Swarnam	62,500
<b>Total</b>		<b>1,25,000</b>

<sup>(15)</sup> The Company thereafter had allotted preferential allotment of 1,82,000 equity shares as on 26-03-2021, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Karthikeyan Swarnam	1,82,000

<sup>(16)</sup> The Company thereafter had allotted 1,36,300 equity shares on preferential basis as on 21-09-2021, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Karthikeyan Swarnam	1,36,300

<sup>(17)</sup> The Company thereafter had allotted 1,36,365 equity shares on preferential basis as on 30-01-2022, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Karthikeyan Swarnam	1,36,365

<sup>(18)</sup> The Company thereafter had allotted 6,06,642 equity shares on preferential basis as on 18-09-2023, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Rajasthan Global Securities Pvt Ltd	6,06,642

<sup>(19)</sup> The Company thereafter issued bonus shares of 71,67,131 equity shares to existing shareholders in ratio of 1:1 as on 27-11-2023, the details of which is given below:



SN	Name of Allottee	No. of Shares Allotted
1	Thirupathi Venkatachalam	8,50,500
2	Kannaki Thirupathi	3,40,000
3	Chandhrasekharan Thirupathi Venkatachalam	34,35,974
4	Srinivas Venkatachalam Thirupathi	2,72,940
5	R Subramanian	2,02,750
6	S Vijayalakshmi	79,250
7	Savitha	15,050
8	Rajasthan Global Securities Pvt Ltd	8,91,692
9	Eswara Krishnan D	25,160
10	Varadarajan Krishnaram	33,000
11	AL Rawas Development & Investment Co LLC	1,25,000
12	Mangalam A	2,25,000
13	Turbovent Industries Pvt Ltd	20,000
14	Subhasri Sriram	31,250
15	Karthikeyan Swarnam	5,17,165
16	Abhijeet Trivedi	62,500
17	C Kalidasan	20,000
18	K Sugunavalli	19,900
<b>Total</b>		<b>71,67,131</b>

<sup>(20)</sup> The Company thereafter had allotted 1,56,250 equity shares on preferential basis as on 18-03-2024, pursuant to conversion of compulsory convertible debentures, the details of which is given below:

SN	Name of Allottee	No. of Shares Allotted
1	Karthikeyan Swarnam	93,750
2	Abhijeet Trivedi	62,500

## 2) Preference Share capital history of our Company

The following table sets forth details of the history of Preference Share capital of our Company:

Sr. No.	Date of allotment/ Redemption of Preference Shares	No. of Preference Shares	Face Value (in ₹)	Offer /Redemption Price (in ₹)	Nature/ Reason of allotment	Nature of consideration	Cumulative No. of Preference Shares	Cumulative Paid-Up Share Capital (in ₹)
1	September 04, 2008	45,000	80	80	Allotment <sup>(1)</sup>	Cash	45,000	36,00,000
2	February 21, 2011	5,00,000	100	100	Allotment <sup>(2)</sup>	Cash	5,45,000	5,36,00,000
3	September 04, 2013	(45,000)	80	N.A.	Conversion of CCPS into Equity <sup>(3)</sup>	N.A.	5,00,000	5,00,00,000
4	August 27, 2021	(5,00,000)	100	N.A.	Redemption <sup>(4)</sup>	Cash	-	-

Notes:

<sup>(1)</sup> The Company has allotted 45,000 9% Cumulative fully Convertible Preference Shares having face value of ₹ 80/- each to allottees as below:

SN	Name of Allottee	No. of Shares Allotted
1	AL Rawas Development & Investment Co LLC	25,000
2	Parasakthi Cement Industries Ltd	20,000
<b>Total</b>		<b>45,000</b>

- (2) The Company thereafter made allotment of 5,00,000 15% Non-Convertible Compulsory Redeemable Preference Shares having face value of ₹ 100/- each to allottees as below:

SN	Name of Allottee	No. of Shares Allotted
1	Super Auto Forge Pvt Ltd	5,00,000

- (3) The Company had converted 45,000 9% Cumulative fully Convertible Preference Shares on 04/09/2013.

SN	Name of Allottee	No. of Shares Allotted
1	AL Rawas Development & Investment Co LLC	(25,000)
2	Parasakthi Cement Industries Ltd	(20,000)
<b>Total</b>		<b>(45,000)</b>

- (4) Our company had thereafter redeemed 5,00,000 15% Non-Convertible Compulsorily Redeemable Preference Shares.

SN	Name of Allottee	No. of Shares Allotted
1	Super Auto Forge Pvt Ltd	(5,00,000)

### 3) Issue of equity shares for consideration other than cash or through Bonus Offer:

- Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Offer Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares issued
September 04, 2013	45,000	10	80	Conversion of CCPS into Equity <sup>(9)</sup>	Securities premium of Rs. 31,50,000/-	-
January 27, 2017	22,79,574	10	41	Issue of shares on Amalgamation <sup>(11)</sup>	-	-
March 31, 2020	31,250	10	160	Conversion of CCD into Equity <sup>(13)</sup>	Securities premium of Rs. 46,87,500/-	-
May 02, 2020	1,25,000	10	160	Conversion of CCD into Equity <sup>(14)</sup>	Securities premium of Rs. 1,87,50,000/-	-
November 27, 2023	71,67,131	10	Nil	Bonus Offer in the ratio of 1 Equity Shares issued for every 1 Equity Share held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on October 21, 2023 and through special resolution passed at the EGM held on November 25, 2023. <sup>(19)</sup>	-	Bonus issued out of Reserves and Surplus
March 18, 2024 <sup>##</sup>	1,56,250	10	160	Conversion of CCD into Equity <sup>(20)</sup>	Securities premium of Rs. 2,34,37,500/-	-

For list of allottees see note 9,11,13,14,19,20 of paragraph titled "History of Share capital of our Company" mentioned above.

- As of date of this Draft Red Herring Prospectus, our Company has not undertaken a bonus Offer by capitalizing its revaluation reserves.
- 4) As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013 except as stated at paragraph titled "History of Paid-up Equity Share Capital our Company" to the note 11.
- 5) As of date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.

- 6) Except as stated below, our Company may have issued Equity Shares at a price lower than the Offer Price during a period of the one year preceding the date of this Draft Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Offer Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares issued
September 22, 2023	6,06,642	10	74	Preferential Allotment	Securities premium of Rs. 3,88,25,088/-	-
November 27, 2023	71,67,131	10	Nil	Bonus Offer in the ratio of 1 Equity Shares issued for every 1 Equity Share held by the existing Equity Shareholders authorised by our Board, pursuant to a resolution passed at its meeting held on October 21, 2023 and by our Shareholders pursuant to a resolution passed at the EGM held on November 25, 2023. <sup>(1)</sup>	-	Bonus issued out of Reserves and Surplus
March 18, 2024	1,56,250	10	160	Conversion of Compulsorily Convertible Debentures to Equity Shares ranking <i>Pari-passu</i> . <sup>(2)</sup>	Securities Premium of Rs. 2,34,37,500/-	-

(1) For list of allottees see note (19) of paragraph titled "History of Share capital of our Company" mentioned above.

(2) 1,56,250 compulsorily convertible debentures of Rs. 10/- each ("CCD") at a premium of Rs. 150/- each allotted to Abhijit Trivedi- 62,500 and Karthikeyan Swarnam- 93,750 respectively were converted pursuant to the Board Resolution dated March 18, 2024.

#### Shareholding Pattern of our Company

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

*(The remainder of this page is intentionally left blank)*

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depositary receipt (VI)	Total No. of shares held (VII) = (IV)+(V)++(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	4	97,98,828	-	-	97,98,828	67.62	97,98,828	97,98,828	67.62	-	-	-	-	9,39,500*	9.59	97,98,828
(B)	Public	14	46,91,684	-	-	46,91,684	32.38	46,91,684	46,91,684	32.38	-	-	-	-	-	-	40,18,134
(C)	Non-Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depositary receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		18	1,44,90,512 <sup>#</sup>	-	-	1,44,90,512	100	1,44,90,512	1,44,90,512	100	-	-	-	-	9,39,500*	9.59	1,44,90,512

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchange before commencement of trading of such Equity Shares. The Equity Shares held by our Promoter and members of our Promoter Group are in dematerialized form. The application for dematerialization of shares have been made for 5,48,550 held by public.

\*70,000 Equity shares of promoter shall be unpledged prior to filing of Red Herring prospectus.

7) **Other details of shareholding of our Company:**

a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 97.73% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital
1	Chandhrasekharan Thirupathi Venkatachalam	68,71,948	47.42%
2	Rajasthan Global Securities Pvt Ltd	17,83,384	12.31%
3	Thirupathi Venkatachalam	17,01,000	11.74%
4	Karthikeyan Swarnam	11,28,080	7.78%
5	Kannaki Thirupathi	6,80,000	4.69%
6	Srinivas Venkatachalam Thirupathi	5,45,880	3.77%
7	Mangalam A	4,50,000	3.11%
8	R Subramanian	4,05,500	2.80%
9	AL Rawas Development & Investment Co LLC	2,50,000	1.73%
10	Abhijeet Trivedi	1,87,500	1.29%
11	S Vijayalakshmi	1,58,500	1.09%
<b>Total</b>		<b>1,41,61,792</b>	<b>97.73%</b>

b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital
1	Chandhrasekharan Thirupathi Venkatachalam	68,71,948	47.42%
2	Rajasthan Global Securities Pvt Ltd	17,83,384	12.31%
3	Thirupathi Venkatachalam	17,01,000	11.74%
4	Karthikeyan Swarnam	11,28,080	7.78%
5	Kannaki Thirupathi	6,80,000	4.69%
6	Srinivas Venkatachalam Thirupathi	5,45,880	3.77%
7	Mangalam A	4,50,000	3.11%
8	R Subramanian	4,05,500	2.80%
9	AL Rawas Development & Investment Co LLC	2,50,000	1.73%
10	Abhijeet Trivedi	1,87,500	1.29%
11	S Vijayalakshmi	1,58,500	1.09%
<b>Total</b>		<b>1,41,61,792</b>	<b>97.73%</b>

c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital
1	Chandhrasekharan Thirupathi Venkatachalam	34,35,974	23.71%
2	Thirupathi Venkatachalam	8,50,500	5.87%
3	Karthikeyan Swarnam	5,17,165	3.57%
4	Kannaki Thirupathi	3,40,000	2.35%
5	Mustang Trading & investments Pvt Ltd	3,00,000	2.07%
6	Srinivas Venkatachalam Thirupathi	2,72,940	1.88%
7	Mangalam A	2,25,000	1.55%
8	R Subramanian	2,02,750	1.40%
<b>Total</b>		<b>61,44,329</b>	<b>42.40%</b>

d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Offer Equity Share Capital
1	Thirupathi Venkatachalam	34,35,974	17.18%
2	Kannaki Thirupathi	8,50,500	9.99%
3	Chandhrasekharan Thirupathi Venkatachalam	5,17,165	3.90%
4	Karthikeyan Swarnam	3,40,000	3.57%
5	Mustang Trading & investments Pvt Ltd	3,00,000	2.93%
6	Srinivas Venkatachalam Thirupathi	2,72,940	1.88%
7	Mangalam A	2,25,000	1.55%
8	R Subramanian	2,02,750	1.40%
<b>Total</b>		<b>61,44,329</b>	<b>42.40%</b>

e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan, or other instrument.

f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Red Herring Prospectus.

8) Our Company does not have intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

#### 9) Shareholding of our Promoter

Set forth below are the details of the build-up of shareholding of our Promoter:

Date of Allotment and made fully paid up/ Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Offer / Transfer Price (in Rs.)	Cumulative no. of Equity Shares	% of Pre- Offer Equity Paid Up Capital	% of Post- Offer Equity Paid Up Capital	No. of Shares Pledged	% of shares pledged
<b>CHANDHRASEKHARAN THIRUPATHI VENKATACHALAM</b>										
March 21, 2002	Subscription to MoA	Cash	5,000	10	10	5,000	0.03%	[●]	-	-
December 30, 2002	Further Allotment	Cash	20,000	10	10	25,000	0.17%	[●]	-	-
December 29, 2003	Further Allotment	Cash	45,000	10	10	70,000	0.00%	[●]	-	-
March 30, 2006	Further Allotment	Cash	1,97,500	10	10	2,67,500	0.48%	[●]	-	-
July 07, 2006	Transfer of Shares	Cash	10,000	10	10	2,77,500	1.85%	[●]	-	-
February 27, 2008	Transfer of Shares	Cash	20,000	10	10	2,97,500	1.92%	[●]	70,000**	0.48
October 18, 2013	Further Allotment	Cash	45,000	10	35	3,42,500	2.05%	[●]	70,000**	0.48
January 01, 2017	Merger	Non-Cash	2,22,014	10	41	5,64,514	2.36%	[●]	70,000**	0.48
January 23, 2023	Transfer*	Non-Cash	28,71,460	10	N.A.	34,35,974	3.90%	[●]	70,000**	0.48



November 27, 2023	Bonus	Non-Cash	34,35,974	10	Nil	68,71,948	23.71 %	[●]	70,000**	0.48
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\*Note: 28,71,460 shares transfer to promoter pursuant to gift deed.

\*\*70,000 Equity shares of promoter shall be unpledged prior to filing of Red Herring prospectus.

- 10) As on the date of the Draft Red Herring Prospectus, the Company has Eighteen (18) shareholders.
- 11) The details of the Shareholding of the members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Offer		Post Offer	
		Number of Equity Shares	% of Pre-Offer Equity Share Capital	Number of Equity Shares	% of Post-Offer Equity Share Capital
1.	Thirupathi Venkatachalam	17,01,000	11.74%	[●]	[●]
2.	Kannaki Thirupathi	6,80,000	4.69%	[●]	[●]
3.	Srinivas Venkatachalam Thirupathi	5,45,880	3.77%	[●]	[●]
<b>Total</b>		<b>29,26,880</b>	<b>20.20%</b>	<b>[●]</b>	<b>[●]</b>

- 12) Except as mentioned below, there were no shares purchased/sold by the Promoter(s) and Promoter Group, directors of our Company and their relatives during last six months:

Date of Allotment/transfer	Name of Allottee/Transferee	Party Category	Number of Shares Allotted/Transferred	Face Value	Offer Price/Transfer Price	Reason of Allotment/Transfer
November 27, 2023	Chandhrasekharan Thirupathi Venkatachalam	Promoter	34,35,974	10	N.A.	Bonus
November 27, 2023	Kannaki Thirupathi	Promoter Group	3,40,000	10		
November 27, 2023	Thirupathi Venkatachalam	Promoter Group	8,50,500	10		
November 27, 2023	Srinivas Venkatachalam Thirupathi	Promoter Group	2,72,940	10		

- 13) There are no financing arrangements wherein the Promoter, Promoter Group, the Directors of our Company 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 financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

14) **Promoter's Contribution and other Lock-In details:**

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Offer capital of our Company held by the Promoter shall be locked in for a period of three years from the date of Allotment ("Minimum Promoter's Contribution"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Offer / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Offer paid-up capital	Period of lock-in
<b>Chandhrasekharan Thirupathi Venkatachalam</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>SUB-TOTAL</b>						[●]	

\* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoter are in dematerialized form.

For details of the build-up of the Equity Share capital held by our Promoter, see chapter titled “*Capital Structure*” beginning Page No. 57.

The Promoter’s Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter’s Contribution under Regulation 237 of the SEBI (ICDR) Regulations. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus Offer by utilization of revaluations reserves or unrealized profits of the Company or from bonus Offer against Equity Shares which are otherwise ineligible for minimum promoters’ contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- Equity Shares issued to the Promoter upon conversion of a partnership firm;
- Equity Shares held by the Promoter that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters’ Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoter and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoters’ Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Draft Red Herring Prospectus till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

Other than the Equity Shares locked-in as Promoter’s Contribution for a period of three years as stated in the table above, the entire pre-Offer capital of our Company, including the excess of minimum Promoter’s Contribution, as per Regulation 238 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of allotment of Equity Shares in the Offer. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Other requirements in respect of ‘lock-in’***

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoter prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoter which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoter / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoter which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

- 15) Our Company, our Promoter, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

- 16) The post-Offer paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
- 17) There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
- 18) No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
- 19) There neither have been and there will be no further Offer of Equity Shares whether by way of Offer of bonus shares, preferential allotment, rights Offer or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
- 20) Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
- 21) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
- 22) Our Company shall ensure that any transactions in Equity Shares by our Promoter and the Promoter Group during the period between the date of filing the Draft Red Herring Prospectus and the date of closure of the Offer, shall be reported to the Stock Exchanges within 24 hours of the transaction.
- 23) All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
- 24) As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
- 25) Our Promoter and the members of our Promoter Group will not participate in the Offer.
- 26) Following are the details of Equity Shares of our Company held by our Directors/Key Management Personnel:

Sr. No.	Name	Designation	Number of Equity Shares	% of the pre-Offer Equity Share Capital
1)	Chandhrasekharan Thirupathi Venkatachalam	Chairman and Managing Director	68,71,948	47.42%
2)	Eswara Krishnan D	Whole Time Director	50,320	0.35%
3)	Varadarajan Krishnaram	Chief Executive Officer	66,000	0.46%

- 27) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.
- 28) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “**Offer Procedure**” beginning on Page No. 224 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (1) of SEBI (ICDR) Regulations, as amended from time to time.
- 29) An investor cannot make an application for more than the number of Equity Shares offered in this Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 30) An over-subscription to the extent of 10% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.
- 31) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
- 32) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Offer.

- 33) As on date of this Draft Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Offer.

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## OBJECTS OF THE OFFER

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the Emerge Platform of NSE.

### The objects of the Offer are: -

1. To meet out the Capital Expenditure;
2. To meet out Working Capital Requirements;
3. To meet General Corporate Purposes; and
4. To meet out Offer Expenses.

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Offer. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

### Fund Requirements: -

Our funding requirements are dependent on several factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

We intend to utilize the proceeds of the Fresh Offer, in the manner set forth below:

### Offer Proceeds & Net Proceeds

The details of the proceeds of the Offer are set out in the following table:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Offer	[●]
Less: Offer related expenses	[●]
<b>Net Proceeds of the Offer</b>	<b>[●]</b>

### Utilization of Net Proceeds

The proposed utilization of Net Proceeds is set forth as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount	% of Net Proceeds
1.	Capital Expenditure (Margin Money)	Upto 1755.00	[●]
2.	Working Capital Requirements	Upto 1800.00	[●]
3.	General Corporate Purposes	[●]^	[●]
<b>Total</b>		<b>[●]</b>	<b>[●]</b>

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

**The requirements of the objects detailed above are intended to be funded from the proceeds of the Offer. Accordingly, we confirm that there is no requirement for us 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 from the proposed Offer.**

**The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.**

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

## MEANS OF FINANCE

Sr. No.	Particulars	Amount Required (Rupees in Lacs) (Excluding Taxes)	Amount to be utilized from IPO Proceeds	Internal Accruals / Equity / Reserves	Balance from Long/Short Term Borrowings
1.	Capital Expenditure	5850.05	Upto 1755.00	00.00	4095.05*
3.	Working Capital Requirement	Upto 1800.00	Upto 1800.00	00.00	00.00
4.	General Corporate Purposes	[•]	[•]	00.00	[•]
5.	Public Offer Expenses	[•]	[•]	[•]	[•]
<b>Total</b>				[•]	[•]

(\*Note: Company has obtained the In-Principle Draft Sanction Letter from Axis Bank Limited for securing the borrowings.)

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in Internal / external circumstances or costs or other financial conditions and other factors. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, subject to regulatory approval required under applicable law. In case of delays in raising funds from the Offer, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Offer Proceeds.

We further confirm that no part proceed of the Offer shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please refer section titled "Risk Factors" beginning on Page No. 27 of this Draft Red Herring Prospectus.

### Justification for working capital requirement:

Our company manufactures Off the Highway Tyres, Tubes and Wheel rims. Our diverse range of products includes Solid Tyres, Pneumatic Tyres, Wheel Rims and Press On tyres.

We fund a majority of our working capital requirements in the ordinary course of business from Internal Accruals and Borrowings. The brief details of Net Working Capital requirement based on Restated Standalone basis are as follows:

Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Total Current Assets (A)	9,982.10	9,331.10	8,566.21	7,525.06
Total Current Liabilities (B)	6,785.07	8,023.07	7,241.07	5,772.29
Working Capital (A-B)	3,197.03	1,308.03	1,325.14	1,752.77
<b>Source of Fund</b>				
a. Total Borrowings	7,621.97	7,912.15	6,731.03	5,733.47
b. Shareholders Funds	5,955.10	4,938.90	4,088.52	3,863.87

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

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ lakhs)



Particulars	Total amount estimated	Estimated deployment of the Net Proceeds
		Fiscal 2024- 25
Part Funding of Capital Expenditure	Upto 1,755.00	Upto 1,755.00
Funding the working capital requirements of our Company	Upto 1,800.00	Upto 1,800.00
General corporate purposes <sup>(1)</sup>	[•]	[•]
Total <sup>(1)</sup>	[•]	[•]

<sup>(2)</sup> To be finalised upon determination of the Offer Price and updated in the Red Herring Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the gross proceeds from the Fresh Offer.

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

Our Company proposes to deploy the entire Net Proceeds towards the Objects as per the schedule provided above. In the event that the estimated utilization is not completed as per the aforementioned schedule, due to the reasons stated above, such funds shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable law. Depending upon such factors, we may have to reduce or extend the utilisation period for any of the stated Objects beyond the estimated time period, at the discretion of our management, in accordance with applicable law. Further, such factors could also require us to advance the utilisation before the scheduled deployment as disclosed above towards any particular or all Objects. Subject to compliance with applicable laws,

#### **DETAILS OF UTILIZATION OF OFFER PROCEEDS**

##### **1. Part funding of the equity portion for Capital Expenditure**

Our Company has been on a fast-track growth for the past three years. The turnover has substantially increased in past few years with a significant increase in profitability. The company is on an aggressive growth path and plans to expand its operations across the globe. Towards this the company plans to increase its product offering and plans to add many new sizes of tyres to its table. The company also gives major thrust to environment friendly initiatives such roof solar across the plant, working towards avoidance of plastics and use eco-friendly inputs in manufacturing. All its products are REACH complaint and the company gives major thrust to reuse, repair, retread and safe disposal.

Pursuant to such reasons, we propose to install the plant and part finance it from the Net Proceeds. Our company is further planning to expand into our existing line of business along with addition of new products to our portfolio at our current manufacturing plant.

Our Company intends to deploy Net Proceeds aggregating to Upto Rs. 1755.00 Lakhs towards Capital expenditure of Upto Rs. 5800.05 Lacs (excluding Taxes Amount), which includes machinery for manufacturing Solid tyres and Industrial Pneumatic tyres , wheels and mixing of rubber compounds in the land owned by Company, details of which are as follows:-

#### **Summary of Capital Expenditure**

S.NO	ITEM (Segment)	APPROXIMATE COST (RS)		
		BASIC	TAXES	TOTAL
1	Mixing Plant	24,13,63,387	4,34,45,410	28,48,08,797
2	Solid Tyres	17,81,93,645	3,19,63,037	21,01,56,681
3	IPT Plant	3,93,22,564	70,18,062	4,63,40,626
4	Wheel Plant	64,27,650	11,56,977	75,84,627
5	Tube Plant	32,72,310	5,89,016	38,61,326
6	Civil Work	5,64,14,000	1,01,54,520	6,65,68,520
7	Laboratory	1,92,41,503	34,63,470	2,27,04,973
8	HR & Welfare	10,68,000	1,92,240	12,60,240
9	Boiler	46,05,300	8,28,954	54,34,254

S.NO	ITEM (Segment)	APPROXIMATE COST (RS)		
		BASIC	TAXES	TOTAL
10	Others	3,00,97,336	54,17,520	3,55,14,856
11	Poly Fill Project	50,00,000	9,00,000	59,00,000

**Description and Purpose of Machinery:**

For increasing its product offering we need to increase the manufacturing process to new sizes of tyres to portfolio, various machineries are listed below:

**a) Mixing:**

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Basic Amount	
1	New 11D (240 Ltr.) Banbury	1	INDUS UTH HF Mixing systems Private Limited	14-02-2024	3,75,00,000	
2	Gearbox / 1000 kw Motor	1	INDUS UTH HF Mixing systems Private Limited	14-02-2024	84,00,000	
3	TCU	1	Dynetics	01-04-2024	21,00,000	
4	Motor 1000KW	1	Abb India Ltd.	01-04-2024	1,88,35,184	
5	VFD6 pulse drive including( harmonic and power factor )	1	Abb India Ltd.	01-04-2024		
6	200 KW MOTOR	2	Abb India Ltd.	01-04-2024		
7	DRIVE 200 KW	2	Abb India Ltd.	01-04-2024		
8	55 KW MOTOR	2	Abb India Ltd.	01-04-2024		
9	55 KW DRIVE	2	Abb India Ltd.	01-04-2024		
10	110 KW Motor	1	Abb India Ltd.	01-04-2024		
11	110 KW DRIVE	1	Abb India Ltd.	01-04-2024		
12	Chute	1	Krishnaa Engineering Fabricators	22-02-2024		1,00,000
13	Fume Extractor	1	Deva Engineering Contractors	04-03-2024		7,01,000
14	84" mill - 1 reconditioning with gearbox	1	Indian Expeller Works Private Limited	27-03-2024	73,00,000	
15	Stock blender bar 26" x 84" (660x2130 mm) Reconditioning	1	Indian Expeller Works Private Limited	06-03-2024	6,51,000	
16	84" mill - 1 New	1	Krishnaa Engineering Fabricators	22-02-2024	1,02,99,000	
17	Stock blender bar 26" x 84" (660x2130 mm) New	1	Krishnaa Engineering Fabricators	22-02-2024	6,51,000	
18	Mill To Mill Conveyor 4 M length	1	New Era Engineering	01-04-2024	3,98,000	
19	General Erection and commissioning (Estd.) - 11D	1	Vishal Engineering Enterprises	23-03-2024	84,36,000	

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Basic Amount
20	11D batch off	1	Intek System	27-03-2024	83,90,000
21	Mixer feed system	1	MOMSON Intellisys Pvt Ltd	20-03-2024	2,98,98,000
22	Dust collection system	1	Kleenair System Pvt Ltd	20-03-2024	26,11,200
23	Freight lift of capacity 3000kgs	1	Beacon Elevator Co. ( P ) L td.	29-03-2024	28,90,000
24	3 Ton Capacity Single Girder EOT Crane for Handling Carbon Jumbo Bags	1	Krans Cranes Pvt Ltd	01-04-2024	14,90,000
25	Hoist 3 tons ( Moving calcium carbonate )	2	HAFa Hoists Pvt ltd	28-03-2024	7,30,000
26	Electronic steel weigh bridge & steel weigh bridge of 16M X 3M - 100 ton capacity	1	Essae Digitronics Pvt Ltd	15-02-2024	12,00,000
27	Battery operated pallet trolley 3 ton capacity	4	Lift Tech Equipments Pvt Ltd	23-03-2024	14,69,720
28	Oil pipe line (Process oil)	1	Krishnaa Engineering Fabricators	22-02-2024	2,50,000
29	Air line for Compressor	1	Krishnaa Engineering Fabricators	22-02-2024	1,50,000
30	Transformer-1, 690 Volt	1	Ponni Engineers	13-03-2024	33,00,000
31	Cooling Tower-250 Ton rating	1	Star cooling tower pvt ltd	01-04-2024	3,90,000
32	11D Mixer cooling line - pipe line fabrications	1	Krishnaa Engineering Fabricators	22-02-2024	10,00,000
33	Flow Meters( Mill primary, Mill secondary) 11d	4	Toshniwal Hyvac Pvt Ltd	01-04-2024	1,64,000
34	Loading unloading dock leveler	1	Sri Palanimurugan Engineering works	01-04-2024	2,20,300
35	Chemical movement trolley from RM shed to Mixer	10	Millenium Engineering Works	29-03-2024	6,40,000
36	11 KV Electrical system without transformer (civil work not	1	Sudhan Power Tech	20-03-2024	2,22,10,893

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Basic Amount
	considered, transformer plinth and fire protection wall				
37	Civil Construction (Height increase, mezzanine floor, connecting shed for carbon loading)	1	Sachin Hitech Industries Pvt Ltd	25-03-2024	6,52,72,695
38	60" Mill-1 Blender bar reconditioning	1	New Era Engineering	01-04-2024	2,00,000
39	Mill To Mill Conveyor (4M length) Same quote	1	New Era Engineering	01-04-2024	3,98,000
40	60" Mill-2 intermediate conveyor Same quote	1	New Era Engineering	01-04-2024	2,85,000
41	Skids (1.2 x 1mtr)-120 nos, Skid (1m x 1m)-50 nos- Material, Labour, paint	1	Sri Palanimurugan Engineering works	01-04-2024	14,03,120
42	ACP display board	1	Valli Ind Number Plates	01-04-2024	2,04,750
43	Mixing lab facility - Cabin (12 x 10 feet)	1	VGSM Enterprises	01-04-2024	1,35,930
44	SCADA room (15 x 10 feet)	1	VGSM Enterprises	01-04-2024	1,54,170
45	Production, Engineering cabin (10 x 10 feet)	1	VGSM Enterprises	01-04-2024	1,23,770
46	Tools and accessories for maintenance	1	Sri Palanimurugan Engineering works	01-04-2024	2,50,000
47	New mixing plant lightning work	1	GSP Electrical Works	01-04-2024	1,27,585
48	Electrical control room (15x15 feet)	1	VGSM Enterprises	01-04-2024	1,88,070
49	Industrial Vacuum cleaning	1	VGSM Enterprises	22-03-2024	2,45,000

Mixing is done in two stages, the first stage being Master Batch and the second stage being the final batch. Master batch is the first stage of mixing wherein rubber is mixed with a few fillers like Carbon black, Oil, Zinc oxide etc. and the final stage mixing is the addition of proprietary chemicals and ingredients. To increase the mixing capacity from 30 tons a day of master batch to 35 tons a day and 55 tons a day for final batch mixing, our company shall install a 11D ( 240 LITRES ) Banbury.

**b) Solid Tyre:**

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	Solid tyre expansion project with moulds				
	Press Specification :				
1.01	550 MT PRESS - 3 Daylight	3	Bemco Hydraulics Limited	23-03-2024	6,08,76,000
1.02	300 MT PRESS - 3 Daylight	10	Bemco Hydraulics Limited	23-03-2024	
1.03	300 MT PRESS - 2 Daylight	3	Bemco Hydraulics Limited	23-03-2024	
	Accessories :				
1.04	Hoist 3MT	2	HAFA HOISTS Pvt Ltd	28-03-2024	7,30,000
1.05	Hoist frame	2 Set	Sri Palanimurugan Engineering works	01-04-2024	11,90,122
1.06	Steam line / cooling line /air line with labour	16 Press	Sri Palanimurugan Engineering works	01-04-2024	20,52,170
1.07	Insulation	278	Annai Insulation	01-04-2024	5,07,072
1.08	Tyre building calendar	1	Iaxmi Engineering	01-04-2024	16,06,300
1.09	(18X48")Rubber mixing (plain mill)	2	Indian expeller works pvt ltd	26-03-2024	62,34,000
1.1	Electrification materials with labour	1 Set	Sri Palanimurugan Engineering works	01-04-2024	40,52,089
1.11	Power pack	10 Set	Shree meyyar Hydraulics	01-04-2024	32,28,000
1.12	Hydraulic line		Sri Palanimurugan Engineering works	01-04-2024	12,63,655
1.13	Power Pack oil	5200 Lts	Sri Palanimurugan Engineering works	01-04-2024	6,50,000
1.14	New Press PIT & trench work & 16 nos	16 Nos	AJS HR Service	26-03-2024	9,35,000
	Additional moulds :				
1.15	Moulds for expansion	1 Set	Sri Palanimurugan Engineering works	31-03-2024	3,94,33,838
			Sri Palanimurugan Engineering works	31-03-2024	2,30,72,717
1.16	AWP PROJECT - 6000 nos per month				
1.161	300 MT press - single day light, 4 cavity column press	5	Bemco Hydraulics Limited	21-03-2024	96,00,000
	Accessories :				
1.162	Steam & cooling & air line	5 Press	Sri Palanimurugan Engineering works	01-04-2024	7,83,461
1.163	Pipeline insulation	5			2,00,000
1.164	Powerpack	2			12,17,500
1.165	Electrification work	1 Set			5,82,359
1.166	Hydraulic line	6 Set			6,21,218
1.167	PLC	5			8,44,144
1.168	Power Pack oil	1280 Lts			1,60,000
1.169	Moulds	20 Moulds			80,00,000
1.17	Stacker for mould movements	1			Agni MHE Private Limited
1.171	Paint booth	1	Nesco Limited	30-03-2024	20,38,000
2	SPINNER HANGER SHOT BLASTING MACHINE.	2 lines	Nesco Limited	27-03-2024	17,00,02,645
3	200 Ton Fitment Press With Safety Guard	1	Shree Meyyar Hydraulics	01-04-2024	26,21,000

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
4	5 TON DIE TROLLEY	1	Power Automations	29-03-2024	13,50,000
5	42" & 48" mill upgradation	1	New Era Engineering	01-04-2024	15,20,000

Presently our company has two curing lines with a total 21 Presses which can accommodate 63 moulds. To increase the capacity for manufacturing of Solid Tyres from 20 tons a day to 60 tons a day, we intend to purchase following under the capital expenditures, the tentative costs are given below along with the quotations from vendors:

**c) IPT:**

With this expansion, we propose to increase the output to 30 tons per day from 11.2 tons per day. This envisages procurement of new machines and systems to be put in place and hence propose to install the following machines:

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	6.00-9 & 15" TO 17" Tyre Building machine	2	Intek Engineers	01-04-2024	1,90,00,000
2	60" Mill upgradation	1	New Era Engineering	01-04-2024	17,00,000
3	Let off & wind off accumulators for calander line	1	Vinagaya Engineering	30-03-2024	53,83,500
4	Pull out break unit	1	Vinagaya Engineering	30-03-2024	9,26,724
5	IPT curing pipe line modification - 5 Presses	1 line	Krishnaa Engineering Fabricators	22-02-2024	5,00,000
6	Manual bead flipping machine with apex (12-22")	1	VVK Industries Private Limited	29-03-2024	6,50,000
7	7.00-12 GSE moulds - 2#s	2	Laxmi Moulds Industries Private Limited	29-03-2024	3,45,000
8	Bias cutter roller storage and stand including hoist	2	Millenium Engineering Works	25-03-2024	14,20,160
9	GT Inner painting machine ( water based )	1	New Era Engineering	01-04-2024	4,68,000
10	Centre Mech cylinders 45"	8	Sri Palanimurugan Engineering Works	01-04-2024	7,19,200
11	Cooling tower	1	Star Cooling Tower Private Limited	01-04-2024	3,73,500
12	CR20-17 A-F-A-E-HQQE 3x400/690 50 HZ Cold water pump	1	BI Marketing & Services P Ltd	01-04-2024	2,69,080
13	Reconditioning of 45" & 42" Tyre Press Unloader Assy	4	PSM Industries	01-04-2024	4,01,000
14	Unloader assy tyre curing press ( PM 11,12,03,16,17,13)	6	PSM Industries	01-04-2024	31,53,600
15	Calendar Roll machining	4	Sri Palanimurugan Engineering Works	01-04-2024	4,50,000
16	RB-5 Tyre Building Machine with Stitcher & 3 Ply Servicer	9	Sri Palanimurugan Engineering Works	01-04-2024	35,62,800



**d) Wheel:**

We intend to buy following under the wheel's capital expenditures, the tentative costs are given below along with the quotations from vendors:

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	Digital Ultrasonic Flaw Detectors Modsonic Make	1	Supertech Scientific & Metallurgical Services	01-04-2024	1,87,550
2	Collar draw tools (3.75-8)	1	Vivekananda Industries	22-03-2024	1,78,600
3	Radius cutting tool (4.33-8)	1	Vivekananda Industries	22-03-2024	1,44,800
4	Fume Extractor-Welding	1	AIRTAS ENVIRONICS	01-04-2024	1,26,000
5	Tools development	2	Vivekananda Industries	22-03-2024	3,72,400
6	Dust Collector for Band grinding	1	AIRTAS ENVIRONICS	01-04-2024	2,03,500
7	CNC LATHE	1	Macpower CNC Machines Limited	21-03-2024	34,80,000
8	150Kg Welding Positioner with Torch Stand	1	AIRTAS ENVIRONICS	01-04-2024	7,00,000
9	Checking gauges	25	Vivekananda Industries	01-04-2024	6,25,000
10	Drill bit cutting edge grinder	1	Globalhunt Machine Tools Pvt Ltd	23-03-2024	1,09,800
11	Mini trolleys	6	Sri Palanimurugan Engineering Works	01-04-2024	3,00,000

**e) Tube:**

With the increase in the output of tyres, the requirement of inner tubes will also need to proportionately increase and hence we need to procure the following equipment to strengthen the manufacturing process and to improve the quality in line with the tyre quality upgradation. We intend to buy following under the capital expenditures, the tentative costs are given below along with the quotations from vendors:

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	Single tube splicing machine Splicing machine	1	Vinagaya Engineering	30-03-2024	26,00,000
2	PNEUMATIC PRESSURE CONTROL VALVE (40 nb)	1	Inex Engineering Solutions	30-03-2024	1,48,500
3	MCPK 080-050-200 GG KSB COOLING TOWER PUMP	1	Fluidline Systems & Controls Pvt Ltd	01-04-2024	1,48,000

4	“GARUDA” WATER RING VACUUM PUMP	1	Pumps Private Limited	01-04-2024	1,44,000
5	Steam flow meter for tube plant	1	Inex Engineering Solutions	19-03-2024	1,15,500
6	6.50-10 Tube mould & preformer	1	Lakshmi Engineering Works	02-04-2024	1,16,310
			Sree Ganapathi Industries	21-03-2024	

**f) Civil Work and Recreational facilities:**

For storage of our raw material company intends to create storage facilities for sensitive chemicals and oils. We intend to buy following under the capital expenditures, the tentative costs are given below along with the quotations from vendors:

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	SULPHUR GODOWN SHED CIVILWORK QUOTATION	1	AJS HR Service	20-03-2024	3,46,500
2	Land at North east location	1	AJS HR Service	01-04-2024	1,48,80,000
3	Oil tank shifting	1	AJS HR Service	08-03-2024	5,77,500
4	Toluene, Hexane storage	1	AJS HR Service	20-03-2024	9,75,000
5	ENTRY GATE RAMP	2	AJS HR Service	20-03-2024	5,20,650
6	Road sweeping machine	1	Thamarai Trades	01-04-2024	9,50,000
7	Road development	1	AJS HR Service	20-03-2024	32,05,000
8	Pathway across compound wall	1	AJS HR Service	08-03-2024	2,84,100
9	Office Room modification	1	AJS HR Service	20-03-2024	71,27,000
10	Compound wall fencing	1	AJS HR Service	20-03-2024	5,74,250
11	Toilet construction (incl. women toilet & rest room) Each 5 nos	2 sets	AJS HR Service	20-03-2024	16,18,900
12	R&D lab	1	AJS HR Service	20-03-2024	21,19,500
13	Two wheeler shed (approx 200 bikes)	1	AJS HR Service	20-03-2024	6,70,000
14	HR ROOM & SECURITY ROOM MODIFICATION	1	AJS HR Service	20-03-2024	5,47,000
15	FG shed construction	1	AJS HR Service	20-03-2024	1,67,04,500
16	IPT & Rim connecting	1	AJS HR Service	20-03-2024	29,18,000
17	MIXING PLANT SECURITY ROOM REWORK	1	AJS HR Service	20-03-2024	2,76,600
18	NEW canteen and Employee locker room	1	AJS HR Service	20-03-2024	21,19,500

**The schedule of implementation of the Proposed Civil Work is set forth below:**

In the event the Net Proceeds are not completely utilised for the Objects during the respective periods mentioned in “- Schedule of implementation” above, due to factors such as (i) economic and business conditions; (ii) delay in procuring and operationalizing assets or necessary licenses and approvals; (iii) timely completion of the Offer; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Further, capital expenditure towards the stated Objects may also be accelerated, due to early completion of various activities mentioned in this section.

The deployment of funds indicated above is based on management estimates, current circumstances of our business, valid quotations received from third parties, certificates from independent project consultants, other commercial and technical factors, prevailing market conditions, which are subject to change. We may have to revise our funding requirements and deployment of the Net Proceeds from time to time on account of various factors, such as financial and market conditions, business and strategy and other external factors, which may not be within the control of our management. This may entail changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. See “Risk Factors” on page 27.

Subject to applicable laws, in the event of any increase in the actual requirement of funds earmarked for the purposes set forth above, such additional fund requirement will be met by way of any means available to us, including from internal accruals and seeking additional debt from existing and/or future lenders.

**g) Laboratory:**

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	Densimeter	1	Alfatech Instruments Pvt Ltd	28-11-2023	2,41,500
2	Dispersion grader	1	Alfatech Service	28-11-2023	20,28,600
3	Goodrich Flexometer	1	Alfatech Service	28-11-2023	37,19,100
4	Tyre cutting machine	1	New Era Engineering	01-04-2024	6,95,000
5	RPI	1	Alfatech Instruments Pvt Ltd	28-11-2023	19,74,000
6	Mooney viscometer- Replacement	1	Alfatech Service	28-11-2023	27,33,780
7	Bench Durometer	1	Alfatech Service	28-11-2023	3,23,852
8	Ozone tester	1	Alfatech Service	28-11-2023	36,22,500
9	DM water generator (100 lit)	1	Sri Palanimurugan Engineering Works	01-04-2024	1,14,771
10	MDR Rheo meter	1	Alfatech Service	27-03-2024	25,28,400
11	Endurance test machine upgradion	1	New Era Engineering	01-04-2024	12,60,000

As part of the expansion, our company proposes to equip the Laboratory with more equipment to ensure accuracy of the incoming raw materials and the work in progress. The company proposes to get NABL Accreditation so that the test results are validated as per global standards. We propose to buy the following laboratory equipment to upgrade the Lab to global standards:

**h) HR & WELFARE:**

We intend to buy following under the HR & welfare capital expenditures, the tentative costs are given below along with the quotations from vendors:

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	Canteen equipment	1	AJS HR Service	01-04-2024	10,00,000
2	Human and metal scanning facility @ Security	2	Dhonaadhi Hitec Innovations	30-03-2024	68,000

**i) Boiler:**

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	FOR BOILER SONIC SOOT BLOWER AS PER MODEL BEPS - 3003	2	J.G. Enterprises	29-03-2024	1,75,000
2	FOR BOILER SONIC SOOT BLOWER AS PER MODEL BEPS - 3002	2	J.G. Enterprises	29-03-2024	1,68,500
3	FOR ECONOMIZER SONIC MODEL BEPS - 1001	4	J.G. Enterprises	29-03-2024	99,500
4	FOR AIR PREHEATER SONIC AS PER MODEL BEPS - 3003	2	J.G. Enterprises	29-03-2024	1,34,500

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
5	Boiler & line Insulation	1	Annai Insulation	29-03-2024	8,00,000
6	Boiler Feed water pump	1	Fluidline Systems & Controls Pvt Ltd	01-04-2024	2,25,000
7	Boiler Main flow meter	1	Inex Engineering Solutions	19-03-2024	1,39,800
8	Acoustic Enclosure for wood chips crusher machine	1	Envirotech Systems Limited	01-04-2024	4,30,000
9	Chimney	1	J M Samasthiya Refractories & Lining Works	22-03-2024	24,33,000

**j) Other:**

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	CCTV camera 40 nos with elec cable and accessoris including high resolution cameras in vantage points	40	Electronic Bay	29-03-2024	1,30,390
2	Solid softwares and servers	1	SM Technoligies Pvt Ltd	26-03-2024	11,24,937
3	Centerized Air conditioning	1	Mitsubishi Heavy Industries	28-03-2024	24,52,459
4	ETP plant	1	Sri Palanimurugan Engineering Works	01-04-2024	50,00,000
5	Punching system HR	1	AJS HR Service	01-04-2024	5,00,000
6	Fire Hydrant system	1 set	AJS HR Service	01-04-2024	17,05,550
7	Ambiant Air Quality Checks	1	MEL Systems and Services Ltd.	01-04-2024	1,02,000
8	Fabric roll storage stand	1	Sri Palanimurugan Engineering Works	01-04-2024	14,75,000
9	RO Water system	1	GALAXY EAUTREAT TECH	01-04-2024	2,61,000
10	84" Mill & 42" Mixing mill	1	Sri Palanimurugan Engineering Works	01-04-2024	1,73,46,000

**k) Poly Fill Project:**

S./No.	Machine Description	Qty.	Supplier Name	Quotation Date	Amount
1	Lincoln pump	1	Sri Palanimurugan Engineering Works	01-04-2024	19,00,000
2	Poly fill setup	1			16,00,000
3	Utilities	1			15,00,000

**Note:**

- i. All amounts are inclusive of GST unless expressly mentioned.
- ii. All the quotations are valid as on the date of DRHP.

**I. The rationale for purchasing the machineries with the proceeds from the mentioned Offer is as follows:**

The Capacity and capacity utilization of the company is as follows: -

Facility	Product	For the Eight Months ended November 30, 2023			Fiscal 2023			Fiscal 2022			Fiscal 2021		
		Installed	Production	Capacity	Installed	Production	Capacity	Installed	Production	Capacity	Installed	Production	Capacity

		Capacity (in number of units)	(in number of units)	Utilization (%)	Capacity (in number of units)	(in number of units)	Utilization (%)	Capacity (in number of units)	(in number of units)	Utilization (%)	Capacity (in number of units)	(in number of units)	Utilization (%)
Plot No. 79, 80 EPIP Zone SIPCO T Industrial Complex Gummudipoon di, Tiruvallur District Tamil Nadu 601201	Solid Resilient	3940.00	2629.20	66.73%	5920.00	3962.16	66.93%	5920.00	4085.82	69.02%	5500.00	3010.71	54.74%
	Press On	600.00	417.16	69.53%	900.00	628.66	69.85%	900.00	639.95	71.11%	800.00	471.56	58.94%
	Industrial Pneumatic	2240.00	1937.76	86.51%	3360.00	3148.46	93.70%	2640.00	2512.77	95.18%	1920.00	1344.74	70.04%
	Wheel Rims	260.00	162.59	62.53%	380.00	245.02	64.48%	380.00	196.91	51.82%	300.00	145.09	48.36%

*\*As Certified by Mr. Sowmya Vaidhyathan, M/s. Starp & Associates, Practising Cost and Management Accountants, by their certificate dated March 25, 2024.*

Further our company working for continuous improvement process to mitigate the gaps in the process of raw material to the finished goods for this our company implemented the KAIZEN philosophy within its business verticals which enable us to use the less capacity utilization of the install capacity to generate higher productions and complete the cycle of our business vertical process.

The company's actual capacity utilization appears lower due to the following fact: the company's capacity creation always occurs approximately 6 months in advance of actual delivery/utilization. This capacity then becomes fully utilized within 3 to 4 months of the commencement of production/delivery. In essence, the continuous creation of additional capacities to address the geometrically increasing turnover results in the reflection of lower utilization of capacities.

#### Other confirmations

All quotations mentioned in this section are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the equipment at the same costs. We are yet to place orders for any of the components of the Proposed Capital Expenditure. Further, for risk arising out of the Objects, please see "Risk Factors – Internal Risk Factors – No. 10 under "Risk Factors" starting at page 27. Risks associated with the Proposed Capital Expenditure. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. This includes part financing the cost of establishing the Proposed Capital Expenditure which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties. There can be no assurance that we would be able to procure equipment at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the services may differ from the current estimates. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or through contingencies, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals

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

None of the vendors from whom we have procured quotations are related or connected to our Company, Promoter, Subsidiaries, Directors, Key Managerial Personnel, Senior Management and Group Companies. Our Promoter, Directors, Key Managerial Personnel, Senior Management Personnel and Group Companies do not have any interest in the proposed construction of building civil works.

## 2. Working Capital Requirements

Our Company proposes to utilize upto Rs. 1,800.00 Lakhs towards funding its working capital requirements in the ordinary course of business. We have significant working capital requirements, and in the ordinary course of business, we fund our working capital needs through internal accruals and short term borrowings from banks and financial institutions. Our Company, in order to support its incremental business requirements, funding growth opportunities and for other strategic, business, and corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability.

### Basis of Estimation, assumptions and justification of working capital requirements

The estimates of the working capital requirements for the financial years ending on March 31, 2024 and March 31, 2025, have been prepared based on the management estimates of future financial performance. The projection has been prepared using a set of assumptions that include assumptions about future events and management's actions that are not necessarily expected to occur. On the basis of existing and estimated working capital requirements of our Company on standalone basis, and assumptions for such working capital requirements. The proposed funding of such working capital requirements as set forth below:

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	Stub Nov 30, 2023	March 31, 2024	March 31, 2025
	Audited	Audited	Audited	Audited	Estimated	Estimated
<b>Current Assets</b>						
Inventories	3,763.50	4,283.76	4,712.48	5,115.86	4,794.70	5,046.80
Trade Receivables	3,007.40	3,581.79	4,234.51	4,169.62	4,028.14	4,092.72
Cash and Cash equivalent	64.17	16.37	67.16	268.69	261.32	428.35
Other current assets	690.00	684.29	316.96	427.94	323.23	355.55
<b>Total Current Assets(A)</b>	<b>7,525.06</b>	<b>8,566.21</b>	<b>9,331.10</b>	<b>9,982.10</b>	<b>9,407.38</b>	<b>9,923.42</b>
<b>Current Liabilities</b>						
Short Term Borrowings	4,112.22	4,482.20	5,653.67	4,294.14	5,400.83	5,478.24
Trade Payables	1,177.64	1,476.64	1,767.19	1,678.54	1,643.85	1,832.52
Other Current Liabilities	343.40	1,104.61	399.90	627.90	407.81	448.59
Short Term Provisions	139.03	177.62	202.31	184.49	206.32	226.95
<b>Total Current Liabilities (B)</b>	<b>5,772.29</b>	<b>7,241.07</b>	<b>8,023.07</b>	<b>6,785.07</b>	<b>7,658.81</b>	<b>7,986.31</b>
<i>Net working capital requirements (C) = (A-B)</i>	<b>1,752.77</b>	<b>1,325.14</b>	<b>1,308.03</b>	<b>3,197.03</b>	<b>1,748.57</b>	<b>1,937.12</b>
<b>Means of Finance</b>						
Internal Accruals/Share Capital/Borrowings	1,752.77	1,325.14	1,308.03	3,197.03	1,748.57	137.12
IPO Proceeds	-	-	-	-	-	Upto 1,800.00

### Key Assumptions for working capital projections made by Company:



Particulars	Basis	Number of days					
		March 31, 2021	March 31, 2022	March 31, 2023	Stub Nov 30, 2023	March 31, 2024	March 31, 2025
<b>Trade Receivables</b>	Debtors Collection Period	124	98	94	109	98	87
<b>Inventories</b>	Cost of Goods Sold	177	120	109	128	113	106
<b>Trade payables</b>	Credit Period	95	57	59	72	63	58
<b>Working Capital days</b>	<b>Receivable + Inventories - Payables</b>	<b>206</b>	<b>161</b>	<b>144</b>	<b>165</b>	<b>148</b>	<b>135</b>

The total working capital requirements for the FY 2020-21 was Rs. 1,752.77 Lakhs, For FY 2021-22 was Rs. 1,325.14 Lakhs & for the FY 2022-23 it stands at Rs. 1,308.03 Lakhs. The amount of Working Capital Requirement in eight months period ending November 30, 2023 stood at Rs. 3,197.03 Lakhs. It is estimated that in FY 2023-24 and FY 2024-25, the working capital requirement is Rs. 1,748.57 Lakhs and Rs 1,937.12 Lakhs. For FY 2024-25, Rs. 1,800 Lakhs shall be sourced through IPO proceeds & the rest amount will be sourced from internal accruals and borrowings.

S. No.	Particulars	Assumptions
<b>Current Assets</b>		
1.	Inventories	<p>Our company is a high inventory and longer debtor collection days business which has been seeing improvement over the years.</p> <p>The company has consistently maintained an inventory cycle of average of 90 days over the years. For Fiscal Year 2020-21 177 days as compared to fiscal 2021-22 i.e. 120 days The following fiscal year showed improvement, as the inventory cycle decreased to 120 days, even though the inventory value increased to Rs. 4,283.76 lakhs from Rs. 3,763.50 lakhs. This indicated improved efficiency in managing inventory turnover. During the fiscal Year 2022-23 the holding period was 109 days despite of increase in inventory value to Rs. 4,712.48 lakhs.</p> <p>However, during eight months period ended on November 30, 2023 Inventory holding period was 124 days. In the interim period ending on November 30, 2023, aligning with the revenue increase for this period.</p> <p>Our company estimates the inventory holding period of 104 days for Fiscal Year 2023-24 and 101 days for Fiscal Year 2024-25. This suggests that the company intends to maintain an efficient inventory cycle in the upcoming years.</p> <p>Efficient inventory management is vital for cost control, ensuring timely maintenance, and uninterrupted operations, especially in the aviation sector where safety and regulatory compliance are paramount. Therefore, the downward trend in inventory holding days reflects the company's adaptability and responsiveness to operational challenges, ultimately contributing to sustained competitiveness and profitability.</p>
2.	Trade Receivables	<p>The trade receivables holding days for the company engaged in Off The Highway Tyres manufacturing have shown fluctuations over the years. However there has been constant improvement in Trade receivable cycle.</p> <p>Trade Receivables Days revealed the efficiency of receivables collection. Days decreased from 124 days in fiscal year 2020-21 to 98 days in fiscal year 2021-22, indicating improved collections. Further, efficiency was observed as holding days decreased to 94 days by fiscal year 2022-23. There was a slight increase to 109 days for period of eight months ended on November 30, 2023, due to increase in the turnover</p>

S. No.	Particulars	Assumptions
		during the period. It further reduced to 98 days and 87 days by fiscal year 2023-24 and fiscal year 2024-25. Considering the significant sales growth over the years, it's essential for the company to manage its trade receivables effectively to maintain liquidity and sustain growth. Continued efforts to optimize credit management and streamline collection processes will be crucial for ensuring stable cash flows and financial health in this industry.
<b>Current Liabilities</b>		
3.	Trade Payables	The days in trade payables for the company have seen fluctuations over the years. However, in recent years, there was a slight decrease in the fiscal year 2021-22 and 2022-23 due to the rise in short-term borrowings. Consequently, trade payable days decreased from 95 days in year 2020-21 to 57 days in year 2021-22 to 59 days in year 2022-23. There was a slight increase to 72 days during the period of eight months ending on November 30, 2023. The projected increase to 63 days in fiscal year 2023-24 pursuant and 58 days in fiscal year 2024-25. This efficient management of trade payables can contribute to the company's financial stability and operational resilience in the competitive industry.

### 3. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating Upto Rs. [●] Lacs for General Corporate Purposes subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations, investments in accordance with the investment policy of our Company, meeting exigencies, salaries and meeting expenses incurred by our Company in the ordinary course of business as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013, incurred by our Company in the ordinary course of business, as may be applicable. Further, this portion of Net Proceeds may also be utilised to meet the shortfall in the Net Proceeds for the Objects set out above.

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 and other applicable laws. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

### 4. Offer Related Expenses

The total estimated Offer Expenses are ₹ [●] lakh, which is [●] % of the total Offer Size. The details of the Offer Expenses are tabulated below:

S. No.	Particulars	Amount	% of Total Expenses	% of Total Offer Size
1.	Offer Management fees including Merchant Banking fees, Underwriting fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	[●]	[●]	[●]
2.	Advertising and Marketing Expenses	[●]	[●]	[●]
3.	Fees Payable to stock Exchange	[●]	[●]	[●]
4.	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
5.	Brokerage and Selling Commission	[●]	[●]	[●]
6.	Other Expenses (Banker's to the Offer, Auditor's Fees etc.)	[●]	[●]	[●]

Notes:

*Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs*

1. ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular) - Rs 10/- per application on wherein shares are allotted.

2. Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) - Rs 10/- per application on wherein shares are allotted

3. Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs 10/- per application on wherein shares are allotted

4. Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs 10/- per application on wherein shares are allotted

5. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.

6. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.

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

#### Proposed Schedule of Implementation:

Our Company plans to deploy the funds towards the above stated Objects during FY 2023-2024, depending upon various factors including the actual timing of the completion of the Offer and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year.

The proposed Schedule of Implementation is as follows:

Sr. No.	Particular	Amount to be funded from Net Proceeds	Expenses incurred till November 30, 2023	Estimated Utilisation of Net Proceeds (F.Y. 2024-25)
1.	Capital Expenditure Requirement	Up to 1755.00	[●]	[●]
2.	Working Capital Requirement	Up to 1800.00	[●]	[●]
3.	General Corporate Purposes	[●]	[●]	[●]
4.	Offer Expenses	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

#### Funds Deployed and Source of Funds Deployed:

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Offer:

Particulars	Amount (₹ in lacs)
Offer Expenses	[●]
<b>Total</b>	[●]

#### Sources of Financing for the Funds Deployed

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Offer:

Particulars	Amount (₹ in thousands)
Internal Accruals	[●]
<b>Total</b>	[●]

#### Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Offer are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

#### Bridge Financing Facilities

As on the date of this Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

#### Monitoring Utilization of Funds

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public Offer. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in the Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Offer have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

#### **Interim Use of Proceeds**

Pending utilization of the Offer proceeds of the Offer for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

#### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Offer without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would 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, as may be prescribed by SEBI, in this regard.

#### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors and our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

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## **BASIS FOR OFFER PRICE**

The Price Band, Floor Price and Offer Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10/- and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to “Our Business”, “Risk Factors”, “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Other Financial Information” on pages 110, 27, 174, 182, and 175, 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:

- a) Experienced and dedicated management team
- b) Manufacturing Facility to handle wide range of Off Highway Tyres
- c) Wide product range and customized product offering
- d) Diverse Customer Base
- e) Qualitative Products

For further details, see “Our Business –Our Competitive Strengths” on page 114.

### **Quantitative Factors**

The information presented in this section is derived from our Restated Financial Statements. For details, see “Restated Financial Statements” on page 174. Investors should evaluate our Company and form their decisions taking into consideration its earnings, and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Offer price are as follows:

#### **I. Basic and Diluted Earnings per share (“EPS”)**

<b>Fiscal Year ended</b>	<b>Basic EPS</b>	<b>Diluted EPS</b>	<b>Weight</b>
March 31, 2023	6.60	7.01	03
March 31, 2022	3.72	4.18	02
March 31, 2021	(2.71)	(0.95)	01
Weighted Average	4.09	(4.74)	-
For the period ended on November 30, 2023*	5.68	6.09	-

\*Not Annualised

Note:

- i. *Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year.*
- ii. *Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.*
- iii. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.*
- iv. *The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.*
- v. *The EPS has been calculated in accordance with AS 20 Earnings Per Share (EPS) issued by Institute of Chartered Accountants of India.*

#### **II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

<b>Particulars</b>	<b>P/E at Floor Price (Number of times)*</b>	<b>P/E at Cap Price (Number of times)*</b>
Based on basic EPS for Fiscal 2023	[●]	[●]
Based on diluted EPS for Fiscal 2023	[●]	[●]

#### **Industry Peer Group P/E ratio**

Particulars	P/E Ratio
Highest	36.96
Lowest	31.96
Industry Composite	34.46

### III. Return on Networth (“RoNW”)

Fiscal Year ended	RoNW(%)	Weight
March 31, 2023	23.50	03
March 31, 2022	16.33	02
March 31, 2021	(12.49)	01
<b>Weighted Average</b>	15.11	
For the period ended on November 30, 2023*	16.13%	

\*Not Annualised

Notes:

(1) Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year/Total of weights.

(2) Return on Net Worth (%) = Restated profit for the year divided by Net worth at the end of the period/year. (3) ‘Net worth’: Equity Share capital and other equity less capital reserves.

### IV. Net asset value per Equity Share (face value of ₹ 10/- each)

Particulars	NAV Per Equity Share (RS.)
As on March 31, 2023	56.14
As on March 31, 2022	44.34
As on March 31, 2021	42.07
For the period ended on November 30, 2023	34.18
<b>After Completion of the Offer</b>	
-At floor Price	[●]
-At Cap Price	[●]
-At Offer Price	[●]

Notes:

1. RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus - revaluation reserves.

2. Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

### Comparison of accounting ratios with listed industry peers

Name of the Company	Face Value (₹)	Current Market Price	EPS (₹)		P/E Ratio	RoNW (%)*	Total Income * (₹ in Lakhs)
			Basic*	Diluted*			
Emerald Tyre Manufacturers Limited	10.00	[●]	5.68	6.60	[●]	16.13%	10,832.11
<b>Peer Group</b>							
Balkrishna Industries Limited	10.00	2,318.00	54.70	54.70	35.98	14.57	10,10,606**
TVS Srichakra Limited	10.00	3,905.35	101.85	101.85	26.41	6.9	2,99,414**

\*Not Annualised: As at November 30, 2024.

\*\*Details as on March 31, 2023.

### KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”) Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be



considered in isolation or as substitute to the Restated Financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 22, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Rajani & Co., by their certificate dated March 22, 2024. The KPIs of our Company have been disclosed in the sections “Our Business” starting on pages 110 respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page 6. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Offer as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018. Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Offer Price:

Key Performance Indicators	November 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations	10,726.99	16,393.95	13,364.26	8,664.56
Growth in Revenue from Operations (%)	N.A.	122.67%	154.24%	102.04%
Total Income	10,832.11	16,798.10	13,469.67	8,797.23
EBITDA	1,836.74	2,103.74	1,325.62	432.65
EBITDA Margin (%)	17.12%	12.83%	9.92%	4.99%
Net Profit for the Year / Period	790.18	865.40	475.11	(330.28)
PAT Margin (%)	7.37%	5.28%	3.56%	-3.81%
Return on Net Worth	16.13%	23.50%	16.33%	-12.49%
Return on Capital Employed	10.89%	13.82%	9.50%	0.49%
Debt-Equity Ratio	1.84	2.30	2.58	2.43

Source: The Figure has been certified by our statutory auditors M/s. Rajani & Co. Chartered Accountants vide their certificate dated March 22, 2024 vide UDIN no. 242229881BKBIDQ8278..

1. Revenue from operations represents the revenue from sale of service & product & other operating revenue of our Company as recognized in the Restated financial information.
2. Total income includes revenue from operation and other income
3. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation, and amortization expense.
4. EBITDA margin is calculated as EBITDA as a percentage of total income.
5. Net Profit for the year/period represents the restated profits of our Company after deducting all expenses.
6. PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
7. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth (average total equity). Average total equity means the average of the aggregate value of the paid-up share capital and other equity of the current and previous financial year/period.
8. Return on capital employed calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt and deferred tax liabilities of the current and previous financial year/period).
9. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short-term borrowings. Total equity is the sum of equity share capital and other equity. Interest coverage ratio is defined as Earnings before interest and taxes (EBIT) divided by finance cost for the year/period.

#### Explanation for the Key Performance Indicators:

KPIs	Explanation
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Income	Total Income is used by our management to obtain a comprehensive view of all income including revenue from operations and other income
EBITDA	EBITDA provides information regarding the operational efficiency of our business

KPIs	Explanation
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Net Profit for the Year / Period	Net Profit for the year/period provides information regarding the overall profitability of our business
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.

**a) The price per share of the Company based on the primary/ new Offer of shares (equity/convertible securities)**

The Company has not issued any Equity Shares or convertible securities ("Security(ies)"), excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

**b) The price per share of the Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)**

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("Security(ies)"), where the Promoter, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days:

**c) Weighted average cost of acquisition (WACA), floor price and cap price for the last 3 years preceding the DRHP:**

Date of Allotment	No. of Equity Shares allotted	Face Value of Equity Share	Offer Price /Transfer Price per Equity Share (₹)	Nature of Transaction	Nature of Consideration (cash, other than cash etc.)	Total Consideration (₹)
<b>Primary Transaction</b>						
January 23, 2023	28,71,460	10	0	Transfer <sup>(1)</sup>	Non-Cash	-
November 27, 2023	34,35,974	10	0	Bonus	Non-Cash	-
<b>Total: Rs. 0</b>						
<b>Weighted Average cost per share: Rs. 0</b>						

<sup>(1)</sup> 28,71,460 Equity shares are transfer pursuant to gift deed.

**3. Explanation for Offer Price / Cap Price being [●] times and [●] times price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) in view of the external factors which may have influenced the pricing of the Offer.**

[●]

(To be updated on finalization of Price.) The Offer Price of ₹ [●] has been determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the demand from investors for the Equity Shares through the Book Building Method. Investors should read the abovementioned information along with "Risk Factors", "Our Business" and "Restated Financial Information" beginning on pages 27, 110 and 174 respectively, to have a more informed view.

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## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

**The Board of Directors**

**Emerald Tyre Manufacturers Limited**

*(formerly known Emerald Resilient Tyre Manufacturers Limited)*

“EMERALD HOUSE”,

Plot No.2, Second Street,

Porur Gardens, Phase I, Vanagaram,

Chennai 600 095 Tamilnadu, India

Dear Sir(s),

**Sub: Statement of possible special tax benefits available to Emerald Tyre Manufacturers Limited (formerly known as Emerald Resilient Tyre Manufacturers Limited) (the “Company” and such offering, the “Offer”) and its shareholders under direct and indirect tax laws**

I report that the enclosed statement in **Annexure**, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘**Act**’), as amended by the Finance Act, 2023 i.e. applicable for FY 2023-24 (AY 2024-25), and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither am I suggesting nor advising the investor to invest money based on this statement.

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

- i) The Company or its shareholders will continue to obtain these benefits in future; or
- ii) The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of my understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

I hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus and the Prospectus and submission of this certificate as may be necessary, to the SME Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed (“**Stock Exchange**”) and the Registrar of Companies, Tamilnadu at Chennai (“**RoC**”), SEBI or any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Offer and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus.

Yours sincerely,

**For, Rajani & Co,**  
*Chartered Accountants*  
FRN: 003433S

SD/-

**Mahesh Jain**  
Partner  
M.No.: 229881  
Place: Chennai  
Date: 22<sup>nd</sup> March 2024  
UDIN: 24229881BKBICV2762  
Peer Review No.: 012706

## ANNEXTURE

The information provided below sets out the possible special tax benefits available to the Company, the Shareholders and its Subsidiary under the Taxation Laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOURS PARTICULAR SITUATION

### A. SPECIAL TAX BENEFITS TO THE COMPANY

1. The Company is availing Section 115 BAA of the Income Tax Act. The Company is in the process of renewing its Advance Pricing Agreement with respect to transactions with Associate Companies.
2. The Company is availing RoDTEP for Solid tyres at the rate of 0.75% and Pneumatic Tyres -1.40% (of the FOB Value)
3. Duty drawback is a refund in payments that were initially collected upon importation of foreign-made goods; these payments could have been for customs duties, sales taxes, or other fees. Which will be credited within 30 days. The percentage is 1.50 % of the FOB value.

### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

### C. SPECIAL TAX BENEFITS TO THE SUBSIDIARY

The Subsidiary Company is not entitled to any special tax benefits under the Taxation Laws.

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. I hereby give my consent to include my above referred opinion regarding the special tax benefits available to the Company, to its shareholders and its Subsidiary in the Draft Red Herring Prospectus /Red Herring Prospectus/ Prospectus.

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## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Offer has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

### ECONOMIC OUTLOOK

#### GLOBAL ECONOMIC OUTLOOK

Global growth proved resilient in 2023, with inflation declining more quickly than anticipated. Outcomes diverged across countries, with strong growth in the United States and many emerging-market economies offset by a slowdown in most European countries.

Recent indicators point to some moderation of growth, with the effects of tighter financial conditions continuing to appear in credit and housing markets, and global trade remaining subdued. Attacks on ships in the Red Sea have raised shipping costs sharply and lengthened delivery times, disrupting production schedules and raising price pressures.

Global GDP growth is projected to ease to 2.9% in 2024, from 3.1% in 2023, before recovering to 3.0% in 2025 as financial conditions ease.

Annual GDP growth in the United States is projected to remain supported by household spending and strong labour market conditions, but moderate to 2.1% in 2024 and 1.7% in 2025. Euro area GDP growth is projected to be 0.6% in 2024 and 1.3% in 2025, with activity held back by tight credit conditions in the near term before picking up as real incomes strengthen. Growth in China is expected to ease to 4.7% in 2024 and 4.2% in 2025, despite additional policy stimulus, reflecting subdued consumer demand, high debt and the weak property market.

Inflation is projected to be back to target in most G20 countries by the end of 2025. Headline inflation in the G20 economies is projected to drop from 6.6% in 2024 to 3.8% in 2025, with core inflation in the G20 advanced economies easing to 2.5% in 2024 and 2.1% in 2025.

However, it is too soon to be sure that underlying price pressures are fully contained. Labour market conditions have become better balanced, but unit labour cost growth generally remains above rates compatible with medium-term inflation objectives.

High geopolitical tensions are a significant near-term risk to activity and inflation, particularly if the conflict in the Middle East were to disrupt energy markets. Persisting service price pressures could also generate upside inflation surprises and trigger financial market repricing as expectations of monetary policy easing are reassessed. Growth could also be weaker than projected if the lingering effects from past policy rate increases are stronger than expected.

Monetary policy needs to remain prudent to ensure that underlying inflationary pressures are durably contained. Scope exists to lower policy interest rates as inflation declines, but the policy stance should remain restrictive in most major economies for some time to come.

Governments face mounting fiscal challenges from rising debt burdens and sizeable additional future spending pressures. Stronger near-term efforts to contain spending growth and well-designed medium-term fiscal frameworks are needed to help ensure sustainability and provide flexibility to respond to future shocks.

The foundations for future growth need to be strengthened by policy reforms to improve educational outcomes, enhance skills development, and reduce constraints in labour and product markets that impede investment and labour force participation.

Enhanced international co-operation is needed to revive global trade, ensure faster and better co-ordinated progress towards decarbonisation, and alleviate debt burdens in lower-income countries.

**Table 1. Moderate global growth is projected to persist**

Particulars	2023	2024		2025	
		Interim ED Projected	Difference from November EC)	Interim E0 Projected	Difference from November ED
World	3.1	2.9	0.2	3.0	0.0
G20 <sup>1</sup>	3.3	2.9	0.1	3.0	0.0
Australia	2.0	1.4	0.0	2.1	0.0
Canada	1.1	0.9	0.1	1.9	0.0
Euro area	0.5	0.6	-0.3	1.3	-0.2
Germany	-0.1	0.3	-0.3	1.1	-0.1
France	0.9	0.6	-0.2	1.2	0.0



Table 1. Moderate global growth is projected to persist					
Italy	0.7	0.7	0.0	1.2	0.0
Spain <sup>2</sup>	2.5	1.5	0.1	2.0	0.0
Japan	1.9	1.0	0.0	1.0	-0.2
Korea	1.3	2.2	-0.1	2.1	0.0
Mexico	3.1	2.5	0.0	2.0	0.0
Turkiye	4.1	2.9	0.0	3.1	-0.1
United Kingdom	0.3	0.7	0.0	1.2	0.0
United States	2.5	2.1	0.6	1.7	0.0
Argentina	-1.0	-2.3	-1.0	2.6	0.7
Brazil	3.1	1.8	0.0	2.0	0.0
China	5.2	4.7	0.0	4.2	0.0
India <sup>3</sup>	6.7	6.2	0.1	6.5	0.0
Indonesia	4.9	5.1	-0.1	5.2	0.0
Russia	3.1	1.8	0.7	1.0	0.0
Saudi Arabia	-0.9	2.4	-0.6	4.2	-0.5
South Africa	0.5	1.0	0.0	1.2	0.0

Note: Difference from November 2023 OECD Economic Outlook in percentage points, based on rounded figures. The G20 aggregate uses moving nominal GDP weights at purchasing power parities (PPPs). Revisions to PPP estimates affect the difference in the aggregate.

1. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right.

2. Spain is a permanent invitee to the G20.

3. Fiscal years, starting in April.

Source: OECD Interim Economic Outlook 115 database; and OECD Economic Outlook 114 database.

Table 2. Headline inflation is projected to return to target in most economies					
Particulars	2023	2024		2025	
		Interim EC	Difference from	Interim EQ	Difference from
		Projected	November EQ	Projected	November EQ
G20 <sup>1</sup>	6.3	6.6	0.8	3.8	0.0
Australia	5.7	3.5	0.1	2.8	0.0
Canada	3.9	2.6	-0.4	1.9	0.0
Euro area	5.4	2.6	-0.3	2.2	-0.1
Germany	6.0	2.6	-0.1	2.0	-0.1
France	5.7	2.7	0.0		
Italy	5.9	1.8	-0.8	2.2	-0.1
Spain <sup>2</sup>	3.4	3.3	-0.4	2.5	0.2
Japan	3.3	2.6	0.0	2.0	0.0
Korea	3.6	2.7	0.0	2.0	0.0
Mexico	5.5	4.1	0.2	3.2	0.0
Turkey	53.9	49.3	1.9	30.5	-1.1
United Kingdom	7.3	2.8	-0.1	2.4	-0.1
United States	3.7	2.2	-0.6	2.0	-0.2
Argentina	134.5	250.6	93.5	64.7	2.3
Brazil	4.6	3.3	0.1	3.0	0.0
China	0.4	1.0	0.0	1.5	0.0
India	5.7	4.9	-0.4	4.3	0.1
Indonesia	3.6	2.5	0.1	2.5	0.1
Russia	5.9	7.2	0.0	5.3	0.0
Saudi Arabia	2.3	2.0	-0.2	2.1	-0.5
South Africa	5.7	4.8	-0.2	4.6	0.0
<i>Memorandum item</i>					
G20 countries excluding Argentina and Turkey	3.6	2.6	-0.2	2.4	0.0

**Table 2. Headline inflation is projected to return to target in most economies**

Note: Difference from November 2023 OECD Economic Outlook in percentage points, based on rounded figures. World and G20 aggregates use moving nominal GDP weights at purchasing power parities (PPPs). Revisions to PPP estimates affect the differences in the aggregates.

1. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right.

2. Spain is a permanent invitee to the G20.

3. Fiscal years, starting in April.

Source: OECD Interim Economic Outlook 115 database; and OECD Economic Outlook 114 database.

**Table 3. Core inflation is projected to decline further**

Particulars	2023	2024		2025	
		Interim EO projections	Difference from November EQ	Interim EO projections	Difference from November EQ
G20 Advanced Economies <sup>1</sup>	4.2	2.5	-0.3	2.1	-0.1
Australia	6.0	3.5	0.0	2.8	0.0
Canada	3.9	2.9	0.2	1.9	0.0
Euro area	4.9	2.6	-0.5	2.2	-0.1
Germany	5.1	2.9	-0.2	2.2	-0.1
France	4.0	2.2	-0.3	2.0	-0.2
Italy	4.5	2.4	-0.7	2.2	-0.3
Spain'	4.1	2.7	-0.4	2.1	-0.1
Japan	2.7	2.3	0.0	2.0	0.0
Korea	3.4	2.4	0.0	2.0	0.0
Mexico	6.7	4.2	0.1	3.2	0.0
Turkey	58.5	50.1	2.4	30.7	-0.9
United Kingdom	6.2	3.6	-0.2	2.5	-0.1
United States	4.1	2.3	-0.4	2.1	-0.1
South Africa	5.0	4.2	-0.8	4.5	-0.1

Note: Difference from November 2023 OECD Economic Outlook in percentage points, based on rounded figures. The G20 advanced economies aggregate uses moving nominal GDP weights at purchasing power parities (PPPs). Revisions to PPP estimates affect the difference in the aggregate. Core inflation excludes food and energy prices.

1. The European Union is a full member of the G20, but the G20 aggregate only includes EU countries that are also G20 members in their own right.

2. Spain is a permanent invitee to the G20.

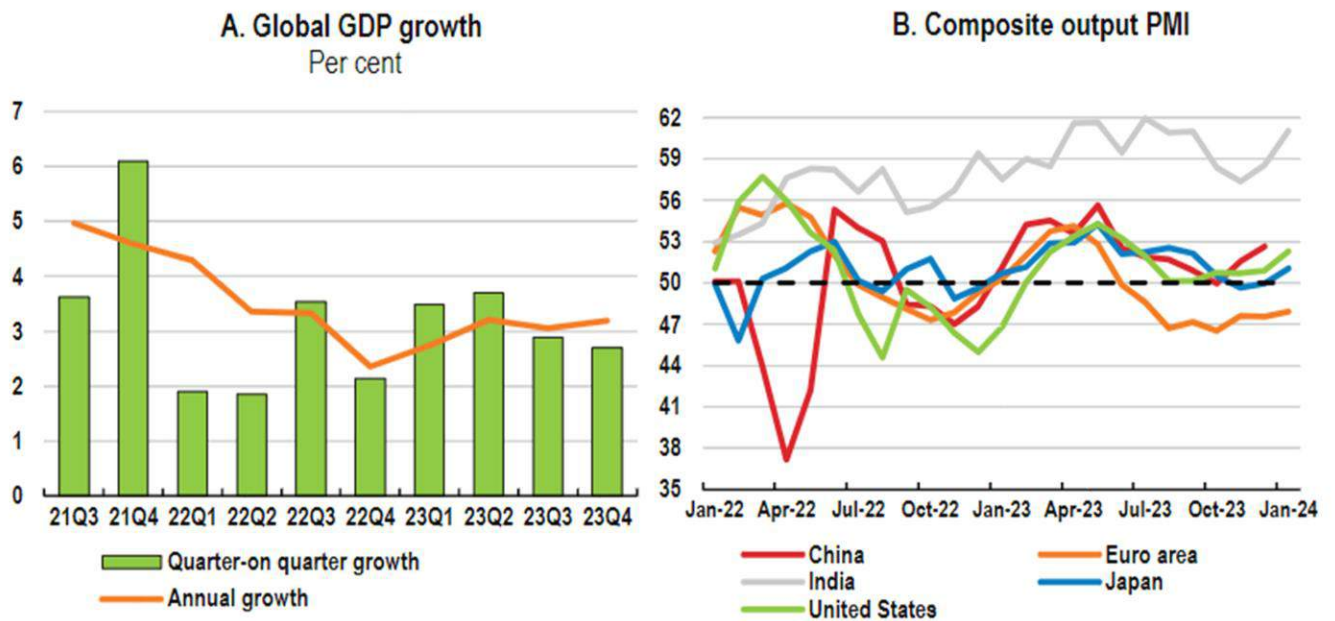
Source: OECD Interim Economic Outlook 115 database; and OECD Economic Outlook 114 database.

## RECENT DEVELOPMENTS

### *The global economy proved resilient in 2023 but lost momentum at end-year*

Global output growth proved unexpectedly resilient last year (Figure 1, Panel A). At the start of 2023, a sharper growth slowdown appeared possible amidst declining real incomes and rapid and widespread monetary policy tightening. Inflation has declined more quickly than initially anticipated and energy support schemes have helped to cushion household incomes and underpin activity in many economies. Growth was particularly buoyant in the United States through the year, including in the fourth quarter, helped by strong consumer spending, with households continuing to run down the excess savings accumulated since the beginning of the pandemic (Figure 2), and higher government spending. Outcomes were weaker in many other advanced economies, particularly in Europe, reflecting the relative importance of bank-based finance and the continued adverse effects of the energy price shock. Growth also moderated in countries in which higher policy rates were quickly reflected in higher borrowing rates. The emerging-market economies have generally continued to grow at a solid pace, despite tighter financial conditions, reflecting the benefits of improved macroeconomic policy frameworks, strong investment in infrastructure in many countries, including India, and steady employment gains. The reopening of the economy at the start of the year also helped activity to rebound in China, although soft consumer spending and the continued contraction in the property sector are weighing on domestic demand.

Figure 1. Global growth has started to ease with continued divergence across countries

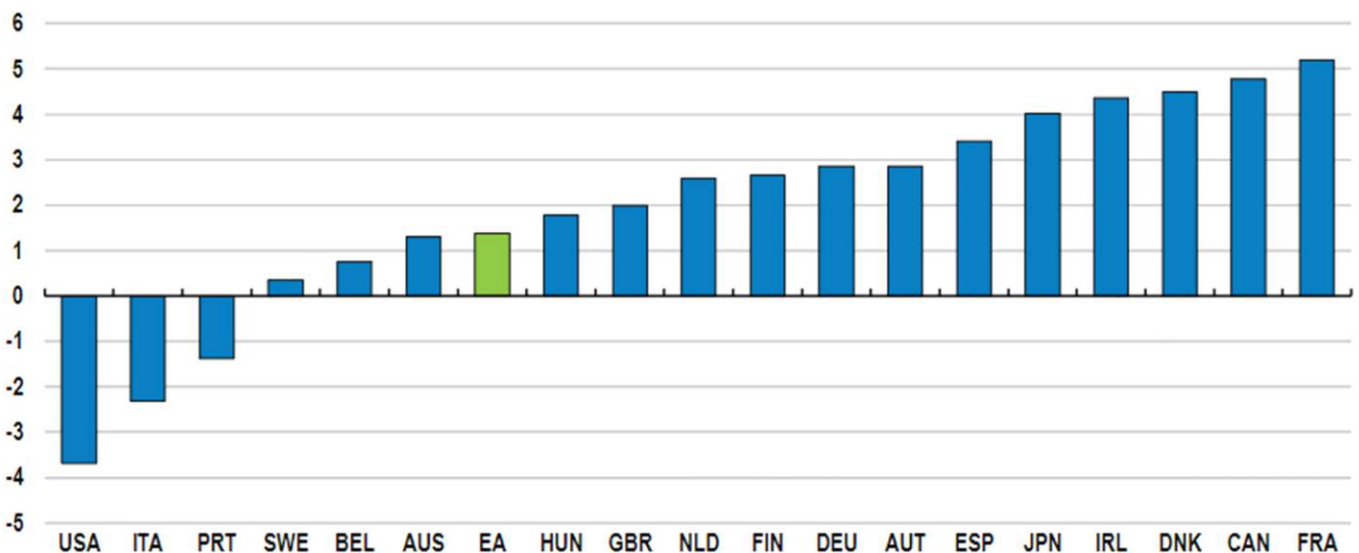


Note: Panel A: GDP growth using moving nominal GDP weights at purchasing power parities. Quarter-on-quarter growth is expressed at an annualised rate.

Source: OECD Interim Economic Outlook 115 database; and S&P Global.

Figure 2. Excess savings have been run down in the United States but not in many other countries

Change in estimated excess savings over the two years to 2023Q3, in percentage points of disposable income



**Recent activity indicators point to continued moderate global growth**

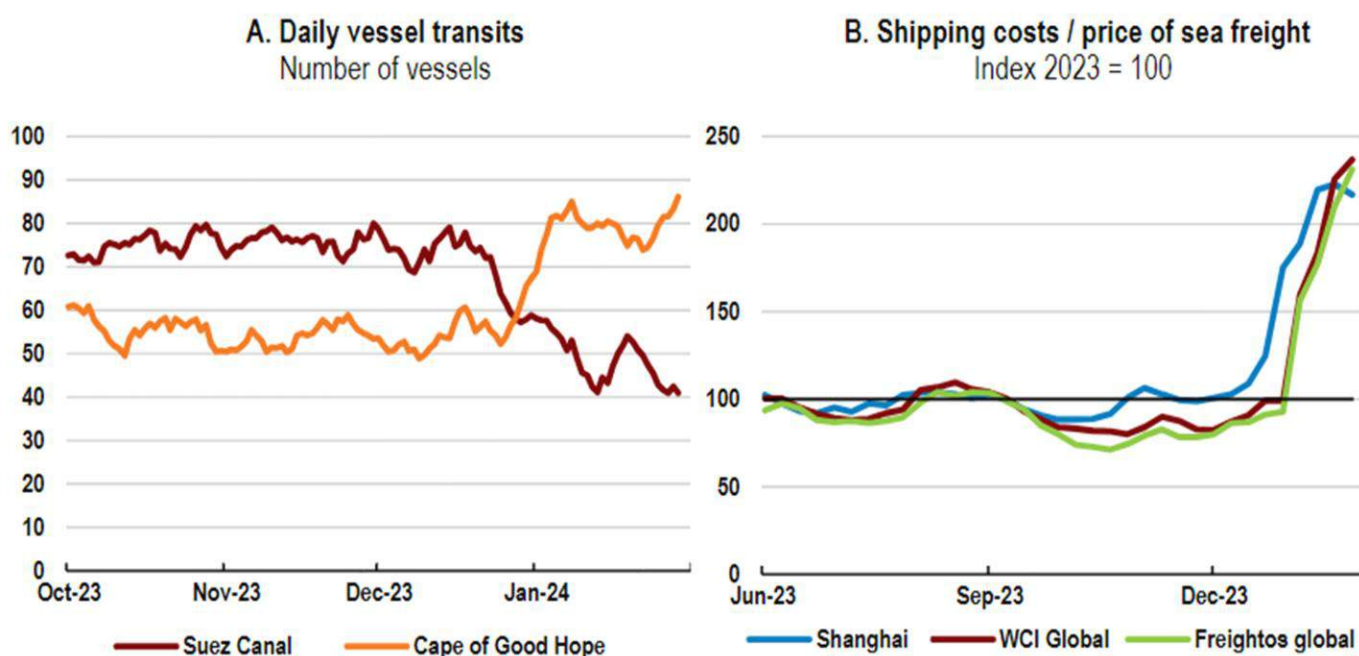
High-frequency activity indicators generally suggest a continuation of recent moderate growth. Business surveys point to stronger activity developments in services than in manufacturing, with industrial production stagnating outside of China in recent months, and divergent cross-country developments. Across countries, there continues to be clear signs of strong near-term momentum in India, relative weakness in Europe, and mild near-term growth in most other major economies (Figure 1, Panel B). Consumer

confidence also remains subdued relative to longer-term norms in many advanced economies, as well as China, but has held up better in many emerging-market economies where growth has recently been stronger than expected, including Mexico and Brazil.

Global trade remains subdued but has started to show some signs of improvement. A gradual upturn in semiconductor and electronics production in Asia and stronger car sales are helping to underpin merchandise trade, and services trade is being boosted by the return of international air passenger traffic to pre-pandemic levels. However, survey measures of export orders generally remain modest, particularly in manufacturing, and new supply disruptions are appearing.

Attacks on shipping in the Red Sea have resulted in trade flows being re-routed (Figure 3, Panel A). Shipping costs have risen sharply (Figure 3, Panel B), and delivery times have lengthened, especially for trade from Asia to Europe. This has already begun to disrupt production schedules in Europe, particularly for car manufacturers. About 15% of global maritime trade volumes passed through the Red Sea in 2022. Use of a longer route around the Cape of Good Hope increases journey times by between 30-50%, depending on the route concerned, and raises global shipping capacity needs. Additional supply capacity this year, reflecting stronger new orders for container ships after the pandemic, should help to meet increased shipping demand and moderate cost pressures. Nonetheless, as seen during the pandemic and its immediate aftermath, higher shipping charges will raise costs, especially for goods. OECD research suggests that the recent 100% increase in shipping costs, if persistent, could raise annual OECD import price inflation by close to 5 percentage points, adding 0.4 percentage points to consumer price inflation after about a year.

Figure 3. Trade disruptions in the Red Sea are increasing shipping costs and delays



Note: Panel A: seven-day moving average, using daily data up to 29 January 2024. Count of all cargo ships transiting the Suez Canal and the Cape of Good Hope, including bulk carriers, container ships and oil and liquid natural gas tankers, but excluding fishing vessels and tugs. Transit is estimated using AIS data transmitted from vessels within OECD-defined geographic boundaries.

Source: Pilgrim, G., E. Guidetti and A. Mourougane (2024) "An Ocean of Data: The Potential of Data on Vessel Traffic", OECD forthcoming; Bloomberg; and OECD calculations.

**Headline and core inflation are declining but disinflation may slow**

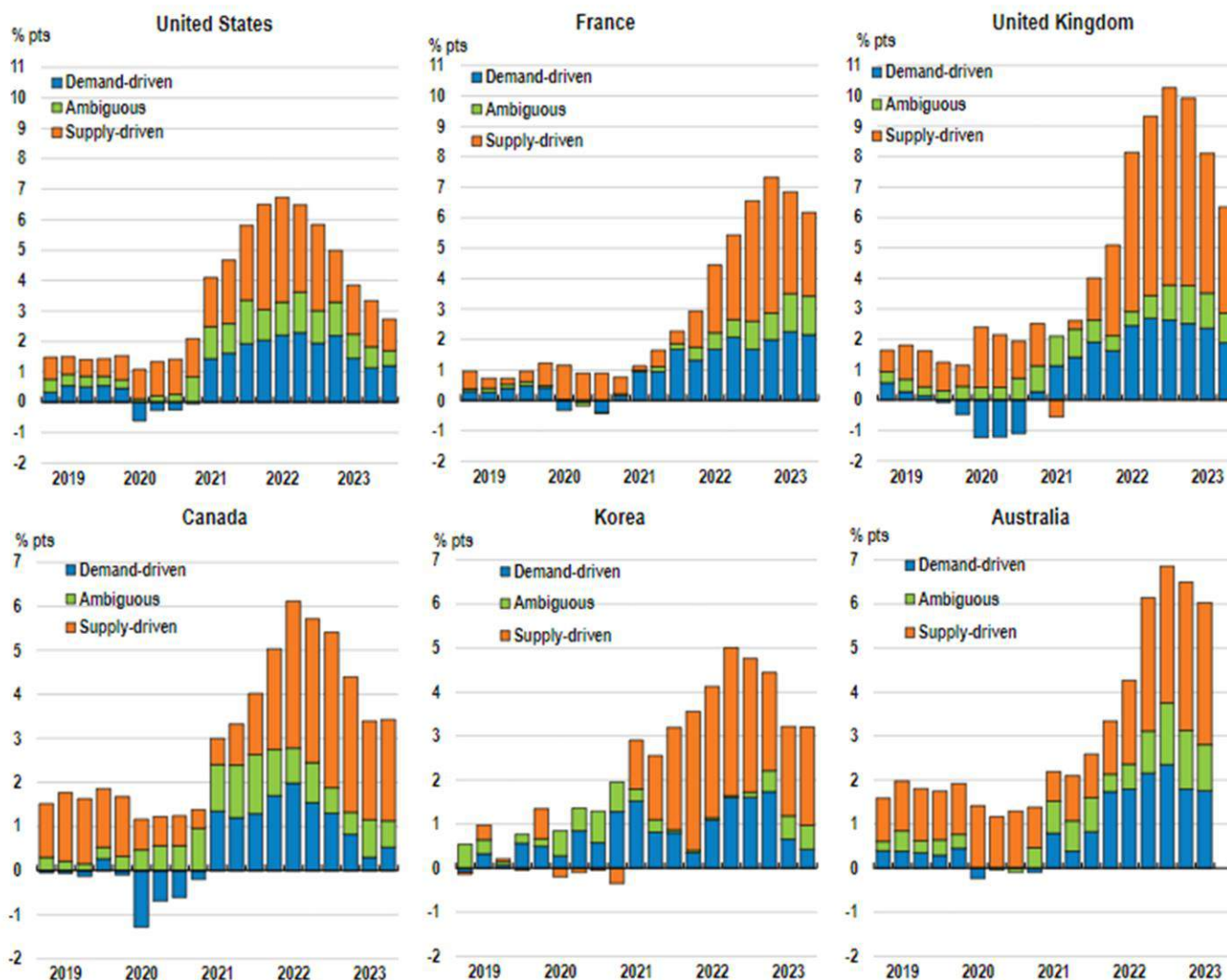
With energy and food price inflation ebbing and monetary policy turning restrictive, both headline and core inflation fell during 2023. Goods price inflation declined to low levels in most countries, helped by lower energy commodity prices and the gradual easing of supply chain bottlenecks from their earlier peak in 2021-22. Services price inflation has generally proved stickier, drifting down only slowly. An estimated breakdown of consumer price inflation by supply-driven and demand-driven factors in a range of OECD countries suggests that both factors have contributed to the decline in inflation over the past year or so (Figure 4). The generalised easing of inflation pressures has helped to calm fears that inflation expectations would become unanchored, and private sector near-term inflation expectations have continued to moderate. In some countries, annual headline inflation has already fallen back to or below official targets, though core inflation has yet to do so, and in a few others, including the United States, month-on-month price changes have recently been at rates consistent with the inflation target.



Some of the factors assisting disinflation over the past year, such as past improvements in supply chains and falling commodity prices, are now dissipating or reversing. Others are vulnerable to geopolitical developments, extreme weather events (including the current El Niño event) or other exogenous shocks. With core inflation still above target in most countries and unit labour cost growth generally remaining above levels compatible with medium-term inflation objectives, it is too soon to be sure that the inflationary episode that began in 2021 will end in 2025.

Figure 4. Demand and supply side pressures on inflation have eased in most countries

Decomposition of contributions to year-on-year inflation



Note: Last data point 2023Q4 for the United States and 2023Q3 for all other countries. Based on disaggregated data for prices and expenditure. Shocks to prices and volumes are identified using the residuals from rolling 10-year vector autoregressions for prices and volumes of each item in the price index. Price and volume residuals with the same sign are assumed to reflect demand shocks and residuals with opposite signs to reflect supply shocks. An intermediate range, labelled "ambiguous", is identified when price and/or volume residuals are too small to be considered significant. The contributions of the three categories sum to the total inflation rate (the year-on-year percentage change in the private consumption deflator). The contributions of each category to year-on-year inflation are calculated as the sum of the latest four quarterly contributions.

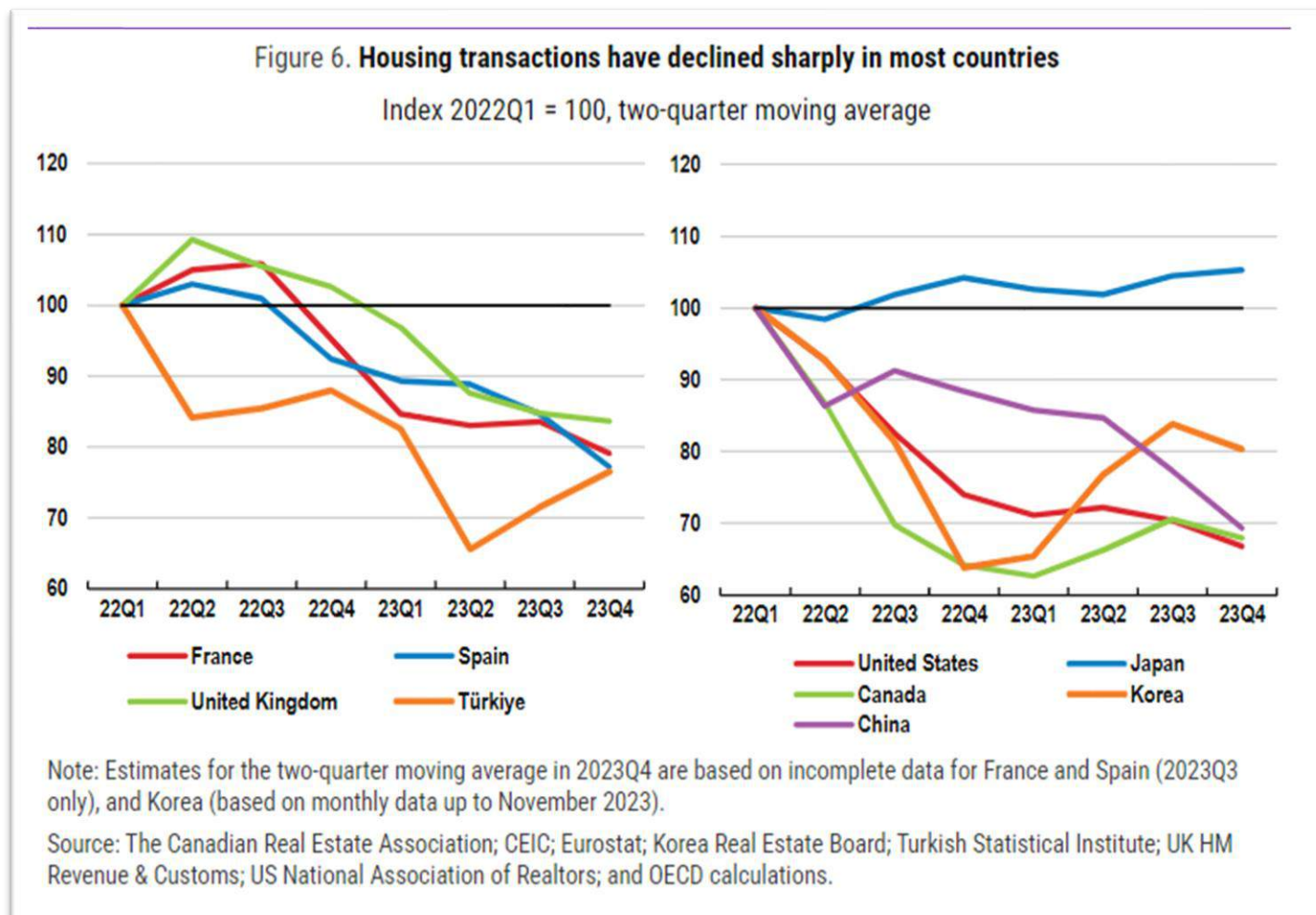
Source: Australian Bureau of Statistics; Bank of Korea; INSEE; Statistics Canada; UK Office of National Statistics; U.S. Bureau of Economic Analysis; and OECD calculations.

**Financial conditions have eased, though credit growth remains weak**

Global financial conditions have eased recently, with financial market participants now anticipating earlier and faster reductions in policy rates than previously expected. Long-term bond yields have declined, equity prices have strengthened, and volatility has receded. Nonetheless, financial conditions remain relatively restrictive almost everywhere. Long-term real interest rates are at levels

last seen prior to the global financial crisis in many economies, and credit growth has turned negative in real terms as the impact of higher lending rates and tighter credit standards is felt.

The impact of monetary policy tightening also remains apparent in housing markets. Structural factors, including strong population growth and a limited stock of houses for sale, have resulted in house prices stabilising in a number of countries where price declines initially followed policy and mortgage rate rises. However, the volume of transactions has continued to drop markedly (Figure 6), suggesting that a renewed decline in prices is possible if more owners are forced to sell. Transactions volumes have also declined in commercial real estate markets, where demand has fallen due to higher borrowing costs and changes in working practices since the pandemic.



Source: OECD Economic Outlook February 2024



## INDIAN ECONOMIC OVERVIEW



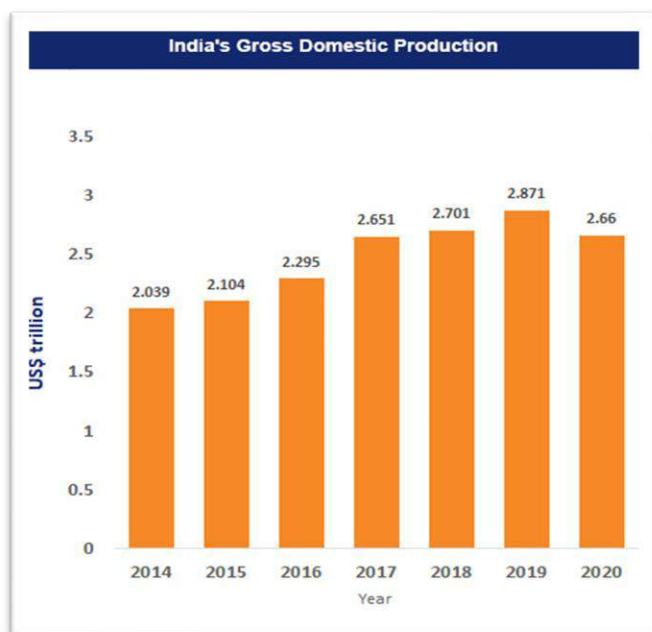
Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices (2011-12) in the first quarter of 2023–24 is estimated at Rs. 40.37 trillion (US\$ 484.94 billion), showing a growth of 7.8% as compared to the first quarter of 2022–23 estimated at Rs. 37.44 trillion (US\$ 449.74 billion). Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In 2023-24 (April–September), India's service exports stood at US\$ 164.89 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April–September) were estimated at US\$ 376.29 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April–December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### Market Size



India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 301.75 trillion (US\$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was Rs. 70.67 trillion (US\$ 848.92 billion), as against Rs. 65.42 trillion (US\$ 785.85 billion) in 2022-23, estimating a growth of 8%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Pancharit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) decreases to US\$ 9.2 billion in Q1 of 2023-24 from US\$ 17.9 billion in Q1 of 2022–2023.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.



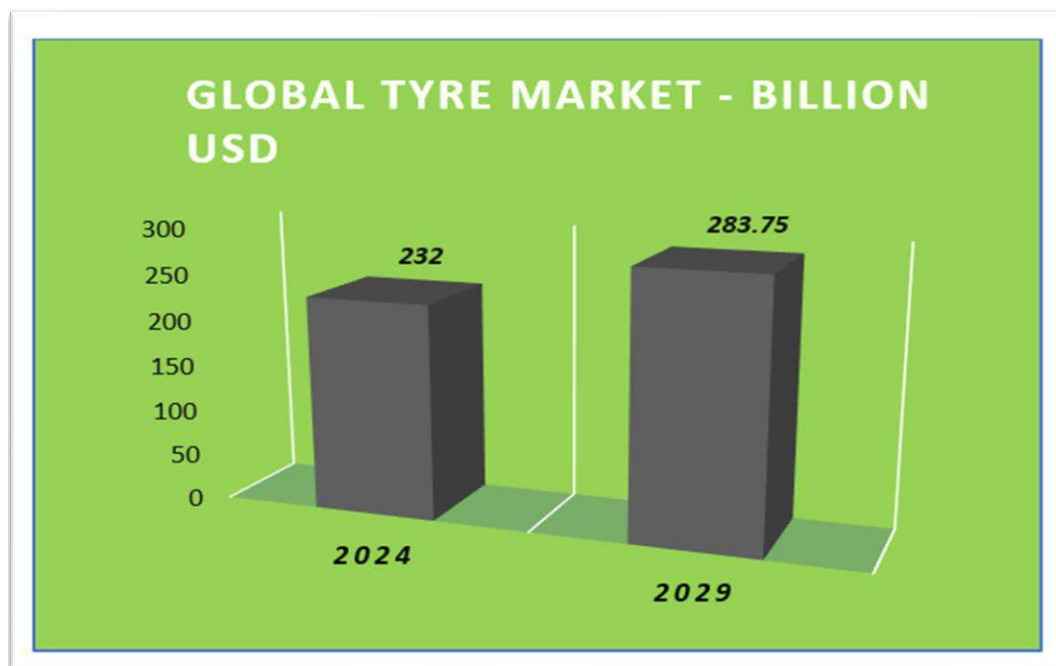
In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Source: Indian Economic Overview by [www.ibef.org](http://www.ibef.org) as on November 2023

### GLOBAL TYRE MARKET



The Global Tire Market size is valued at around USD 232 billion in 2023 and is estimated to grow at a CAGR of about 4.11% during the forecast period, i.e., 2024-29. With the emergence of more efficient vehicles and a smoother infrastructure, the market is experiencing rapid growth & changes. The rise in vehicle production in developing countries & increased competition among tire manufacturers are the prime aspects projected to drive the market in the forecast years.

Several tire manufacturers are actively working on countermeasures to minimize the impact by collaborating with global automotive OEMs (Original Equipment Manufacturers). Besides, they are also vigorously extending their services to online platforms with responsive customer service. In addition, their evolution in digital transformation to engage with potential buyers has further been a game-changer, resulting in a recovery of the tyre market.

Numerous vehicles worldwide are back on the roads, allowing the market to flourish & recover from revenue losses. The introduction of rimless, airless, run-flat, and green tires shall also aid in enhancing the Global Tire Market size over the forecast years. Among these innovations, the run-flat tire is one of the greatest inventions, as it allows the driver to continue driving the vehicle even if it has been punctured.

Moreover, the rapidly expanding Electric Vehicle (EVs) industry due to various initiatives by governments of different countries worldwide to curb carbon emissions caused by ICE vehicles and the prompt depletion of fossil fuels, i.e., leading to the increasing adoption of EVs, is also contributing significantly to the overall growth of the market in the years ahead.

### ***Global Tyre Market Driver***

**Mounting Prevalence of Electric Vehicles –** One of the most prominent factors projected to drive the Tyre Market during 2024-29 is the rapidly surging electric vehicle (EV) production across developing countries. Growing awareness about the environment, coupled with increasing oil & gas prices worldwide, are shifting consumers toward buying EVs, which, in turn, would contribute significantly to the Tire Market growth.

Electric cars require special tires for a variety of reasons. In comparison with ICE (Internal Combustion Engine) vehicles, tires used in EVs have to deal with more weight & provide better torque. Hence, with the burgeoning EV sales across developed countries, the demand for their tires would also ascend significantly, upscaling the demand graph in the future years.

### ***Global Tyre Market Challenge***

**Volatile Prices of Raw Materials to Impede the Industry Expansion –** The volatile raw material prices might restrain the growth of the Global Tire Market during 2024-29. For all the commodities, the prices of raw materials determine the cost of the tire. Hence, pricing is one of the crucial aspects of the sales of the product. The surging prices of butadiene & EPDM rubber due to their limited production are hampering the production & sales of tires.

Furthermore, though tire manufacturing companies are constantly investing in developing sustainable materials, the amount of waste produced by tires is also increasing substantially. Due to this, governments of various countries worldwide have imposed stringent guidelines for tire manufacturers to adopt sustainable waste management solutions, which would lead to additional costs, thus hindering the overall market growth, owing to the limited number of buyers.

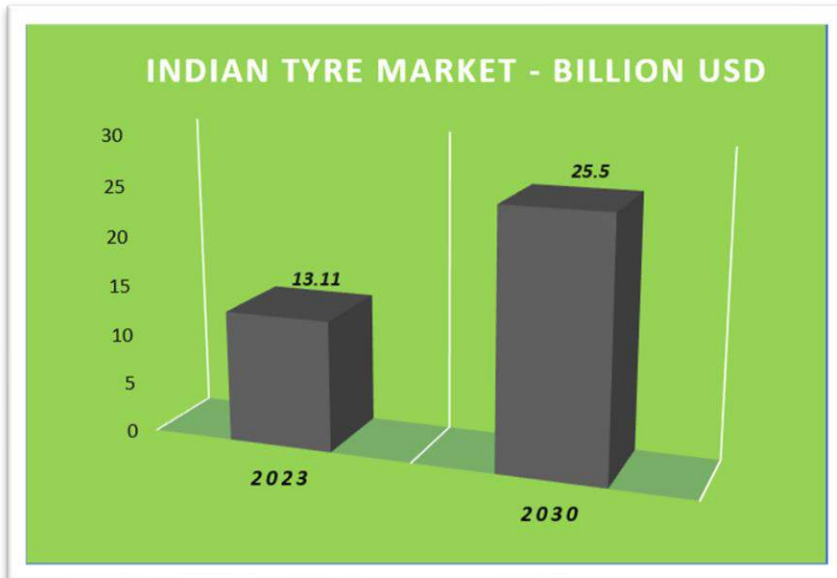
### ***Global Tyre Market Trend***

**Technological Advancement to be a Trending Aspect in the Market –** Numerous technological advancements have been made in the tires, and nowadays, many manufacturers are launching highly advanced & innovative tyres in the market, thus becoming a trending aspect across the Tire Market in the present years. The introduction of rimless tires, green tires, and the usage of lightweight elastomers & metals such as alloys & carbon fiber or composites like manganese bronze & nickel aluminum bronze to manufacture tires are some of the technological advancements being done in the industry.

Furthermore, prominent tire manufacturers are integrating nanotechnology and other cutting-edge software & innovations into their tire production processes, resulting in a diverse range of advanced tire options. For instance, Bridgestone Tires, a renowned tire and rubber manufacturer, employs Contact Area Information Sensing (CAIS) technology to gather & assess data regarding the tire's contact area, enabling the detection of road conditions. Hence, with these advancements the future of transportation would transform completely, thus contributing to encouraging the market growth.

**Source:** <https://www.marknteladvisors.com/research-library/global-tire-market.html>

## TYRE MARKET IN INDIA



The India Tyre Market is experiencing robust growth of 8.71% CAGR during the forecast period 2023-2030 and is projected to reach USD 25.50 billion by FY2031 from USD 13.11 billion in FY2023 mainly owing to the rapidly growing automotive industry in the country. Tyres play a crucial role in ensuring vehicle safety and performance, making them an essential component of the automotive ecosystem. In recent years, the market has witnessed several key drivers that have propelled its growth. With the rising disposable income and growing middle-class population, there has been a surge in demand for passenger and commercial vehicles. This has directly translated into increased demand for tyres. Additionally, government initiatives such as "Make in India" and the push for electric vehicles have further contributed to the market's growth.

Another important driver is the focus on road infrastructure development. The Indian government has been investing heavily in building new roads and highways for better connectivity, which has led to an increase in vehicle sales and subsequently boosted the demand for tyres. The better infrastructure of roads has positively impacted the market for luxury cars in India. More than 16,000 luxury vehicles were sold in India in the first six months of the year 2022, a 55% increase from that of 2021.

### ***Increase in Demand for OTR Tyre***

India has witnessed an increase in demand for Off-The-Road (OTR) tyres in recent years. Several factors are included in this growing demand. Firstly, there has been significant infrastructure development in the country, including the construction of roads, highways, and airports. These projects require heavy machinery and vehicles that rely on OTR tyres for optimal performance in challenging terrains.

Secondly, the mining and construction sectors in India have experienced substantial growth. OTR tyres are essential for heavy-duty vehicles used in mining operations, earthmoving equipment, and construction projects. Moreover, the agriculture sector, which heavily relies on tractors and other agricultural machinery, has also contributed to the demand for OTR tyres. The expansion of mechanized farming practices and the need for increased productivity have driven the demand for reliable and durable OTR tyres. Overall, the increase in infrastructure development, growth in the mining and construction sectors, and mechanization of agriculture have all fueled the demand for OTR tyres in the India tyre market. Manufacturers have responded by expanding their OTR tyre offerings to meet the specific requirements of these sectors.

### ***Moving Towards to Green Approach in Tyre Manufacturing***

In recent years, the India Tyre Market has been witnessing a shift towards a greener approach in tyre manufacturing. Several key players in the industry are actively adopting sustainable practices to reduce their environmental footprint. This includes the development and production of eco-friendly tyres that promote fuel efficiency and reduce carbon emissions. Manufacturers are increasingly focusing on incorporating sustainable materials, such as bio-based and recycled materials, in tyre production. They are also investing in research and development to improve tyre design and tread patterns, resulting in reduced rolling resistance and improved fuel efficiency.

Furthermore, tyre manufacturers are implementing energy-efficient manufacturing processes and adopting measures to reduce waste generation and enhance recycling and disposal practices. Government initiatives promoting sustainability and environmental conservation are also driving this green approach in the India Tyre Market. With increasing consumer awareness and demand for eco-friendly products, tyre manufacturers are embracing sustainable practices to meet the evolving market needs and contribute to a greener future.

### ***Medium and Heavy Commercial Vehicle to lead the segment.***

Medium and Heavy Commercial Vehicles (MHCVs) are expected to lead the segment for the India tyre market due to an increasing demand for logistics and transportation services, driven by e-commerce, infrastructure development, and growing industrial activities. Vehicles such as buses and trucks require robust and durable tyres to handle heavy loads and endure long-distance travel. Key players in the market are focusing on developing tyres specifically designed for MHCVs, with enhanced load-carrying capacity, improved fuel efficiency, and superior traction. The continuous growth in the MHCV segment, along with the need for tyre replacements and upgrades, is projected to drive the demand for tyres in this category.

### ***Government Regulations***

The Indian government has used import duties as a tool to protect domestic industries, promote domestic manufacturing, and address trade imbalances. By imposing import duties on tyres in 2020, the government encouraged domestic production and reduce dependence on imported goods. Due to these import duty regulations, major market players are now forced to produce tyres in the country instead of relying on import. Apart from this, government of India have been introducing fuel efficiency standards in vehicles, which has influenced market players to innovate and provide fuel-efficient tires for OEM players.

Automotive Tyre Manufacturers' Association (ATMA) in India represents and advocates the interests of tyre manufacturers in the country. While ATMA does not have regulatory authority, it works closely with the government to address industry challenges and promote a favourable regulatory environment. ATMA actively engages in discussions with policymakers on Offers related to taxation, import/export regulations, standards, and other industry-specific regulations. The association also collaborates with government agencies to enhance road safety, promote sustainable manufacturing practices, and ensure compliance with quality standards. ATMA acts as a platform for its members to voice their concerns, provide industry insights, and work towards the growth and development of the Indian tyre market while adhering to relevant government regulations.

or example, the export business currently accounts for roughly 20% of the Indian tyre industry's total sales; by 2030, this percentage is anticipated to increase to 30%. The tyre business is in line with India's expected significant growth in the coming decade.

Source: <https://www.marketsanddata.com/industry-reports/india-tyre-market>

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## **OUR BUSINESS**

*Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section entitled “Forward Looking Statements” on page 20 for a discussion of the risks and uncertainties related to those statements and the section entitled “Risk Factors” on page 27 for a discussion of certain risks that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Red Herring Prospectus on page 174.. Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as other industry publications and sources. For details, please refer to the section titled “Industry Overview” on page 98.*

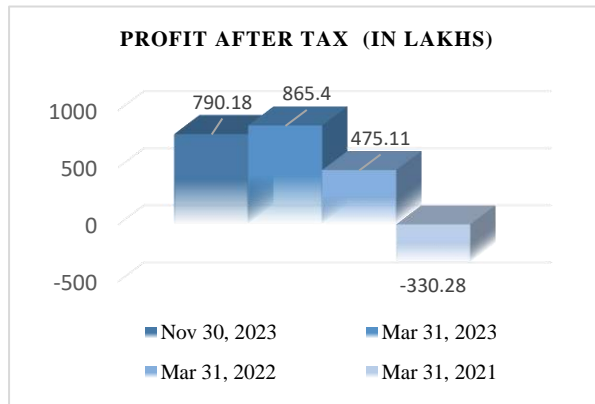
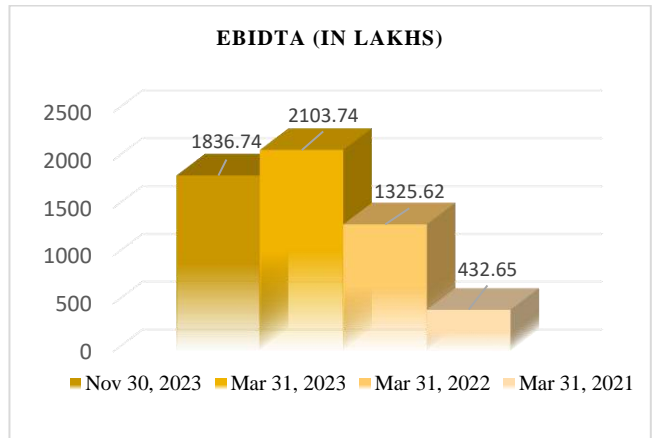
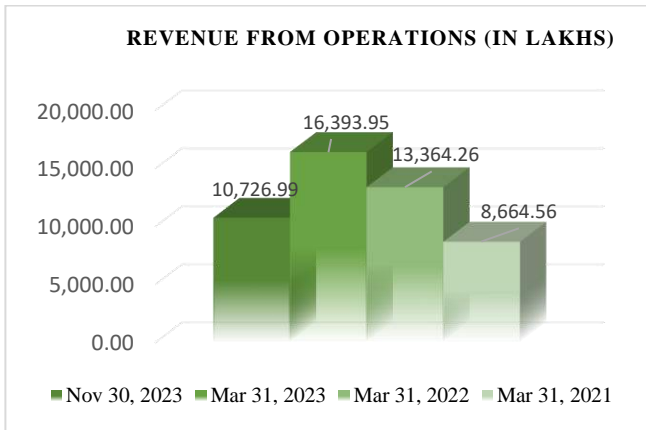
### **BUSINESS OVERVIEW**

Our Company was incorporated on March 27, 2002, under the name and style of ‘Emrald Resilient Tyre Manufactures Private Limited’, a private limited company under the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Chennai at Tamil Nadu. Thereafter, the name of our Company was changed from “Emrald Resilient Tyre Manufactures Private Limited” to “Emerald Resilient Tyre Manufacturers Private Limited” vide special resolution passed by the members at the Extra-ordinary General Meeting held on July 16, 2018. Subsequently, our Company was converted into Public Limited Company and name of company was changed from “Emerald Resilient Tyre Manufacturers Private Limited” to “Emerald Resilient Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on November 25, 2023. Thereafter, the name of the company was changed from “Emerald Resilient Tyre Manufacturers Limited” to “Emerald Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on January 11, 2024, and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu dated January 17, 2024. The CIN of the Company is U25111TN2002PLC048665.

Our Company is engaged in the Business of Manufacturing, Supplying and Services for a comprehensive range of tyres for material handling applications like forklifts, skid loaders, ground support equipment of Airports, Port trailers, agri implements , lawn and garden mowers, mining equipment, aerial work platform trucks , backhoe loaders etc. Our Company being incorporated in the year 2002, has a renowned presence in the Domestic market as well as Global market for more than two decades in the international market under the brand name “GRECKSTER”.

Pursuant to the strong market position in off highway tyre manufacturing industry, our manufacturing unit is operational at Plot No.79 & 80, EPIP Zone SIPCOT Industrial Complex Gummudipoondi, Tiruvallur District Tamil Nadu 601201 spread over 10.05 acres. We have an installed production capacity of 7040 MT of tyres, tubes and wheels. On the date of this Draft Red Herring Prospectus, our product range covers a wide range of off the highway range of tyres. Our Company has the flexibility in our manufacturing facility to address market requirements.

Our Company was promoted and pioneered by Mr. Chandrasekharan Venkatachalam Thirupathi. Our Promoter has a rich engineering background with more than two decades experience in Manufacturing and operation of tyres. He has guided our Company in expanding its operations by taking strategic directional focus towards focusing on exports, multi- size expansion, de-risking entire business by strategic product & market selection. Our revenues from operations for the period ended November 30, 2023, Fiscals 2023, 2022 and 2021 were Rs. 10,726.99 lacs, Rs. 16,393.95 lacs, Rs. 13,364.26 lacs and Rs. 8,664.56 lacs respectively. Our EBITDA for the period ended November 30, 2023, Fiscals 2023, 2022 and 2021 were Rs. 1,836.74 lacs, Rs. 2,103.74 lacs, Rs. 1,325.62 and Rs. 432.65 lacs, respectively. Our profit after tax for the period ended November 30, 2023, Fiscals 2023, 2022 and 2021 was Rs. 790.18 lacs, Rs. 865.40 lacs, Rs. 475.11 lacs and Rs. (330.28) lacs respectively. For further details, please refer to the section titled “Financial Information” on page 174 of this Draft Red Herring Prospectus.



## OUR LOCATIONAL PRESENCE

**Registered Office:**

Emerald House, PLOT NO.2, Second Streetporur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu, India, 600095.

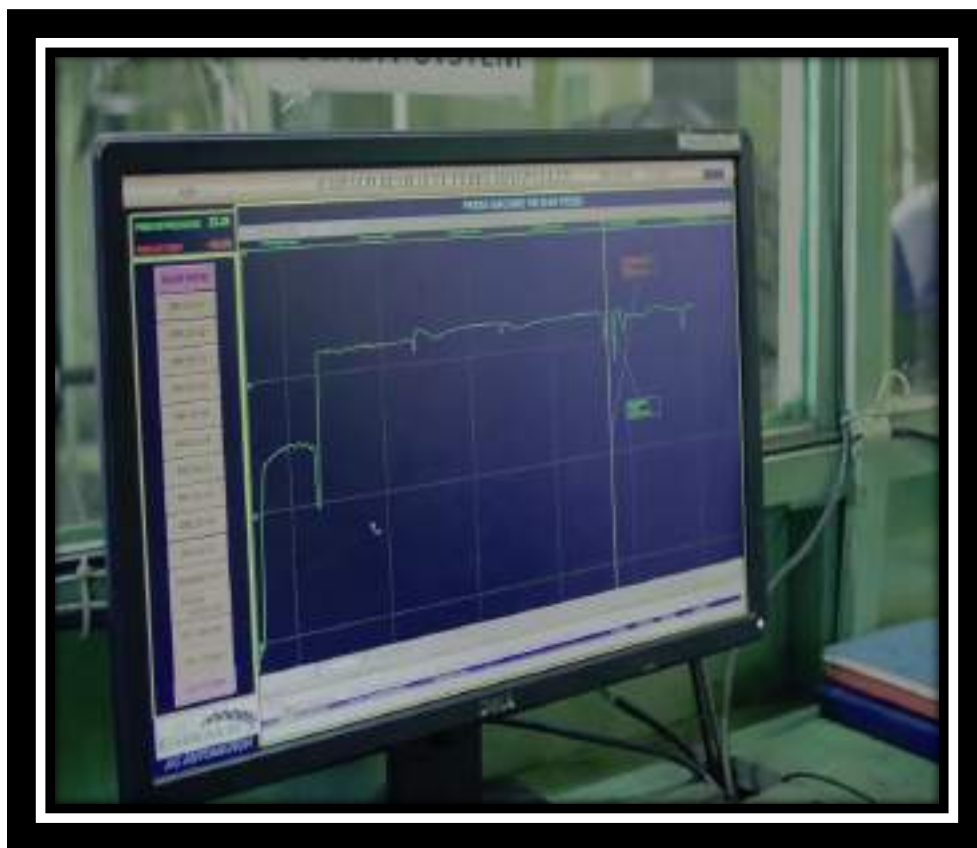
**Factory premises:**

Plot No. 79 & 80, EPIP Zone, SIPCOT Industrial Complex, Gummudipoondi, Tiruvallur District, Tamil Nadu 601201.





Research and Development Department:



Manufacturing Unit and Warehouse:







## REVENUE BIFURCATION AND KEY PERFORMANCE INDICATORS

- Product Wise Bifurcation

(Rs In Lakhs)

Particulars	For the Period ended November 30, 2023	For the Financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Solid tyres	5,492.78	8,322.82	7,265.73	5,153.51
Press On band	653.85	1,075.47	801.42	652.91
Industrial Pneumatic	4,361.30	6,672.19	5,049.65	2,712.50
Wheel Rims	11.93	12.75	14.54	3.45
<b>Total</b>	<b>10,519.85</b>	<b>16,083.24</b>	<b>13,131.33</b>	<b>8,522.37</b>

- Geography-wise Revenue Bifurcation

(Rs In Lakhs)

Particulars	For the Period ended November 30, 2023	For the Financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Domestic Sales	2,764.52	3,790.43	3,514.66	2,795.54
Export Sales	7,755.32	12,292.81	9,616.67	5,726.83
<b>Total</b>	<b>10,519.85</b>	<b>16,083.24</b>	<b>1,313.33</b>	<b>8,522.37</b>

- State-wise Revenue Bifurcation

(Rs In Lakhs)

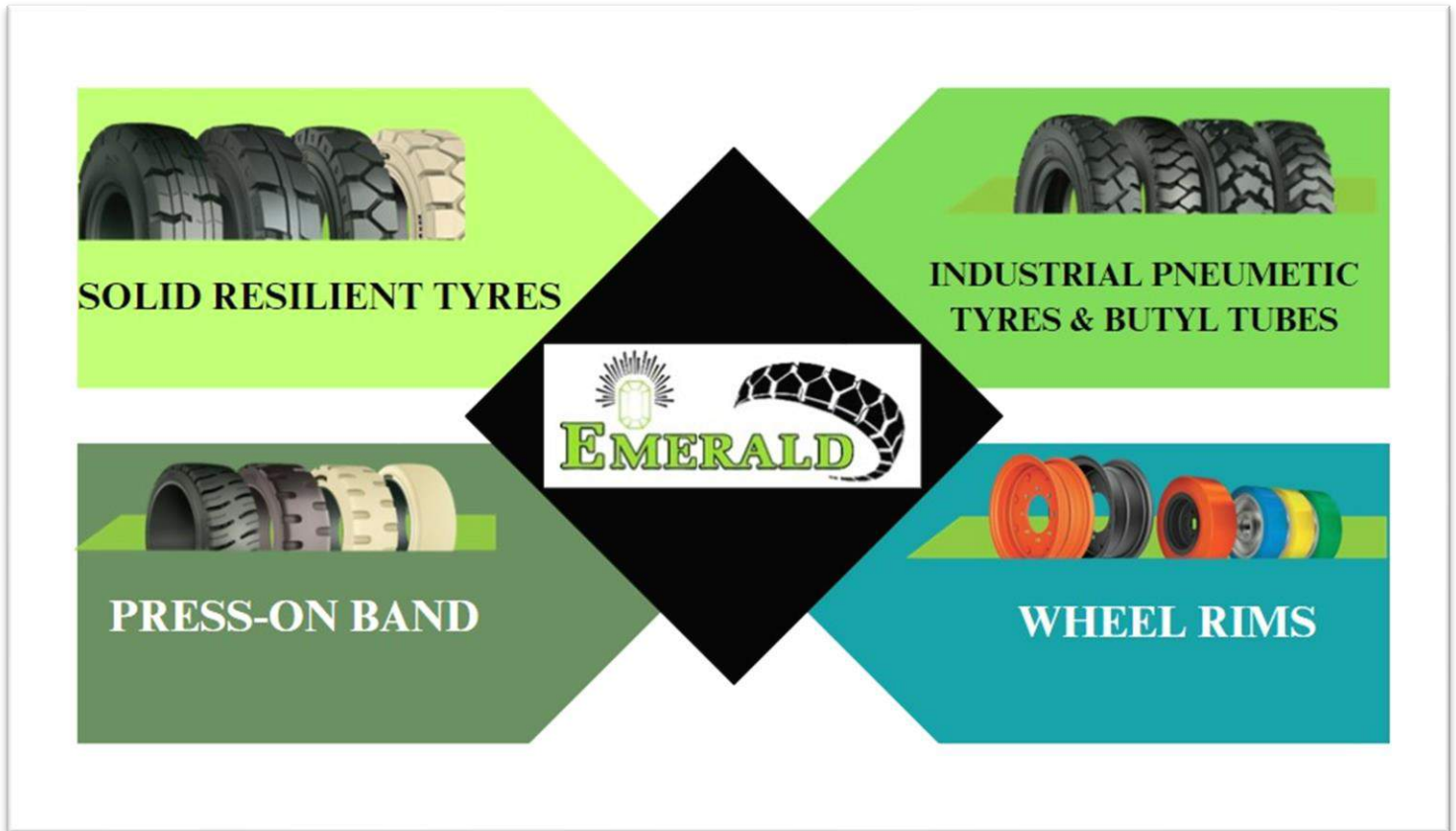
Particulars	For the Period ended November 30, 2023	For the Financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Andhra Pradesh	65.29	58.30	65.72	52.19
Assam	8.12	1.91	0.44	0.35
B2C	0.00	0.00	0.00	0.66

Particulars	For the Period ended November 30, 2023	For the Financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Bihar	3.33	2.52	1.62	2.38
Chattisgarh	0.14	7.28	0.00	49.78
Dadra and Nagar Haveli	1.03	1.15	2.03	1.90
Delhi	34.26	52.32	155.84	57.96
Goa	0.00	0.00	0.00	0.69
Gujarat	341.59	342.89	305.35	219.00
Haryana	84.56	163.26	158.73	181.01
Himachal Pradesh	0.00	0.00	0.00	0.30
JAMMU & KASHMIR	0.97	0.00	0.00	0.00
Jharkhand	7.70	9.46	8.85	13.89
Karnataka	219.96	245.07	209.64	171.39
Kerala	4.67	11.88	6.39	3.73
Madhya Pradesh	32.88	38.46	31.37	30.42
Maharashtra	830.35	1412.62	1158.14	857.09
Meghalaya	0.79	0.00	0.00	0.61
Odisha	123.20	151.72	112.65	113.76
Puducherry	0.48	0.48	0.46	1.46
Punjab	350.61	378.84	514.49	353.86
Rajasthan	61.94	17.81	9.05	7.85
Tamil Nadu	359.34	613.17	492.08	381.20
Telangana	58.02	81.96	71.91	58.86
Uttar Pradesh	90.70	97.33	122.39	160.19
Uttarakhand	25.10	15.36	8.98	10.76
West Bengal	59.48	86.64	78.54	64.25
<b>Total</b>	<b>2764.52</b>	<b>3790.43</b>	<b>3514.66</b>	<b>2795.54</b>




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## OUR MAJOR PRODUCT RANGE




Our Segment wise bifurcation for products is as mentioned below:





### SOLID RESILIENT TYRES:

Brand Name	Pictorial Reference	Usage Recommendations	USP of Tyres	Equipment Focus
<b>Empower and Empower XT</b>		<i>Usage:</i> For Round the Clock Operations in Strenuous working conditions	These tyres are meant for specific/abnormal applications. These tyres are <ul style="list-style-type: none"> <li>• Non markers</li> <li>• Heat resistant</li> <li>• Cut resistant</li> <li>• Anti-skid</li> </ul>	<ul style="list-style-type: none"> <li>• Forklift</li> <li>• Warehousing (WH) equipment</li> <li>• Skid steer loader</li> <li>• Port Trailer;</li> <li>• Ground Support Equipment (Airport)</li> </ul>
<b>Greckster Gold</b>		<i>Usage:</i> For Round the Clock Operations in Standard working conditions		
<b>Greckster</b>		<i>Usage:</i> For Moderate usage in Standard working conditions		












Brand Name	Pictorial Reference	Usage Recommendations	USP of Tyres	Equipment Focus
Greckster MEO		<i>Usage:</i> For Moderate usage in Standard working conditions		
Solid Plus		<i>Usage:</i> For Nominal Usage in Standard working conditions - Value for money product		
Ecostar		<i>Usage:</i> For Nominal Usage in Standard working conditions - Value for money product		

**PRESS-ON BAND:**

Brand Name	Pictorial Reference	Usage Recommendations	USP of Tyres	Equipment Focus
Greckster		<i>Usage:</i> For Round the Clock Operations in Tough working conditions	These tyres are meant for specific/abnormal applications. These tyres are <ul style="list-style-type: none"> <li>• Non markers</li> <li>• Heat resistant</li> </ul>	<ul style="list-style-type: none"> <li>• Forklift</li> <li>• Warehousing (WH) equipment</li> <li>• Ro-Ro (Port) Trailer</li> <li>• Road paver (Asphalet)</li> </ul>
Greckster		<i>Usage:</i> For Round the Clock Operations in Strenuous working conditions	<ul style="list-style-type: none"> <li>• Cut resistant</li> <li>• Anti-skid</li> </ul>	


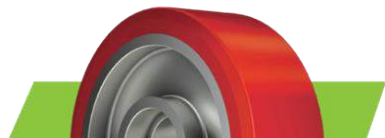

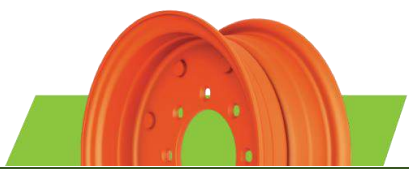

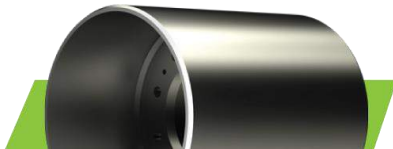
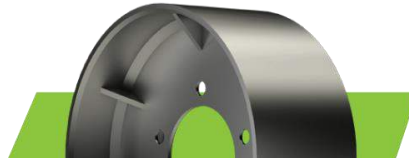
**INDUSTRIAL PNEUMATIC TYRES & BUTYL TUBES & FLAPS:**

Brand Name	Pictorial Reference	Usage Recommendations	USP of Tyres	Equipment Focus
Greckster		<i>Usage:</i> Round the clock - As per international standards	These tyres are meant for specific/abnormal applications. These tyres are	<ul style="list-style-type: none"> <li>• Forklift</li> </ul>

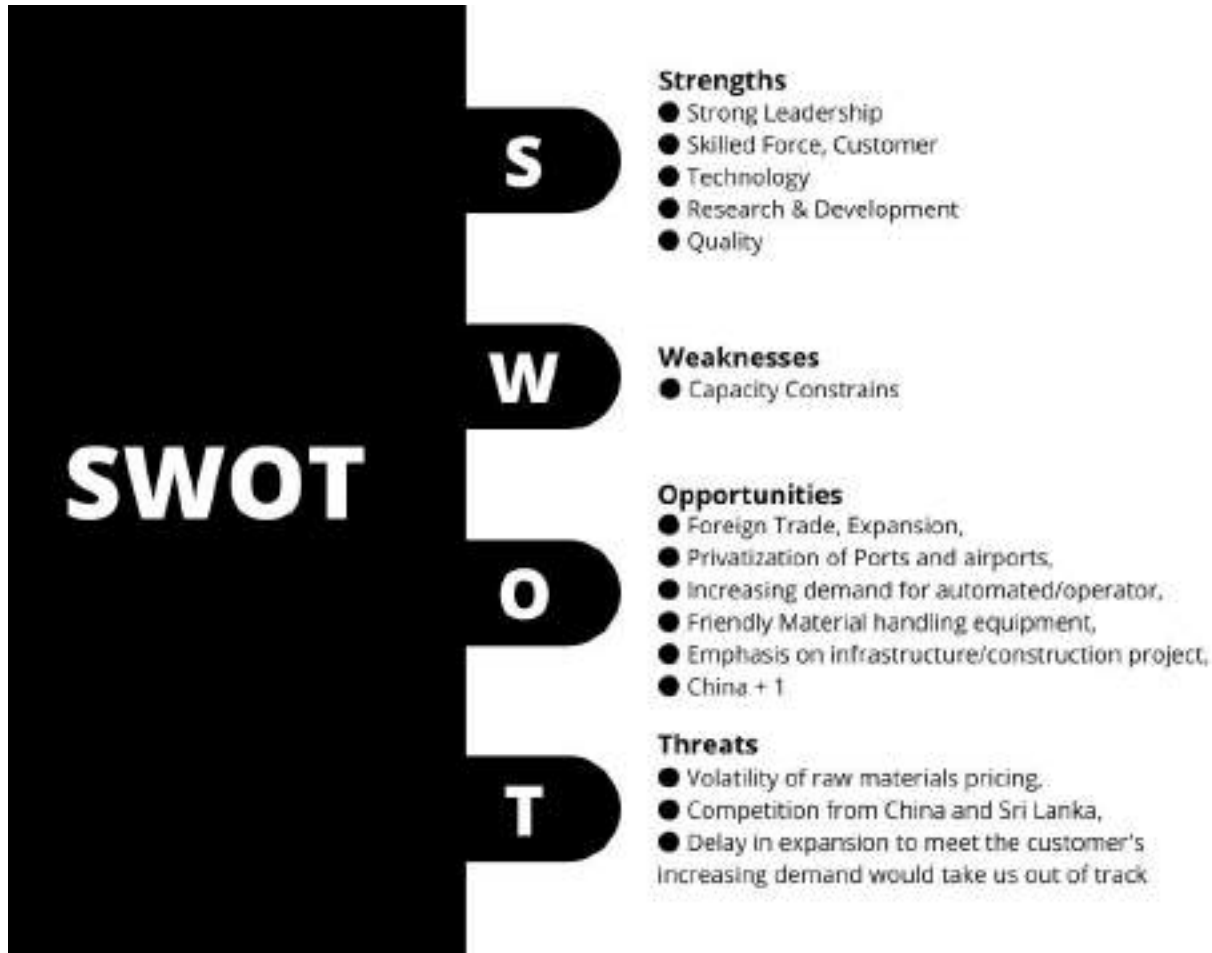
Brand Name	Pictorial Reference	Usage Recommendations	USP of Tyres	Equipment Focus
		<i>Usage:</i> Round the clock - As per international standards	<ul style="list-style-type: none"> <li>• Non markers</li> </ul>	
		<i>Usage:</i> For Round the Clock Operations in Strenuous working conditions	Specially designed for higher torque	<ul style="list-style-type: none"> <li>• Skidsteer Loader Tyres</li> </ul>
		<i>Usage:</i> For Round the Clock Operations in Strenuous working conditions	Built tough to last longer	<ul style="list-style-type: none"> <li>• Skidsteer Loader Tyres</li> </ul>
		Unique tread design for better traction	Special design for Cold Climate	<ul style="list-style-type: none"> <li>• Winter</li> </ul>
		Specially design tread pattern for maximum traction	<ul style="list-style-type: none"> <li>• Longer life</li> <li>• Reinforced casing</li> </ul>	<ul style="list-style-type: none"> <li>• Lawn and Garden</li> </ul>
		Specially designed for drive and free rolling wheels	<ul style="list-style-type: none"> <li>• Low section profile</li> <li>• Special design</li> <li>• Higher load capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural land</li> </ul>
		Special tread compound for high wear resistance	<ul style="list-style-type: none"> <li>• High wear resistance</li> <li>• Higher load rating</li> <li>• Improved protection</li> </ul>	<ul style="list-style-type: none"> <li>• Tractors</li> </ul>
<b>Butyl Tubes &amp; Flaps</b>		Specially Designed for Safety and Durability	<ul style="list-style-type: none"> <li>• Exceptional air retention</li> <li>• 100% Defect-free Tube</li> <li>• High Quality Butyl Rubber</li> <li>• Preferred Fitment in Radial Tyres</li> <li>• Good and Strong Splicing</li> </ul>	<ul style="list-style-type: none"> <li>• Forklifts</li> <li>• LCV</li> <li>• ADV</li> </ul>

Brand Name	Pictorial Reference	Usage Recommendations	USP of Tyres	Equipment Focus

**WHEEL RIMS:**

Product Name	Image Reference	Specifications and Advantages	Ultimate Usage
<b>Load Roll</b>		Loaded for <b>SEAMLESS PERFORMANCE</b> • <b>High tensile compound</b> <i>This design helps in enhanced performance</i>	<ul style="list-style-type: none"> <li>• Forklifts</li> <li>• Pallet Trucks</li> <li>• Stackers</li> <li>• Rotators</li> <li>• Trolleys</li> <li>• Other Warehouse Equipment</li> </ul>
<b>Trolley Wheel</b>		• <b>Enhanced bonding property</b> <i>Unique process technology involved</i> • <b>Customization on demand</b>	
<b>Drive Wheel</b>		<i>More PU based products available</i> • <b>Different versions available</b> <i>PU wheel core in mild steel, cast iron and aluminium versions</i>	
<b>Split / Divided Two-piece Rim</b>		<b>HEAVY-DUTY APPLICATIONS</b>  <b>High-tensile steel rims</b> Helps in high-quality performance 100% defect-free product Stringent process and quality control ETRTO & TRA International standards Manufactured as per quality standards for dimensions and load rating	<ul style="list-style-type: none"> <li>• Forklifts</li> <li>• Warehouse Equipment</li> <li>• Ground Support Equipment</li> </ul>
			
<b>Press-on Hub</b>			
<b>Direct Bonding Wheel</b>			

## SWOT ANALYSIS



## OUR COMPETITIVE STRENGTHS

### 1. *Experienced and dedicated management team:*

We are led by an experienced management team that we believe has the expertise and vision to manage and grow our business. Our Company's growth can be attributable to the entire management team, led by Mr. Chandhrasekharan Thirupathi Venkatachalam, Managing Director and Promoter of our Company. His technical expertise and extensive experience of more two decades has helped the company scale new heights, at present, he is responsible for the overall management, day to day affairs and is the guiding force behind the strategic decisions of our Company. Comprising visionary leaders, seasoned professionals, and industry experts, our management team brings a wealth of knowledge and expertise to the table.

We also attribute our growth in part to our initiatives relating to the development of our human resources, by planning and executing recruitment, training and retention of our employee base. We believe that the knowledge and experience of our Promoter, along with senior and middle management, and our team of sales and marketing employees provide us with a competitive advantage as we seek to expand in our existing markets and enter new geographic markets. As of November 30 2023, we had 225 permanent and 191 contractual employees.

### 2. *World Class Manufacturing Facility to handle wide range of Off Highway Tyres*

Our company has a world class state of the art manufacturing facility to manufacture a wide range of Off Highway Tyres under one roof. By controlling the entire production chain from raw materials to finished products, the company gains enhanced quality control, ensuring that every tyre meets rigorous global standards. This manufacturing facility fosters innovation, allowing for swift adjustments in production methods and materials to meet evolving market demands and technological advancements. The manufacturing facility has a capacity that enhances cost efficiency through economies of scale, as well as streamlining the operations, thus potentially lowering production costs. Additionally, it grants flexibility in production scheduling, enabling quicker response times to market fluctuations or sudden shift in demand. Overall, our manufacturing facility offers greater control, agility, and efficiency, ultimately leading to sustained competitiveness in the industry.

### **3. *Wide product range and customized product offering***

Being a Tyre Manufacturer with a wide range of tyre products, we are able to offer tyres for original Equipment Manufacturers and cater to their entire Tyre wheel solutions. As on date of this DRHP, we have numbers of sizes of tyres with variants in each of the size. We offer this range of tyres over a majority of Off Highway equipment. We believe in a customer centric business model and endeavour to supply customised products that meets our customer's demands. Customer satisfaction has enabled us to expand our business operations and widen our customer base.

### **4. *Diverse Customer Base***

Our Products are being exported to global markets including, USA , UAE, Russia, major European Countries like Belgium, Germany, Netherlands, Hungary, Portugal, Italy, Denmark Poland besides UK. Through our wholly owned subsidiaries located at Belgium and Dubai we are able to support the customers with continuous supply and effective service. This has reduced our dependency on any single market. Again, in the Indian sub-continent our products go as OEM fitments to all the major manufacturers and we have an excellent after sales market network across majority of states in India.

### **5. *Qualitative Products***

We strongly believe quality of any product plays a pivotal role in growth of an organisation. Our Company believes in qualitative manufacturing and adheres to various qualitative standards. Each of our products undergoes quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis. For research and development and running various tests for the improvement of products, our in-house laboratory takes charge for further improvements in our products. We are an ISO 9001-2015 certified company and we have also been certified by ISO 14001-2015 (Environment Management System) and comply with Norms specified by the European Union - REACH Standards.

## **BUSINESS STRATEGY**

As a total industrial tyre solution provider, our company offers an integrated product mix to meet di-verse needs of the customers. We provide end to end solutions by providing total off highway tyre wheel solutions including Just-In Time delivery. Our comprehensive range caters to various Industrial and material handling Applications. With a commitment to quality, we ensure top-notch solutions tailored to specific requirements, simplifying the procurement process.

In every product segment, our offerings are comprehensive, specifically tailored to meet the demands of popular material handling applications. Our product range is meticulously designed to cater to various needs, ensuring efficiency and reliability across diverse industrial settings. Whether for heavy-duty lifting or specialized handling, our solutions guarantee optimal performance and durability. Customers rely on our expertise to provide tailored solutions that precisely match their requirements, enhancing productivity and operational efficiency. With a commitment to excellence, we consistently deliver high-quality products that excel in meeting the dynamic needs of industrial material handling applications.

With an application-oriented approach, our products, compounds, and sizes are meticulously engineered to address the unique requirements of the material handling industry. From specialized handling tasks to heavy-duty applications, our comprehensive range is tailored to ensure optimal performance. Our customers rely on our expertise to provide tailored solutions that seamlessly integrate into their operations, maximizing productivity and reliability. Our commitment to innovation ensures that we consistently deliver top-notch products that excel in meeting the diverse needs of the material handling industry.

Embracing a customer-centric approach, we offer value-added solutions tailored to meet diverse needs. Our product selection support encompasses different versions to accommodate various customer demands, considering both cost and application requirements. Additionally, we provide allied product support, including split rims, heavy-duty tubes & flaps, and direct bonding wheels. This comprehensive assistance ensures that our customers receive tailored solutions, optimizing performance and cost-effectiveness in their operations. With a commitment to excellence, we ensure customer satisfaction by delivering innovative and reliable products alongside personalized support, reaffirming our position as a trusted partner in the Off Highway Tyre industry.

Our Company emphasizes on innovation in our R&D endeavors, aiming to deliver economical and environmentally friendly solutions. Through constant up-gradation of our existing product range, we ensure relevance and competitiveness in the market. Our R&D efforts place special focus on new product development, addressing emerging needs and industry trends. By prioritizing efficiency, sustainability, and customer satisfaction, we consistently push the boundaries of innovation.

## **MARKETING STRATEGY**

### **INTERNATIONAL MARKET**

***Our Company handles its international market through the following strategies and network:***

### **Through Channel Partners**

Through channel partners, Emerald operates in numerous countries, boasting a network of partners globally. Partners undergo meticulous selection based on their expertise in industrial tyre marketing, financial stability, and infrastructure suitability for the market. Identification often occurs at international trade shows where Emerald showcases products, introducing new offerings to attract users and partners alike. Subsequently, chosen partners receive comprehensive training in India and WOS officers, covering Emerald's product intricacies, application-related concerns, and technical aspects to adeptly address customer enquiries and facilitate informed product selection.

### **Subsidiaries in strategic location**

Our Company has bolstered service efficiency and OEM engagement by establishing wholly owned subsidiaries in Belgium and UAE. Each subsidiary has warehouse facility and sales offices staffed by proficient professionals well-versed in addressing the distinct needs of European, Middle Eastern, and African markets. Through these strategic footholds, Emerald ensures personalized service including delivery to customers, catering to diverse requirements with precision and agility. By leveraging local expertise and infrastructure, they forge stronger connections with OEMs and clientele, cementing their position as a reliable partner capable of meeting the evolving demands of these regions with tailored solutions and unparalleled support.

### **After Sales Service**

Our company has a network of dealer spread across the global destinations to cater to the needs and after sales requirement of the ultimate customers. Our dealers are provided with fitment press to provide on the spot service and also to choose the right quality and right application. These dealers are well trained by engineers of our company to handle customer requirements appropriately.

### **DOMESTIC MARKET**

*Our company handles its domestic market through the following strategies and network:*

#### **OEM Market**

Our Company holds a dominant position as one of the leading players in the value segment of the OEM market. Additionally, in the after-sales market, Emerald commands a significant share. Major OEMs rely heavily on our company, sourcing significant share of their tyre requirements. This long-standing partnership underscores Our company's status as the reliable vendor for these prominent OEMs, a relationship that has flourished over the past few decades.

#### **After Sales Market**

After-sales market plays a pivotal role in sustaining customer satisfaction and loyalty in Tyre manufacturing industry. This segment encompasses a wide array of services and products tailored to meet the ongoing needs of customers both at the time of purchase and post-purchase. From tyre delivery to fitment to after sales monitoring, we strive to provide comprehensive support. By offering reliable after-sales services, such as prompt assistance, technical support, and warranty coverage, we not only ensure the continued functionality of our tyres but also foster strong relationships with our customers, enhancing brand trust and loyalty in the competitive market landscape.

#### **Service Networks**

Our company strategically maintains networks across India, enabling us to efficiently meet the just-in-time requirements of OEMs and the after-sales market. These strategically located facilities ensure timely delivery of products and services, optimizing supply chain efficiency and customer satisfaction. By proactively managing inventory and distribution, we effectively support our customers' needs, whether it's fulfilling production demands or providing swift support for maintenance and repairs. This commitment to seamless logistics underscores our dedication to meeting the dynamic demands of both OEMs and after-sales clientele across diverse geographical regions.

#### **Technology**

The primary challenge in constructing and designing solid tyres lies in reducing heat hysteresis. Greckster Solid Resilient tyres, equipped with features akin to the solid-pneumatic version, stem from rigorous R&D, culminating in company's renowned Bacucot technology—a groundbreaking innovation in solid tyre manufacturing. This unique multi-layer concept, developed through extensive research, yields tyres with extended lifespan and diminished heat build-up. Greckster's design incorporates integrated layers of varying hardness, composed of diverse formulations, to imbue the end product with essential properties. Each compound and design element is meticulously chosen to address the diverse demands imposed on tyres in demanding work environments.

#### **Research and Development**



Research and development division of our company is a vital force that drives our company to new vistas. The strong R & D team works on product innovation to keep pace with the technological up-gradation thus competing with global leaders in offering world class solutions in Industrial tyre segment. The R & D division is equipped with a host of equipment such as lab inter mixer, lab mills, plunger tester, abrasion tester and host of other equipment for testing the compounds and raw materials. The company also has an integrated tyre testing facility simulating the real time situations. The company with its in-house mould shop and a tyre design department in place can add any new design and size with ease.

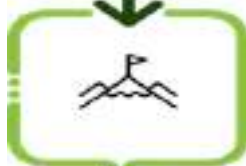
Research and development division of our company is a vital force that drives our company to new vistas. The strong R & D team works on product innovation to keep pace with the technological up-gradation thus competing with global leaders in offering world class solutions in Industrial tyre segment. The R & D division is equipped with a host of equipment such as lab inter mixer, lab mills, plunger tester, abrasion tester and host of equipment for testing the compounds and raw materials and do reverse engineering. The company also has an integrated tyre testing facility simulating the real time situations. The company with its in-house mould shop and a tyre design department in place can add any new design and size with ease.

## OUR VISION, MISSION & GOAL



### VISION:

Our vision is to become a trusted off highway tyre wheel solution provider with a growing global presence and dominant Indian presence, ensuring reliability for all our customers. Through our commitment to excellence and expansion, we aim to serve di-verse markets and meet evolving needs, establishing ourselves as a premier choice in the industry.



### MISSION:

Our mission is be a customer centric organisation, prioritize customer needs and consistently enhancing value for all stakeholders. By fostering a customer-centric culture and focusing on stakeholder satisfaction, we aim to drive growth and success for our organization, building long-term relationships based on trust and excellence.

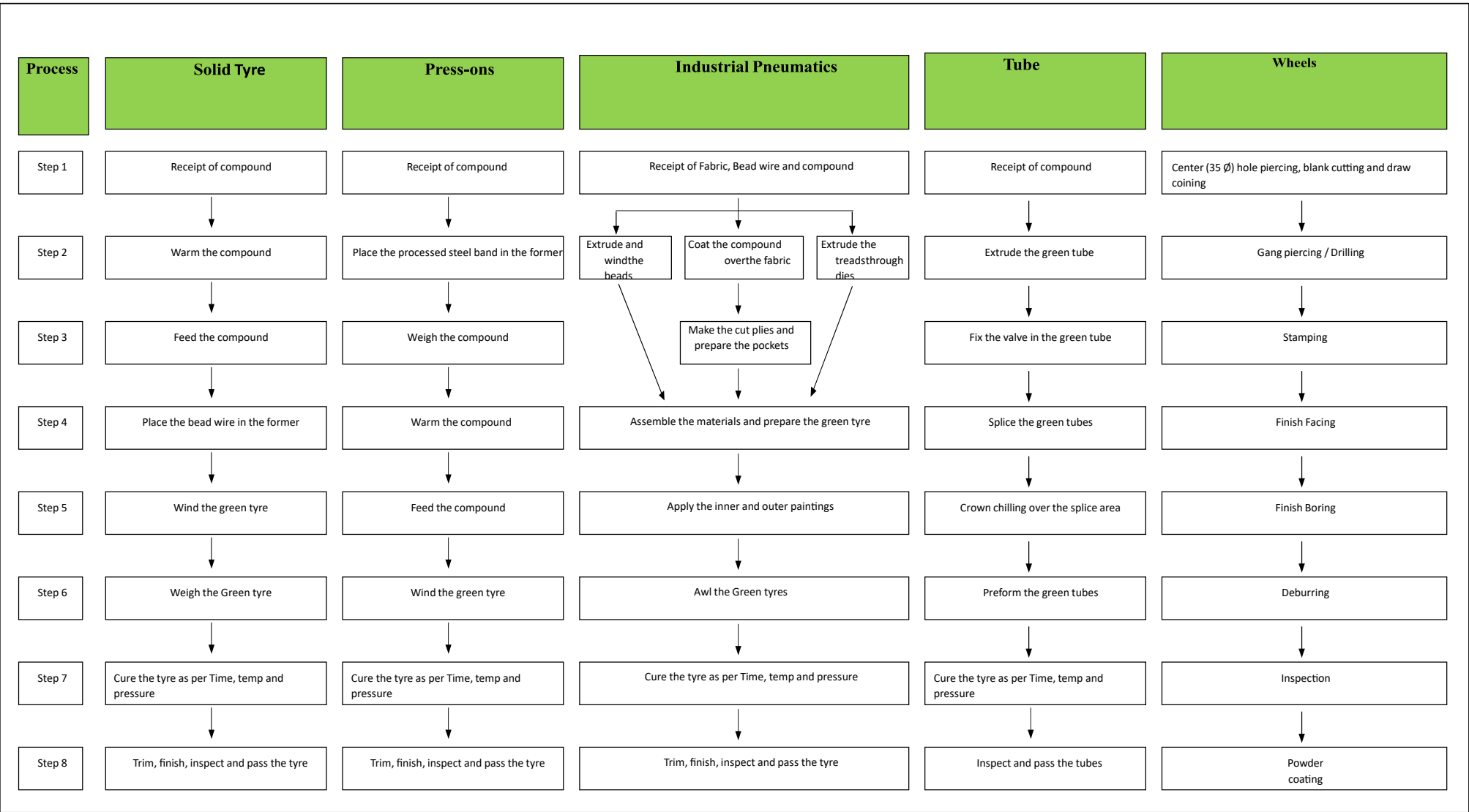


### GOAL:

Our goal is to rank among the top 5 global players in our product segment. By striving for excellence through innovation, quality, and customer service, we aim to achieve significant market presence and recognition, solidifying our position as a key player in the industry.

**KEY MANUFACTURING PROCESS**

Set forth below is a description of the key manufacturing processes of components at our manufacturing facility.:



## For Solid Tyres

### 1) **Receipt of compound:**

Our company receives solid tyres compound from our long-term Suppliers. This compound serves as the crucial initial material for our manufacturing process of solid tyres. Upon receipt of compound, we take the first essential step towards the production of these tyres. We have ensured that the compound meets the necessary specifications and quality standards required for our production. Any identified discrepancies or Offers will be promptly addressed with the supplier to maintain the smooth operation of our manufacturing process. This receipt marks the beginning of our manufacturing journey, demonstrating our commitment to delivering high-quality solid tyres.

### 2) **Warm the compound:**

After the receipt of the solid tyres compound, our company proceeds with the second step in the manufacturing process, which involves the warming of the compound. This critical stage is essential for preparing the compound for further processing and molding into solid tyres. By subjecting the compound to controlled heating, we optimize its viscosity and elasticity, ensuring it is pliable and ready for shaping. Our skilled technicians monitor this process closely to achieve the ideal temperature and consistency required for optimal tire formation. This step underscores our dedication to precision and quality throughout the manufacturing journey of our solid tyres.

### 3) **Feed the Compound:**

Following the warming process, our company advances to the third critical step in the manufacturing sequence which is feeding the compound. At this stage, the preheated compound is meticulously fed into the tyre mould, where it will take on the desired shape and characteristics. The feeding process demands precision and expertise to ensure uniform distribution and filling of the mould cavities, guaranteeing consistent tire quality. Our skilled technicians oversee this step attentively, adjusting parameters as needed to maintain optimal production conditions. By meticulously executing this stage, we uphold our commitment to delivering solid tyres of uncompromising quality and performance.

### 4) **Placing the bead wire in the former:**

Upon completing the feeding process, our company progresses to the fourth crucial step which is placing the bead wire in the former. This step is fundamental in ensuring the structural integrity and functionality of the solid tyre. The bead wire, carefully selected for its strength and resilience, is positioned within the tire mould to form the inner circumference, providing stability and anchorage. Skilled technicians meticulously place the bead wire in the former, ensuring proper alignment and adherence to design specifications. This meticulous attention to detail underscores our dedication to crafting solid tyres that meet the highest standards of durability and performance.

### 5) **Winding the green tyres:**

As our manufacturing process advances, the fifth essential step is to wind the green tyre. This phase involves carefully layering the pre-formed components onto the tire-building drum, gradually constructing the green tire's shape and structure. Skilled technicians meticulously wind the compound-coated bead wire onto the drum, ensuring uniformity and precision in each layer. This process is critical for achieving the desired tire dimensions and characteristics, laying the foundation for the final solid tyre product. Our commitment to excellence drives us to execute this step with meticulous attention to detail, ensuring the integrity and performance of our solid tyres.

### 6) **Weigh the Green tyre:**

The sixth pivotal step is to weigh the green tyre. This crucial phase involves carefully assessing the weight of the green tyre to ensure it meets our precise specifications and quality standards. Skilled technicians meticulously place the green tyre onto a calibrated scale, recording its weight with precision. This data allows us to verify the uniformity of each tyre and make any necessary adjustments to maintain consistency across our production line. By meticulously weighing each green tyre, we uphold our commitment to delivering solid tyres of uncompromising quality and performance to our customers.

### 7) **Curing of the tyre as per Time, Temperature and Pressure:**

The seventh critical step is to cure the tyre according to specified time, temperature, and pressure parameters. This stage is essential for transforming the green tyre into its final solid form, enhancing its durability and performance characteristics. Our skilled technicians carefully place the green tyre into a curing press, where it undergoes controlled heating and compression under precise conditions. By adhering to meticulously calibrated time, temperature, and pressure settings, we ensure the optimal vulcanization of the tyre compound, resulting in superior strength and resilience. This meticulous curing process is a testament to our commitment to delivering solid tyres of unparalleled quality and reliability to our customers.

### 8) **Trimming, finishing, inspecting and passing the tyre:**

In the culmination of our manufacturing process, the final step involves trimming, finishing, inspecting, and passing the tyre. Skilled technicians meticulously trim any excess material from the tyre, ensuring a clean and uniform appearance. They then apply finishing

touches, such as buffing or painting, to enhance the tyre's aesthetics and durability. Following this, a comprehensive inspection is conducted to verify the tyre's structural integrity, dimensional accuracy, and surface quality. Any imperfections or discrepancies are promptly addressed to meet our stringent quality standards. Finally, upon passing inspection, the tyre is deemed ready for distribution to our customers, exemplifying our unwavering commitment to delivering solid tyres of the highest quality and performance.

## For Press-on Tyres

- 1) **Receipt of Compound**
- 2) **Placing the processed steel band in the former**

Following the reception of the compound, our company progresses to the second crucial step: placing the processed steel band in the former. This step is instrumental in shaping the foundation of our press-on tyres. Our skilled technicians meticulously position the processed steel band within the former, ensuring proper alignment and adherence to manufacturing standards. This meticulous attention to detail guarantees the structural integrity and performance of our press-on tyres. By executing this step with precision, we affirm our commitment to delivering high-quality products to our customers.

- 3) **Weigh the compound:**

The third imperative step involves weighing the compound. This phase is crucial for ensuring precise measurements and consistency in our production line. Our skilled technicians meticulously weigh the compound, adhering to strict quality control standards. By accurately assessing the weight of the compound, we guarantee the uniformity and integrity of our press-on tyres. Any deviations from the specified measurements are promptly addressed to maintain the highest quality standards. This meticulous weighing process underscores our commitment to delivering reliable and durable press-on tyres to our customers.

- 4) **Warming of the compound**
- 5) **Feeding the Compound**

The warmed compound is then applied on the steel band which is already prepared.

- 6) **Winding the green tyres**

In the progression of our manufacturing process, the sixth essential step involves winding of the compound on the steel band till we achieve the over of diameter of tyre these ensures that tyres is ready for carrying.

- 7) **Curing of the tyre as per Time, Temperature and Pressure**
- 8) **Trimming, finishing, inspecting and passing the tyre**

In the culmination of our manufacturing process, the eighth and final step involves trimming, finishing, inspecting, and passing the tyre. Skilled technicians meticulously trim any excess material from the tyre, ensuring a clean and uniform appearance. They then apply finishing touches, such as buffing or painting, to enhance the tyre's aesthetics and durability. Following this, a comprehensive inspection is conducted to verify the tyre's structural integrity, dimensional accuracy, and surface quality. Any imperfections or discrepancies are promptly addressed to meet our stringent quality standards. Finally, upon passing inspection, the tyre is deemed ready for distribution to our customers, exemplifying our unwavering commitment to delivering press-on tyres of the highest quality and performance.

## For Industrial Pneumatic Tyres

- 1) **Receipt of Fabric, Bead wire and compound**

Our company acknowledges the receipt of fabric, bead wire, and compound, marking the initial step in the manufacturing process for press-on tyres. These materials serve as the essential components for crafting high-quality tyres. Upon receiving the specified quantities of fabric, bead wire, and compound from our trusted suppliers, our team ensures their compliance with stringent quality standards and specifications. Any discrepancies or Offers identified are promptly addressed to maintain the integrity of our production process. This receipt signifies the commencement of our tyre manufacturing journey, underscoring our commitment to delivering press-on tyres of exceptional quality and performance to our customers.

- 2) **Extrude and wind the beads**

Advancing in our manufacturing process, the second critical step involves extruding and winding the beads. This phase is fundamental in preparing the bead wire for incorporation into the press-on tyres. Our skilled technicians meticulously extrude the bead wire, ensuring uniformity and precision in its dimensions. Subsequently, they carefully wind the extruded beads onto spools, readying them for the tyre assembly process. This meticulous attention to detail guarantees the structural integrity and performance of our press-on tyres. By executing this step with precision, we affirm our commitment to delivering high-quality products to our customers.

### 3) Coat the compound over the fabric

One of second essential process of our manufacturing sequence, our skilled technicians coat the compound over the fabric layers. This phase is crucial for establishing the foundational structure of the press-on tyre. Careful attention is paid to ensure uniform coverage and proper adhesion of the compound to the fabric, ensuring the integrity and performance of the final product. By meticulously executing this process, we uphold our commitment to delivering press-on tyres of exceptional quality and durability, meeting the rigorous standards of our customers.



### Make the cut plies and prepare the pockets

In the manufacturing process, the next step involves making the cut plies and preparing the pockets. Skilled technicians meticulously cut the plies to the required dimensions, ensuring precision and uniformity. Additionally, they meticulously prepare the pockets, which serve as crucial components for accommodating the bead wires. Attention to detail is paramount to ensure the proper alignment and integration of these elements, guaranteeing the structural integrity and performance of the final product. By executing this step with precision and care, we uphold our commitment to delivering press-on tyres of exceptional quality and reliability to our customers.

### 4) Extrude the treads through dies:

In the subsequent phase of our manufacturing process, our skilled technicians extrude the treads through dies. This critical step is pivotal in shaping the treads to the desired dimensions and patterns. Careful attention is given to ensure precise extrusion, resulting in consistent tread profiles that meet our quality standards. By meticulously executing this process, we ensure that the press-on tyres exhibit superior traction, durability, and performance. This commitment to precision manufacturing underscores our dedication to delivering high-quality products to our customers.

### 5) Assemble the materials and prepare the Green tyre:

In the subsequent stage of our manufacturing process, our skilled technicians assemble the materials and prepare the green tyre. This critical step involves combining the cut plies, bead wires, treads, and other components to form the foundation of the tyre. Meticulous attention is given to ensure proper alignment and integration of these materials, adhering to strict quality standards. Additionally, the green tyre is meticulously shaped and prepared for further processing, setting the stage for the final curing phase. By executing this process with precision and care, we ensure that each green tyre meets our rigorous standards for durability, performance, and reliability.

### 6) Application of inner and outer paints:

In this phase of our manufacturing process, our skilled artisans apply the inner and outer paintings to the green tyre. This step involves carefully coating the inner and outer surfaces of the tyre with protective and decorative paint layers. Meticulous attention is paid to ensure uniform coverage and adherence to quality standards. The inner painting serves to protect the tyre from corrosion and abrasion, while the outer painting enhances its aesthetic appeal and visibility. By meticulously executing this process, we enhance the durability, appearance, and overall quality of our press-on tyres, meeting the stringent requirements of our customers.

### 7) Awling the green Tyres:

In this stage of the manufacturing process, our skilled technicians employ awls to puncture the green tyres. This critical step involves carefully perforating the tyre surface to create channels for air dispersion and release during the curing process. Meticulous attention is paid to ensure uniformity and precision in the awling process, which facilitates optimal air circulation and pressure distribution within the tyre. By meticulously executing this step, we enhance the structural integrity and performance of our press-on tyres, ensuring consistent and reliable results for our customers.

### 8) Curing of the tyre as per Time, Temperature and Pressure:

Following the awling process, the next critical step in our manufacturing sequence is to cure the tyre according to precise time, temperature, and pressure specifications. This stage is fundamental for transforming the green tyre into its final solid form, imbuing it with the necessary durability and resilience. Our skilled technicians carefully place the green tyres into curing chambers, where they undergo controlled heating and compression under meticulous conditions. By adhering to meticulously calibrated parameters, including time, temperature, and pressure, we ensure the optimal vulcanization of the tyre compound, resulting in enhanced strength and performance. This meticulous curing process underscores our commitment to delivering press-on tyres of unparalleled quality and reliability to our customers.

### 9) Trimming, finishing, inspecting and passing the tyre:

In the final phase of our manufacturing process, our skilled artisans meticulously trim, finish, inspect, and pass the tyres. This comprehensive step involves trimming any excess material, refining the tyre's appearance, and ensuring its structural integrity. Our

technicians meticulously inspect each tyre, conducting thorough quality checks to verify dimensional accuracy, surface quality, and adherence to specifications. Any imperfections or discrepancies are promptly addressed to meet our rigorous quality standards. Finally, upon passing inspection, the tyres are deemed ready for distribution to our customers, exemplifying our unwavering commitment to delivering press-on tyres of superior quality and reliability.

## For Tubes

### 1) **Receipt of Compound**

### 2) **Extrusion of the green tube:**

In the subsequent phase of our tube manufacturing process, the second crucial step involves extruding the green tube. This process entails forcing the compound through a die to shape it into the desired cylindrical form. Skilled technicians meticulously control the extrusion process to ensure uniformity in dimensions and consistency in material distribution. By executing this step with precision, we lay the foundation for producing tubes of superior quality and durability.

### 3) **Fixing the valve in the green tube:**

In the third stage of our tube manufacturing process, our skilled technicians carefully fix the valve into the green tube. This crucial step involves precisely positioning the valve assembly at the designated location on the tube. Meticulous attention is paid to ensure proper alignment and secure attachment, guaranteeing airtight sealing and optimal functionality of the valve. By executing this process with precision, we enhance the reliability and performance of our tubes, meeting the stringent standards of our customers.

### 4) **Splice the green tubes:**

In the subsequent phase of our tube manufacturing process, the skilled technicians splice the green tubes. This critical step involves joining multiple sections of green tubes together to achieve the desired length or configuration. Meticulous attention is paid to ensure precise alignment and secure bonding between the tube sections. Careful consideration is given to maintain structural integrity and uniformity throughout the splicing process. By executing this step with precision, we ensure that the spliced tubes meet the required specifications and quality standards, providing reliable performance in various applications.

### 5) **Crown chilling over the splice area:**

In the subsequent phase of our tube manufacturing process, our skilled technicians perform crown chilling over the splice area. This critical step involves carefully cooling the splice area, typically at the crown or joint, to ensure proper bonding and structural integrity. Meticulous attention is given to regulate the temperature and duration of chilling to prevent overheating and potential damage to the tube material. By executing this process with precision, we enhance the strength and durability of the spliced tubes, ensuring reliable performance in diverse applications.

### 6) **Preform the green tubes:**

In the subsequent stage of our tube manufacturing process, our skilled technicians preform the green tubes. This essential step involves shaping the green tube into its desired dimensions and configuration before the final curing process. Meticulous attention is paid to ensure precise shaping and uniformity throughout the preforming process. By carefully shaping the green tubes, we lay the foundation for producing tubes that meet the required specifications and quality standards. This meticulous preforming ensures that the tubes maintain their structural integrity and performance characteristics during subsequent manufacturing stages and throughout their service life.

### 7) **Curing of the tube as per Time, Temperature and Pressure:**

In the subsequent phase of our tyre manufacturing process, our skilled technicians proceed to cure the tyre according to precise time, temperature, and pressure parameters. This critical step is essential for transforming the green tyre into its final solid form, enhancing its durability and performance characteristics. Meticulous attention is given to maintaining optimal curing conditions, including precise control of time, temperature, and pressure within the curing chamber. By adhering to meticulously calibrated parameters, we ensure the optimal vulcanization of the tyre compound, resulting in superior strength and resilience. This meticulous curing process underscores our commitment to delivering tyres of unparalleled quality and reliability to our customers.

### 8) **Inspection and passing the tubes:**

In the final phase of our tube manufacturing process, our skilled inspectors meticulously examine and pass the tubes. This critical step involves conducting comprehensive inspections to verify dimensional accuracy, surface quality, and adherence to specifications. Meticulous attention is paid to ensure that each tube meets our stringent quality standards before being passed for distribution. Any imperfections or deviations are promptly identified and addressed to uphold the integrity and performance of our tubes. By executing this step with precision, we ensure that only tubes of the highest quality and reliability reach our customers, reaffirming our



commitment to excellence in manufacturing.

## For Wheels

### 1) **Center (35 Ø) hole piercing, blank cutting and draw coining:**

In the wheel manufacturing process at Our Company, the initial steps involve center (35 Ø) hole piercing, blank cutting, and draw coining. Skilled technicians meticulously perform these operations to shape the raw materials into the desired form for wheel production. The center hole piercing ensures proper alignment and functionality of the wheels, while blank cutting and draw coining shape the metal blanks into precise dimensions suitable for further processing. These critical processes are executed with precision and attention to detail, laying the foundation for the production of high-quality wheels that meet the stringent standards of Our Company and our customers.

### 2) **Gang piercing / Drilling:**

In the subsequent phase of wheel manufacturing at Our Company, skilled technicians proceed with gang piercing or drilling operations. This critical step involves drilling multiple holes simultaneously or in a coordinated pattern on the wheel blanks. Meticulous attention is paid to ensure accurate alignment and depth control during the piercing process. By executing this step with precision, we prepare the wheel blanks for further machining and assembly. This meticulous approach ensures that our wheels meet the required specifications and quality standards, delivering reliability and performance to our customers.

### 3) **Stamping:**

Following gang piercing or drilling, the wheel manufacturing process at Our Company progresses to stamping. Skilled technicians meticulously employ stamping machines to imprint specific markings, logos, or identification codes onto the wheel blanks. This crucial step ensures clear and permanent identification of our wheels, contributing to traceability and quality control throughout their lifecycle. Meticulous attention is given to ensure precise alignment and depth of the stamped impressions, adhering to our stringent quality standards. By executing this step with precision, we enhance the functionality and aesthetics of our wheels, meeting the exacting requirements of Our Company and our customers.

### 4) **Finish Facing:**

Following stamping, the wheel manufacturing process at Our Company advances to finish facing. In this critical step, skilled technicians meticulously refine the surface of the wheel blanks to achieve the desired smoothness and precision. Through careful machining and polishing, any imperfections or irregularities on the surface are meticulously addressed, ensuring uniformity and optimal aesthetics. Meticulous attention is paid to detail to achieve a flawless finish that meets the high standards of Our Company and our discerning customers. By executing this step with precision and expertise, we enhance the quality and visual appeal of our wheels, reflecting our commitment to excellence in manufacturing.

### 5) **Finish Boring:**

Following finish facing, the wheel manufacturing process at Our Company progresses to finish boring. In this critical step, skilled technicians meticulously refine the inner diameter of the wheel blanks to achieve precise dimensions and smoothness. Through careful machining and bore finishing techniques, any imperfections or irregularities in the bore are meticulously addressed, ensuring uniformity and optimal functionality. Meticulous attention is paid to detail to achieve accurate tolerances that meet the high standards of Our Company and our discerning customers. By executing this step with precision and expertise, we enhance the performance and reliability of our wheels, reflecting our commitment to excellence in manufacturing.

### 6) **Deburring:**

In the subsequent phase of our manufacturing process at Our Company, skilled technicians proceed with deburring. This critical step involves meticulously removing any burrs, sharp edges, or rough spots from the surface of the wheel blanks. Using specialized tools and techniques, they carefully smooth out imperfections to ensure uniformity and safety. Meticulous attention is paid to detail to achieve a clean and smooth finish that meets the high standards of Our Company and our customers. By executing this step with precision and expertise, we enhance the overall quality and aesthetics of our wheels, demonstrating our commitment to excellence in manufacturing.

### 7) **Inspection:**

Following the deburring process, the wheel manufacturing at Our Company transitions to inspection. This pivotal step involves thorough examination of the wheel blanks to ensure adherence to quality standards and specifications. Skilled inspectors meticulously assess various aspects including dimensions, surface finish, and overall integrity. Any deviations or defects are promptly identified and addressed to maintain the high quality of our products. By executing this step with meticulous attention to detail, we uphold our commitment to delivering wheels of exceptional quality and reliability to our customers.

### 8) **Powder coating:**

After inspection, the wheel manufacturing process at Our Company progresses to powder coating. In this crucial step, the wheel blanks are coated with a durable powder coating material using specialized equipment. Skilled technicians meticulously apply the powder coating evenly across the surface of the wheels, ensuring complete coverage and adherence. The coated wheels are then cured in an oven, where the powder coating material melts and forms a protective and aesthetically pleasing finish. Meticulous attention is paid to detail to achieve consistent color and texture that meet the high standards of Our Company and our customers. By executing this step with precision and expertise, we enhance the durability, corrosion resistance, and visual appeal of our wheels, demonstrating our commitment to excellence in manufacturing.

### ORDER BOOK:

We receive orders from OEMs and Channel partners regularly by the end of the month for the subsequent month requirement. Our WOS places their orders every 25<sup>th</sup> of the current month for the subsequent month.

We have regular orders coming from our established network covering the targets.

### OUR MARKET PRESENCE

#### Our Global Presence



### PLANT AND MACHINERIES

#### List of equipment/Machine used at Manufacturing Unit:

S. No.	Details of the Machinery	Year of Purchase	Capacity	QTY (In No.)
1.	Tyre curing - Hydraulic press	2002, 2006, 2020	100, 150, 300, 550, 650, 750, 1500	32
2.	Tyre curing - Electrical press	2017	100	3
3.	Outstations	2015	55 stations	55
4.	Tyre Building calendars	2004	12X36" 2 roll	3
5.	Mills	2002, 2004, 2006	36", 42" 48", Cracker	5
6.	Kneader	2022	55 Ltrs	1
7.	Shot blasting machine	2009	Air less blasting	1

S. No.	Details of the Machinery	Year of Purchase	Capacity	QTY (In No.)
8.	Tyre moulds	2002, 2004, 2006, 2009, 2013	various sizes and patterns	245
9.	Presses - Rims	2009	600MT,300MT,250MT,200MT,150MT,75MT	6
10.	Milling machine	2009	67-2262 rpm	1
11.	Drilling machine	2009	38mm	4
12.	Punching machine	2009	163 mm stroke	1
13.	Lathe	2010	16", 24" and 8"	3
14.	VMC	2022	24"	1
15.	CNC Lathe	2022	18"	1
16.	Rolling machine	2009	upto 30"	1
17.	Welding machine - Bud	2022	300 Amps	1
18.	Welding machine - MIG	2009, 2022	300 Amps	3
19.	Welding machine- Arc	2013	300 Amps and 400 Amps	2
20.	Tread Extruder	2006	8" extruder	1
21.	Calendar - 48"	2006	48" - 4 roll, inverted L	1
22.	Mills	2006	42", 60"	4
23.	Bead winding machine	2006	10 stations, upto 20"	1
24.	Apex extruder	2023	3"	1
25.	Bias cutter	2006	LTBC - 4 cuts/min	1
26.	Tyre Building machines	2006, 2009, 2022	8" to 20"	17
27.	Chaffer slitting machine	2013	600mm width	1
28.	Awling machine	2013, 2023	2 GTs/min	2
29.	Jamming machine	2009, 2023	Min 9"	2
30.	Tyre curing presses	2006, 2009, 2015, 2022	27", 30", 40", 42", 45", 46",48", 55", 63.5"	33
31.	PCI stations	2006, 2009, 2015, 2022	8"-20"	66
32.	Trimming machine	2009, 2022	8" - 16.5"	3
33.	Hot water generator	2009	2MT	1
34.	Genset	2009	625 kva	3
35.	Tyre moulds	2006, 2009, 2015, 2022	various sizes and patterns	93
36.	Tube extruder	2009	6" Extruder	1
37.	Mills	2006	42", 48", 60"	2
38.	Valve fixing machine	2009	8" - 16"	2
39.	Splicing machine	2010	8" - 16"	2
40.	Valve heating chamber	2010	All valves	1
41.	Tube moulds	2009, 2010	various sizes and patterns	42
42.	GK50	2006	75 Ltrs	1
43.	K2A	2013	42 Ltrs	1
44.	Kneader	2023	55 Ltrs	1
45.	Mills	2006, 2009	42", 60"	3
46.	Boiler	2006, 2023	8MT, 4 MT	2
47.	Compressor	2015, 2017, 2020	300 CFM	3

## OUR MANUFACTURING FACILITY, CAPACITY AND CAPACITY UTILIZATION

### *Installed Capacity and Capacity Utilization\**

The following tables set forth the annual installed capacity of the Manufacturing Facility for the Eight month period ended November 30, 2023 and the past three Fiscals:

Facility	Product	For the Eight Months ended November 30, 2023			Fiscal 2023			Fiscal 2022			Fiscal 2021		
		Installed Capacity (in MT)	Production (in MT)	Capacity Utilization (%)	Installed Capacity (in MT)	Production (in MT)	Capacity Utilization (%)	Installed Capacity (in MT)	Production (in MT)	Capacity Utilization (%)	Installed Capacity (in MT)	Production (in MT)	Capacity Utilization (%)
Plot No. 79, 80 EPIP Zone SIPCOT Industrial Complex Gummudi poondi, Tiruvallur District Tamil Nadu 601201	Solid Resilient	3940.00	2629.20	66.73%	5920.00	3962.16	66.93%	5920.00	4085.82	69.02%	5500.00	3010.71	54.74%
	Press On	600.00	417.16	69.53%	900.00	628.66	69.85%	900.00	639.95	71.11%	800.00	471.56	58.94%
	Industrial Pneu-metic	2240.00	1937.76	86.51%	3360.00	3148.46	93.70%	2640.00	2512.77	95.18%	1920.00	1344.74	70.04%
	Wheel Rims	260.00	162.59	62.53%	380.00	245.02	64.48%	380.00	196.91	51.82%	300.00	145.09	48.36%

\*As Certified by Mr. Sowmya Vaidhyanathan, M/s. Starp & Associates, Practising Cost and Management Accountants, by their certificate dated March 25, 2024.

## UTILITIES & INFRASTRUCTURE FACILITIES

### Infrastructure Facilities: -

Our registered office and Factory are well-equipped for our business operations to function smoothly.

### Power: -

We have made the necessary arrangements for regular uninterrupted power supply at our manufacturing unit. We have availed a power connection from TANGEDCO Limited (Tamil Nadu Generation and Distribution Corporation Limited) for our manufacturing unit premises with a sanctioned load of 1479 KVA, which is sufficient to meet our plant requirement.

### Water: -

Water is mainly required for the production process, fire, safety, drinking, and sanitation purposes. Our Company consumes water from the Industrial estate supply and borewell installed in our manufacturing unit.

### Logistics: -

<b>Raw Materials</b>	Raw materials are transported to our manufacturing facility either through our supplier's proprietary vehicles or third-party transport agencies.
<b>Finished Products</b>	To deliver our finished products, customers are responsible for logistics from our company.

### Procurement of Raw Materials: -

Business Segment	Description
<b>Rubber Segment</b>	For this business segment we require types of rubber, carbon black, chemicals, fabrics and steel cords, fillers, oils and steel.

\* Note: We usually do not enter into long-term supply contracts with any of our raw material suppliers. The raw material is purchased in the spot market on the basis of the rates offered by various suppliers.

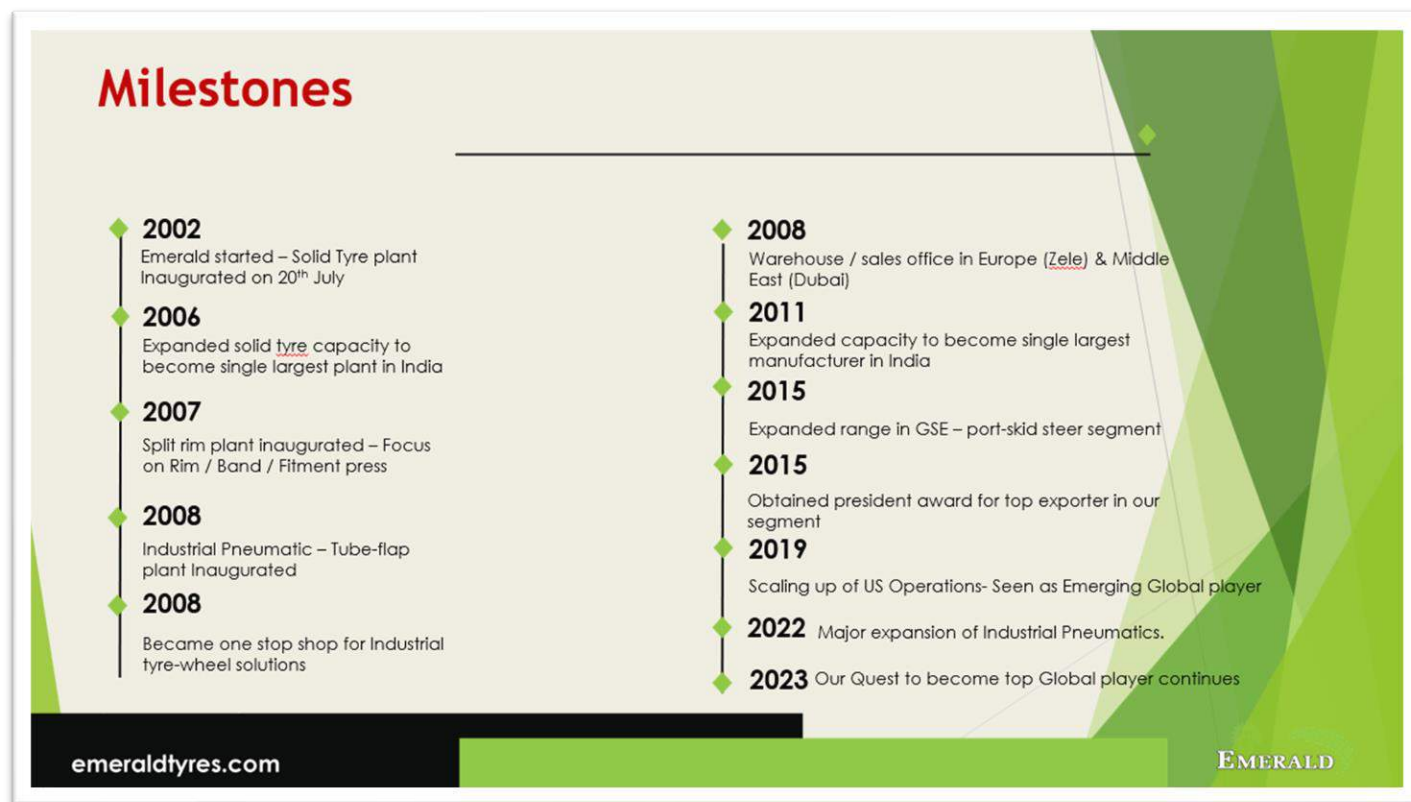
### Inventory Management: -

Our company operates a warehouse facility in our factory premises situated at Chennai is dedicated to the storage of both raw materials, finished products and scraps. We produce finished products based on a combination of confirmed and expected orders.

## COLLABORATIONS/ JOINT VENTURES

Except as disclosed in this Draft Red Herring Prospectus, we do not have any Collaborations or Joint Ventures.

## MILESTONES



## AWARDS AND ACCREDITATIONS

Sr. No.	Awards	Period
01	CAPEXIL – Certificate of Export Recognition	2021-22
02	CAPEXIL – Certificate of Export Recognition	2020-21
03	AIRIA – Special Exporter Award	2017-18
04	CAPEXIL – Certificate of Export Recognition	2016-17
05	FIEO – Export Excellence Awards – Silver	2015-16
06	7th India Rubber Expo & Tyre Show, Mumbai – Award	2012-13
07	CAPEXIL – Certificate of Export Recognition	2013-14
08	CAPEXIL – Certificate of Export Recognition	2012-13
09	National Rubber Conference, Chennai	2012-13
10	AIRIA – Top Exporter Award (Runner up Award)	2011-12
11	AIRIA – Special Exporter Award (Runner up Award)	2013-14
12	CAPEXIL – Certificate of Merit	2012-13
13	AIRIA – Top Exporter Award (Runner up Award)	2011-12
14	CAPEXIL – Certificate of Export Recognition	2011-12
15	CAPEXIL – Special Export Award	2011-12

## EXPORT AND EXPORT OBLIGATION

Our Company does not have any export obligation as on date of filing of this DRHP.

## HUMAN RESOURCE

Our employees are one of our most important assets and are critical to us maintaining our competitive position in our key geographical markets and in our industry. As of November 30, 2023, we had 225 permanent and 191 contractual employees, as set forth below:

***Details of Permanent Employees***

Sr. No.	Division/Department	Number of employees
1.	Production	114
2.	Projects	7
3.	Purchase	3
4.	Quality	21
5.	Marketing	23
6.	Service & IT	01
7.	Store	06
8.	Transport	04
9.	Accounts	13
10.	Engineers	20
11.	HR& Admin	05
12.	Management	08
<b>Total</b>		<b>225</b>


***Details of Contractual Employees***

Sr. No.	Division/Department	Number of employees
1.	Boiler	15
2.	Engineering	2
3.	Industrial Pneumatic Tyre Finishing	19
4.	Industrial Pneumatic Tyre Production	21
5.	Rim Production	61
6.	Solid Resilient Tyre Finishing	24
7.	Solid Resilient Tyre Production	6
8.	Tube Production	36
<b>Total</b>		<b>191</b>

**INTELLECTUAL PROPERTY RIGHTS**

Sr. No.	Particulars	Logo
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1.	Emerald Resilient Tyre Manufacturers Private Limited	
2.	Emerald Resilient Tyre Manufacturers Private Limited	"GRECKSTER"
3.	Emerald Resilient Tyre Manufacturers Private Limited	"SOLIDPLUS"

**INSURANCE**

Sr. No	Insurer Company	Description of Services	Policy No.	Expiry Date	Insured Amount (In Rs.)
1.	United India Insurance	Group Personal Accident Policy	0102004223P104037099	11-07-2024	6,71,00,000
2.	United India Insurance	Micro-Insurance Product-Group Road Safety Policy	0102004723P104036714	11-07-2024	2,34,00,000
3.	SBI General Insurance	Tyre Division:Plot No .79 Exports Promotional Industrial Park, Sipcot Industrial Complex, Gummidipoondi, Tiruvallur Dist., Tamilnadu -601201.	0000000035268139	05-09-2024	2,16,48,19,196
4.	SBI General Insurance	Money Insurance Policy	0000000030368586-01	05-09-2024	1,50,000
5.	SBI General Insurance	Manufacture of rubber tyres and tubes for vehicles and agricultural equipment	0000000035143167	05-09-2024	7,50,000
6.	SBI General Insurance	Product & Public Liability Insurance	0000000034859145	30-08-2024	30,00,00,000
7.	United India Insurance	All Types Of Machinery/Tools, Rubber Items, Oils, Chemicals And The Like - As Detailed In The Various Invoices/Declarations By The Insured,	0102002122P108742377	05-12-2024	1,50,00,000
8.	United India Insurance	All Types of Machinery/Tools, Rubber Items, Oils, Chemicals	0102002123P111447480	05-12-2024	30,00,00,000
9.	Tata AiG Insurance	Marine Cargo OpenPolicy	6520015383	19-03-2025	7,50,00,000

**WEBSITE**

The Details of Domain names registered in the name of the Company:

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name	Status	Registration Expiry Date
1.	<a href="https://www.emeraldtyres.com">https://www.emeraldtyres.com</a>	Lets Encrypt	Emerald Tyre Manufacturers Limited	Registered	May 13, 2024

**IMMOVEABLE PROPERTIES**

The Details of the Immovable properties taken on lease / rent basis are given below:

Sr. No	Name of Lessor	Name of Lessee	Address of Property	Area	Consideration Fees	Tenure/Term	Usage
1.	Chandhrasekharan Venkatachalam Thirupathi	Emerald Resilient Tyre Manufacturers	Emerald House, Plot No. 2, Second Street, Porur	3875 Sq. Ft.	Rs. 80,000/- payable on monthly basis	3 years	Registered office

		Private Limited	Garden, Phase-I, Vanagaram, Chennai				
2.	State Industrial Promotion Corporation	Emerald Resilient Tyre Manufacturers Private Limited	Plot No. 79, EPIP Zone SIPCOT Industrial Complex Gummudipoondi, Tiruvallur District Tamil Nadu 601201	6.25 Acres	Rs. 9,56,250/- (Deposit) 46,68,750	99 years	Factory
3.	State Industrial Promotion Corporation	Emerald Resilient Tyre Manufacturers Private Limited	Plot No. 80, EPIP Zone SIPCOT Industrial Complex Gummudipoondi, Tiruvallur District Tamil Nadu 601201	3.80 Acres	Re. 1/- per year for 86 years and Rs. 2/- from 87 years till 99 years.	99 years	Factory
4.	Ras Al Khaimah Economic Zone Authority (RAKEZ)	Emerald Resilient Tyre Manufacturers Private Limited	SMBA0479 Compass Building, Al Shohada Road, AL Hamra Industrial Zone-FZ, Ras Al Khaimah, United Arab Emirates	-	AED 7300 payable on Annual Basis	31/01/2025	Shared Office
5.	Moerlinde Company NV	Emrald Tyres Europe BV	Warandestraat 1A, 9240 Zele, Belgium (Office)	300 Sq Mts	Euros 1000 per month	August 31, 2025	Office
6.	Moerlinde Company NV	Emrald Tyres Europe BV	Lindestraat 10, 9240 Zele, Belgium (Warehouse)	1166 Sq Mts	Euros 3300 Per month	August 31, 2025	Warehouse

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## **KEY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approvals, licenses, registrations etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws.*

*For details of Government and Other Approvals obtained by the Company in compliance with the applicable regulations, see “Government and Other Approvals” on page 200 of this Draft Red Herring Prospectus. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the field of real estate developers for commercial purposes.*

### **BUSINESS/INDUSTRY RELATED LAWS AND REGULATIONS**

#### ***Rubber Act, 1947***

The rubber industry in India is regulated by the Rubber Act, 1947 (—Rubber Act) and the rules framed thereunder. The Rubber Act provides for the constitution of a Rubber Board with the purpose of development of rubber industry. Under the Rubber Act, the central government has been conferred with the power to prohibit or control imports and exports of rubber. Further, the Rubber Act provides that a person shall not possess, sell or acquire rubber without a general or special license issued by the Rubber Board. Every general license is published by the Rubber Board in the Official Gazette and in such newspapers as directed by the Rubber Board, while the special license is accorded for a limited period and is subject to extension by the Rubber Board. In the event of default of the provisions of the Rubber Act, the defaulter will be punishable with imprisonment for the term which may extend to one year or with fine which may extend to one thousand rupees or both.

#### ***The Motor Vehicles Act, 1988/ The Motor Vehicles Rules, 1989***

The Motor Vehicles Act, 1988, and its corresponding rules from 1989 encompass provisions related to auto components within the broader regulatory framework governing motor vehicles in India. These regulations address the manufacturing, quality standards, and certification processes for auto components. The Act emphasizes the importance of ensuring that vehicles and their components meet specified safety and emission standards. It grants the authorities the power to prescribe norms for the design, construction, and operation of vehicles, including the components therein. The Motor Vehicles Rules, 1989, provide additional details on compliance procedures, quality control measures, and the documentation required for the approval and certification of auto components. This holistic approach ensures that the auto components used in vehicles adhere to established standards, promoting road safety and environmental sustainability.

#### ***The Indian Boilers Act, 1923***

The Indian Boilers Act, 1923 (the —Boilers Act) states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

#### ***The Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (“**Legal Metrology Act**”) replaces the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology 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, and matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) permitting the establishments to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; (c) stringent punishment, such as power of inspection, seizure and forfeiture; and (d) prohibits manufacture, repair or sale of weight or measure without license.

### ***Importer-Exporter Code***

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

### ***Shops and Establishments Act of relevant state***

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### ***The Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986 (“**EPA**”) is umbrella legislation in respect of the various environmental protection laws in India. The EPA vests The Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter-alia, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues.

### ***The Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”) aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

### ***The Air (Prevention and Control of Pollution) Act, 1981***

Pursuant to the provisions of The Air (Prevention and Control of Pollution) Act, 1981, as amended (the “**Air Act**”), any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board. Air (Prevention and Control of Pollution) Rules, 1982 deal with the procedural aspects of the Air Act.

## **LABOUR RELATED LEGISLATIONS**

### ***The Code on Wages, 2019***

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing 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 provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines Sexual Harassment to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an Internal Complaints Committee at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a Local Complaint Committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **Apprentices Act, 1961**

The Apprentices Act, 1961, as amended (the Apprentices Act) regulates and controls the programme of training of apprentices and matters connected therewith. The term Apprentice means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Apprenticeship Training means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **Child Labour (Prohibition and Regulation) Act, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing 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. The Central Government has notified certain provisions of this code.

### ***The Tamil Nadu Factories Rules, 1950***

The Tamil Nadu Factories Rules, 1950, govern the operation of factories in the state of Tamil Nadu, India. These rules provide comprehensive guidelines for the establishment, maintenance, and management of factories, focusing on aspects such as health, safety, welfare, working conditions, and employment of workers. The rules cover a wide range of issues, including the licensing of factories, hours of work, hygiene, ventilation, safety measures, and the handling of hazardous substances. Adherence to these rules is essential for ensuring the well-being of workers and maintaining a safe and productive industrial environment in Tamil Nadu.

## **TAX RELATED LEGISLATIONS**

### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its Residential Status and Type of Income involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax like are also required to be complied by every Company.

### ***Goods and Service Tax (GST)***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based



consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall Offer the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon. GST has replaced following indirect taxes and duties at the central and state levels.

### ***Customs Act, 1962***

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

## **FOREIGN TRADE RELATED LAWS**

### ***Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations Framed Thereunder.***

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”), as amended

from time to time to prohibit, restrict or regulate, transfer by or Offer security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### ***Foreign Trade (Development and Regulation) Act, 1992, as amended (“Foreign Trade Act”).***

The Foreign Trade Act empowered the Central Government to make provisions for the development and regulation of foreign trade by way of facilitating imports into as well as augmenting exports from the country and in all other matters related to foreign trade. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. It is authorised to periodically formulate the Indian Foreign Trade Policy, 2015-20 (“Foreign Trade Policy”) and amend it thereafter whenever it deems fit. All exports and imports are required to be in compliance with this policy. The Foreign Trade Policy provides for certain schemes for the promotion of export of finished goods and import of inputs. The Foreign Trade Act, read with the Foreign Trade Policy, also provides that no person or company can make exports or imports without having obtained an importer exporter code (IEC) number unless such person or company is specifically exempted. The IEC shall be valid until it is cancelled by the issuing authority.

## **GENERAL STATUTORY LEGISLATIONS**

### ***Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951***

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as:

- (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹25,00,000/- (Rupees Twenty-Five Lakhs Only);
- (ii) a small enterprise, where the investment in plant and machinery is more than ₹25,00,000/- (Rupees Twenty -Five Lakh Only) but does not exceed ₹5,00,00,000/- (Rupees Five Crores Only); or

- (iii) a medium enterprise, where the investment in plant and machinery is more than ₹5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹10,00,00,000/- (Rupees Ten Crores Only).

In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as:

- (i) a micro enterprise, where the investment in equipment does not exceed ₹10,00,000/- (Rupees Ten Lakhs Only);
- (ii) a small enterprise, where the investment in equipment is more than ₹10,00,000/- (Rupees Ten Lakhs Only) but does not exceed

₹2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹5,00,00,000/- (Rupees Five Crores Only).

The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### ***Companies Act, 2013 (“Companies Act”)***

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29<sup>th</sup> August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

### ***Competition Act, 2002***

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates combinations in India. The Competition Act also established the Competition Commission of India (the —CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### ***Indian Contract Act, 1872***

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### ***Specific Relief Act, 1963***

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### ***Sale of Goods Act, 1930***

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### ***Consumer Protection Act, 2019 (“Consumer Protection Act”) and Rules Made Thereunder***

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

### ***Code of Civil Procedure, 1908***

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### ***Code of Criminal Procedure Code, 1973***

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1<sup>st</sup> April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law, the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

### ***Arbitration & Conciliation Act, 1996***

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business

matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### ***Negotiable Instruments Act, 1881***

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

### ***Indian Stamp Act, 1899***

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

## **INTELLECTUAL PROPERTY RELATED LEGISLATIONS**

*In general, the Intellectual Property Rights include but are not limited to the following enactments:*

Trademarks Act, 1999

Indian Copyright Act, 1957

The Patents Act, 1970

### ***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. It provides for the application and registration of trademarks in India. 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 trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark 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 penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

### ***Indian Copyright Act, 1957***

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, and rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### ***The Patents Act, 1970 (“Patents Act”)***

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights and recognizes both product as well as process patents. The Patents Act provides for, inter alia, the following:

- Patent protection period of 20 years from the date of filing the patent application;
- Recognition of product patents in respect of food, medicine and drugs;
- Import of patented products will not be considered as an infringement; and

- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

## **OTHER LAWS**

### ***Information Technology Act, 2000***

The Information Technology Act, 2000 (the “IT Act”) creates a liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing with, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines, and imprisonment for various computer related offences. These include offences relating to unauthorised disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorised access, publication or transmission of obscene material etc. The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under Section 43A of the IT Act and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act.

### ***Municipality Laws***

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### ***Police Laws***

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

### ***Approvals from Local Authorities***

Setting up of a Factory or Manufacturing/Housing unit/Establishments entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

Our Company was originally incorporated as “Emrald Resilient Tyre Manufactures Private Limited” a private limited company under the Companies Act, 1956 with the Registrar of Companies (“ROC”), Chennai at Tamil Nadu pursuant to Certificate of Incorporation dated March 27, 2002. Thereafter, the name of our Company was changed from “Emrald Resilient Tyre Manufactures Private Limited” to “Emerald Resilient Tyre Manufacturers Private Limited” vide special resolution passed by the members at the Extra-ordinary General Meeting held on July 16, 2018. Subsequently, our Company was converted into Public Limited Company and name of company was changed from “Emerald Resilient Tyre Manufacturers Private Limited” to “Emerald Resilient Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on November 25, 2023. Thereafter, the name of the company was changed from “Emerald Resilient Tyre Manufacturers Limited” to “Emerald Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on January 11, 2024, and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu dated January 17, 2024. The CIN of the Company is U25111TN2002PLC048665.

### **Our Location:**

<b>Registered Office</b>	Emerald House, Plot No.2, Second Street, Porur Gardens, Phase-I, Vanagaram, Poonamallee, Tamil Nadu - 600095, India.
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### **Change in registered office of our Company**

Except as provided below, there have been no changes in the registered office of our Company:

Effective Date	Details of change in the address of the Registered Office	Reason for change
October 21, 2023	KRV House, No.3, 9th Lane, Shastri Nagar, Chennai-20, Tamil Nadu - 600020, India.	For operational efficiency.

### **Main Objects of our Company**

The main objects of our Company are as follows:

1. To carry on the business of manufacture, processing, import, export, dealers, agents, of solid cushion tyres, cushion rings, rubber mats, press on band tyres or similar substances and their finished and semi-finished products in general and of technologically advanced nature in particular.
2. To manufacture, produce, develop, refine, process, formulate, sell, import-export, market, trade in, distribute, act as agents, stockiest either on its own or with the help of others, or in collaboration with others, polymer based products, for automobiles, fork lifts, etc., materials handling systems, industrial applications and in relation to tracks, traction, road surface, terrain and speed, uncured, cured, procured tread rubber, camel back, cushion gum, cushion rings, rubber mats, rubber of all kinds including synthetic and natural rubber products, goods, articles, and other raw materials and components made of rubber of all kinds, carbon black, chemicals raw materials and accessories used in the processing of any of the aforesaid items.
3. To carry on the business of pneumatic tyres of all categories, steel Rims of all Grades, Split Rims, single piece Rims and Multipiece Rims, Aluminium Casting Wheels and Cast-Iron Wheels and Rims for all Material Handling and other applications and Hydraulic Presses and other machineries used in the manufacture of Tyres and Rims and Rubber Moulded goods including re-moulding of Tyres of all categories.
4. To carry on the business of Retreading/ Remoulding of solid and Pneumatic tyres, Mobile Home Tyres, Agri Implement Tyres, Skid Loader, Press on Band Tyres, MHE Tyres, Tyre Wheel Assemblies, Rubber Mats, Rubber Tracks and Rubberization of Tank Wheels and all under carriage Rubber products of Armoured vehicles and all Rubber Moulded goods made of natural and synthetic rubber including moulded products made of Polyurethane, Poly Fill and other resins and chemicals
5. To provide technical know-how, technology, drawings, designs, etc., in the planning, execution, commissioning and operating the plants dealing in Rubber and Rubber products.



## Amendments to the Memorandum of Association

### NAME CLAUSE

The Following changes have been made in Name Clause of our Company since its inception.

Date of meeting	Type of Meeting	Nature of amendments
July 16, 2018	EGM	The name of our Company was changed from “Emerald Resilient Tyre Manufactures Private Limited” to “Emerald Resilient Tyre Manufacturers Private Limited”
November 25, 2023	EGM	Our Company was converted into Public Limited Company and name of company was changed from “Emerald Resilient Tyre Manufacturers Private Limited” to “Emerald Resilient Tyre Manufacturers Limited”
January 11, 2024	EGM	The name of the company was changed from “Emerald Resilient Tyre Manufacturers Limited” to “Emerald Tyre Manufacturers Limited”

### AUTHORIZED SHARE CAPITAL

The current authorised capital of our Company is ₹ 25,00,00,000/-# (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 Equity Shares of ₹ 10/- each. Further, the changes in authorised share capital of our Company are provided in the manner set forth below:

Date of Shareholder’s Meeting	Particulars of Change		AGM/EGM
	From	To	
May 24, 2002	₹ 10,00,000 (Rupees Ten Lacs only) consisting of 1,00,000 Equity shares of face value of ₹ 10/- each	₹ 49,90,000 (Rupees Forty Nine Lacs only) consisting of 4,99,000 Equity Shares of face value of ₹10/- each	EGM
October 16, 2002	₹ 49,90,000 (Rupees Forty Nine Lacs only) consisting of 4,99,000 Equity Shares of face value of ₹10/- each	₹ 75,00,000 (Rupees Seventy Five Lacs only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	EGM
July 14, 2003	₹ 75,00,000 (Rupees Seventy Five Lacs only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	₹ 1,00,00,000 (Rupees One Crore only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	EGM
March 25, 2004	₹ 1,00,00,000 (Rupees One Crore only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	₹ 1,50,00,000 (Rupees One Crore Fifty Lacs only) consisting of 15,00,000 Equity Shares of face value of ₹10/- each	EGM
November 04, 2005	₹ 1,50,00,000 (Rupees One Crore Fifty Lacs only) consisting of 15,00,000 Equity Shares of face value of ₹10/- each	₹ 4,00,00,000 (Rupees Four Crore only) consisting of 40,00,000 Equity Shares of face value of ₹10/- each	EGM
March 28, 2007	₹ 4,00,00,000 (Rupees Four Crore only) consisting of 40,00,000 Equity Shares of face value of ₹10/- each	₹ 7,00,00,000 (Rupees Seven Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each	EGM
July 30, 2007	₹ 7,00,00,000 (Rupees Seven Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each	₹ 9,00,00,000 (Rupees Nine Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each	EGM
January 19, 2011	₹ 9,00,00,000 (Rupees Nine Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each	EGM

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
May 24, 2002	₹ 10,00,000 (Rupees Ten Lacs only) consisting of 1,00,000 Equity shares of face value of ₹ 10/- each	₹ 49,90,000 (Rupees Forty Nine Lacs only) consisting of 4,99,000 Equity Shares of face value of ₹10/- each	EGM
October 16, 2002	₹ 49,90,000 (Rupees Forty Nine Lacs only) consisting of 4,99,000 Equity Shares of face value of ₹10/- each	₹ 75,00,000 (Rupees Seventy Five Lacs only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	EGM
July 14, 2003	₹ 75,00,000 (Rupees Seventy Five Lacs only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	₹ 1,00,00,000 (Rupees One Crore only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	EGM
March 25, 2004	₹ 1,00,00,000 (Rupees One Crore only) consisting of 7,50,000 Equity Shares of face value of ₹10/- each	₹ 1,50,00,000 (Rupees One Crore Fifty Lacs only) consisting of 15,00,000 Equity Shares of face value of ₹10/- each	EGM
November 04, 2005	₹ 1,50,00,000 (Rupees One Crore Fifty Lacs only) consisting of 15,00,000 Equity Shares of face value of ₹10/- each	₹ 4,00,00,000 (Rupees Four Crore only) consisting of 40,00,000 Equity Shares of face value of ₹10/- each	EGM
July 27, 2015	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 90,00,000 Equity Shares of face value of ₹10/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each	EGM
January 11, 2017	₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,35,00,000 Equity Shares of face value of ₹10/- each aggregating to Rs. 13,50,00,000 and 5,00,000, 12 years 15% cumulative Non-convertible Redeem preference shares of Rs. 100/- each aggregating to Rs. 5,00,00,000/-	(1)
September 18, 2023	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,35,00,000 Equity Shares of face value of ₹10/- each aggregating to Rs. 13,50,00,000 and 5,00,000, 12 years 15% cumulative non-convertible preference shares of Rs. 100/- each aggregating to Rs. 5,00,00,000/-	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,85,00,000 Equity Shares of face value of ₹10/- each	EGM
September 18, 2023	Rs. 18,50,00,000/- (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,85,00,000 Equity Shares of face value of ₹10/- each	₹25,00,00,000 (Rupees Twenty-Five Crore only) consisting of 2,50,00,000 Equity Shares of face value of ₹10/- each	EGM

(1) Emerald Rims Private Limited (ERPL) and Mosq Industrial Rubber Products Private Limited (MOSQ) amalgamated with our Company pursuant to an order passed by the High Court of Judicature at Madars dated 11-01-2017 approving the scheme of amalgamation. Result of which, authorized share capital of our company increased from ₹ 14,00,00,000 (Rupees Fourteen Crore only) consisting of 70,00,000 Equity Shares of face value of ₹10/- each and 2,50,000 Cumulative Fully Convertible Preference Shares of face value of ₹80/- each and 5,00,000 Cumulative Redeemable Preference Shares of face value of ₹100/- each to 18,50,00,000 (Rupees Eighteen Crore Fifty Lakh only) consisting of 1,35,00,000 Equity Shares of face value of ₹10/- each aggregating to Rs. 13,50,00,000 and 5,00,000, 12 years 15% cumulative non-convertible preference shares of Rs. 100/- each aggregating to Rs. 5,00,00,000/-

(2) # **Note:** The MCA Master data wrongly specifies Authorized Capital of Rs. 50,00,00,000/-. The company has filed for

rectification of the same through Change Request Form, dated March 14, 2024, vide the SRN: AA7082714.

## OBJECT CLAUSE

The following changes have been made in the Object Clause of our Company since inception:

Date of meeting	Type of Meeting	Nature of amendments
December 20, 2006	EGM	<p>Alteration in object clause by inserting Clause III(A)3, Clause III(A)4, Clause III(A)5 of Memorandum of Association. The existing main object Clause III(A) be altered by replacing the same with New Clause III(A)3, Clause III(A)4, Clause III(A)5</p> <p>Clause III(A)3 - To establish, Own, Operate, Take on Lease, Manufacturing and Trading Facilities either on its own or Joint venture or in Partnership in India or Abroad.</p> <p>Clause III(A)4 - To carry on the business of pneumatic tyres of all categories, Steel Rims of all Grades, Split Rims, single piece Rims, Multipiece Rims, Aluminum Casting Wheels and Cast-Iron Wheels and Rims for all Material handling and other applications and Hydraulic presses and other Machineries used in the manufacture of Tyres and Rims and Rubber Moulded goods including Remoulding of Tyres of all categories.</p> <p>Clause III(A)5 - To carry on the business of Retreading/Remoulding of solid and Pneumatic Tyres, Rubber Tracks and Rubberization of Tank Wheels and all undercarriage Rubber Products of Armoured Vehicles and all Rubber Moulded goods made of natural and Synthetic Rubber including moulded Products made of Polyurethane and other resins and Chemicals</p>
July 07, 2015	EGM	<p>Clause III (A) be changed as "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE" instead of "THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE".</p> <p>the Main Objects Clause of the Memorandum of Association of the Company be altered by replacing the clauses III(A)2, III(A)3 and III(A)4 and III(A)5 with following clauses III (A) 2, III (A) 3 and III (A) 4 and III(A)5:</p> <p>Clauses III(A)2 - To manufacture, produce, develop, refine, process, formulate, sell, import-export, market, trade in, distribute, act as agents, stockiest either on its own or with the help of others, or in collaboration with others, polymer based products, for automobiles, fork lifts, etc., materials handling systems, industrial applications and in relation to tracks, traction, road surface, terrain and speed, uncured, cured, procured tread rubber, camel back, cushion gum, cushion rings, rubber mats, rubber of all kinds including synthetic and natural rubber products, goods, articles, and other raw materials and components made of rubber of all kinds carbon black, chemicals raw materials and accessories used in the processing of any of the aforesaid items.</p> <p>Clauses III(A)3 - To carry on the business of pneumatic tyres of all categories, steel Rims of all Grades, Split Rims, single piece Rims and Multipiece Rims, Aluminium Casting Wheels and Cast-Iron Wheels and Rims for all Material Handling and other applications and Hydraulic Presses and other machineries used in the manufacture of Tyres and Rims and Rubber Moulded goods including re-moulding of Tyres of all categories.</p> <p>Clauses III(A)4 -To carry on the business of Retreading/ Remoulding of solid and Pneumatic tyres, Rubber Tracks and Rubberization of Tank Wheels and all under carriage Rubber products of Armoured vehicles and all Rubber Moulded goods made of natural and synthetic rubber including moulded products made of Polyurethane and other resins and chemicals</p> <p>Clauses III(A)5 - To provide technical know - how, technology, drawings, designs, etc., in the planning, execution, commissioning and operating the plants dealing in Rubber and Rubber products</p> <p>Clause III (B) be changed as "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)" instead of "THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS CLAUSE".</p> <p>the memorandum be altered by replacing the clauses III (B)9, III (B) 10 and III (B) 13 and III(B)14 with following III (B)9, III (B) 10 and III (B) 13 and III(B)14:</p>

Date of meeting	Type of Meeting	Nature of amendments
		<p>Clauses III (B)9 - Subject to the provisions of the Companies Act 2013 to remunerate whether out of the company's capital, profits or otherwise any persons for services rendered or to be rendered in introducing any business to the company.</p> <p>Clauses III (B)10 - Subject to the provisions of the Companies Act 2013 to invest, apply for and acquire or otherwise employ moneys belonging to or entrusted to the company upon such securities and shares, upon such securities and shares, upon such terms as may be thought proper and from time to time vary such transactions in such manner as the company may think fit.</p> <p>Clauses III (B)13 - To borrow moneys for the business of the company with or without security from persons, companies, firms banks and financial institutions, subject to the provisions of section 2(31), 73 and 74 of the Companies Act 2013.</p> <p>Clauses III (B)14 - Subject to the provisions of the Companies Act, 2013 to distribute any of the property of the Company among members in specie or in kinds in the event of winding up.</p> <p><b><u>Object Clause</u></b></p> <p>the Other Objects Clause of the Memorandum of Association of the Company be altered by completely deleting the clause III(C) 1 to III (C) 17."</p> <p><b><u>Liability Clause</u></b></p> <p>Clause IV of the Memorandum of Association be and hereby replaced with following clause:</p> <p>IV. "The liability of members is limited and this liability is limited to the amount unpaid on shares, if any held by them"</p>

### Corporate profile of our Company

For details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key products or services, entry in new geographies or exit from existing markets, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, marketing and competition, please refer to the chapters titled "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 110, 153 and **Error! Bookmark not defined.** respectively, of this Draft Red Herring Prospectus.

### Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

### Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

As of date of this Draft Red Herring Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

### Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

We have acquired the business of Emerald Rims Private Limited and MsoQ Industrial Rubber Products Private Limited vide Scheme of Amalgamation with effect from January 11, 2017 which is engaged in business of manufacturing of steel and manufacturing and processing of rubber products respectively. Except as disclosed above and in this Draft Red Herring Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation.

### Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

### Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### Subsidiaries of our Company

Our Company does not have any Subsidiary Companies as on the date of filing of this Draft Red Herring Prospectus, except the following Companies:

1. Emerald Middle East FZE
2. Emerald Tyres Europe BVBA

For detail information about the profile, business, financials, please see the chapter “Our Group Company” beginning on page 172.

#### **Associate or Joint ventures of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

#### **Strategic and Financial Partners**

As on date of this Draft Red Herring Prospectus our Company does not have any strategic and financial partners.

#### **Shareholders and Other Agreements**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

#### **Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

#### **Guarantees given by Promoter offering its shares in the Offer for Sale**

Our Promoters have issued no guarantee since our Promoters are not offering their shares in this Offer.

#### **Material Agreements**

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

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## OUR MANAGEMENT

### Our Board of Directors

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Public Company shall not be less than 3 and not more than 15. As on date of this Draft Red Herring Prospectus, we have Five (05) Directors on our Board, which includes one (01) Managing Director, one (01) Whole-Time Director, one (01) Non-Executive Director which is a woman director and two (02) Independent Directors.

Set forth below, are details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p><b>Chandhrasekharan Thirupathi Venkatachalam</b>  <b>DIN:</b> 00628816  <b>Date of Birth:</b> March 26, 1975  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> KRV House, No 3, Ninth Lane Shastri Nagar, Adyar, Chennai, Tamil Nadu-600020, India  <b>Occupation:</b> Business  <b>Term:</b> For a period of three (3) years with effect from November 25, 2023.  <b>Period of Directorship:</b> Director since inception  <b>Nationality:</b> Indian</p>	49	<ul style="list-style-type: none"> <li>Emerald Biofertilizers Private Limited</li> <li>Emerald Herbs and Plants Private Limited</li> </ul>
<p><b>Eswara Krishnan D</b>  <b>DIN:</b> 01739106  <b>Date of Birth:</b> April 04, 1970  <b>Designation:</b> Whole-time director  <b>Address:</b> No.60/97, G 1 Anand Flat, Dr. Ranga Road, Mylapore, Chennai, Tamil Nadu-600004, India  <b>Occupation:</b> Business  <b>Term:</b> For a period of three (3) years with effect from November 25, 2023.  <b>Period of Directorship:</b> Director since March 27, 2002  <b>Nationality:</b> Indian</p>	53	Nil
<p><b>Krishnaram Priya Vedavalli</b>  <b>DIN:</b> 10366109  <b>Date of Birth:</b> December 22, 1992  <b>Designation:</b> Non-Executive Director  <b>Address:</b> SG Divinity Apartments Flat C1, 3/2 7th Street Nanganallur, Opp to Aavin, Saidapet, Kanchipuram, Tamil Nadu-600061, India  <b>Occupation:</b> Employed  <b>Term:</b> Appointed as Non-Executive Director of the Company w.e.f. November 25, 2023</p>	31	Nil



Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Period of Directorship:</b> Director since November 25, 2023 <b>Nationality:</b> Indian		
<b>Krishna Moorthy Subramonia Iyer</b> <b>DIN:</b> 10366029 <b>Date of Birth:</b> July 18, 1962 <b>Designation:</b> Independent Director <b>Address:</b> 96/5, C R, Quarters, 15th Main Road, Anna Nagar West, Chennai, Tamil Nadu-600040, India <b>Occupation:</b> Professional <b>Term:</b> For a period of three (3) years with effect from November 25, 2023. <b>Period of Directorship:</b> Director since November 25, 2023 <b>Nationality:</b> Indian	61	Nil
<b>Narasimhan</b> <b>DIN:</b> 10366032 <b>Date of Birth:</b> October 19, 1951 <b>Designation:</b> Independent Director <b>Address:</b> B2, Nahar Deshna Apartment, 165, East Mada Street, Tiruvanmiyur, Chennai, Tamil Nadu-600041, India <b>Occupation:</b> Professional <b>Term:</b> For a period of three (3) years with effect from November 25, 2023. <b>Period of Directorship:</b> Director since November 25, 2023 <b>Nationality:</b> Indian	72	Nil

### Brief Biographies of our Directors

**Chandhrasekharan Thirupathi Venkatachalam** is the Chairman and Managing Director of our company. He passed his Intermediate Examination in the year 1993 thereafter cleared the Program on Production Management for Manufacturing Industry conducted by AOTS JAPAN. With over two decades of experience in the industry, he has been a founding member and director of our company since its inception. He plays a pivotal role in reviewing existing policies and developing new plans to improve the quality system. Actively involved in the purchasing decisions of the company, he constantly seeks innovation in compounding and process reengineering. He pilots all engineering and technology initiatives of the company.

**Eswara Krishnan D** serves as a Whole-time Director of our company. He graduated in science from the University of Madras in 1990 and obtained Postgraduate Diplomas in Business Administration, Personnel Management, Industry Relations, and Financial Management from Annamalai University in 1992, 1994, and 1995, respectively. Mr. Eswara possesses over two decades of experience in marketing industrial tyres. He has been associated with the company since 2002 and has diligently nurtured a robust marketing team over the years. He spearheads the marketing operations of the company and is entrusted with the responsibility of promoting our products. Mr. Eswara Krishnan D plays a pivotal role in driving the marketing initiatives of the company.

**Krishna Moorthy Subramonia Iyer** serves as an Independent Director of our company and an esteemed member of the Institute of Chartered Accountants of India (ICAI) with over two decades of post-qualification experience. Mr. Iyer brings with him a wealth of expertise, particularly in the domains of Statutory Audits, Concurrent Audits, Direct Taxation, Appeals, and Tax Audit, as well as proficiency in drafting legal documents and representing various appeals before Commissioners of Income Tax Appeals. His extensive

knowledge and acumen extend to Transfer Pricing provisions, where he has demonstrated exemplary proficiency. With a focus on both Direct and Indirect Taxation, He has consistently showcased his proficiency and strategic insights, making him an invaluable asset to our company. His dedication to excellence and deep-rooted understanding of regulatory frameworks significantly contribute to our governance and financial operations.

**Narasimhan** serves as an Independent Director of our company. A commerce graduate from Madurai Kamaraj University in the year 1985, Mr. Narasimhan furthered his academic pursuits with a postgraduate diploma in Personnel Management from Annamalai University in the year 1989. Subsequently, he pursued a Postgraduate degree in Business Administration from Alagappa University in the year 2006. He has been certified under the Association for Overseas Technical Scholarship in the Year 2007. With over three decades of dedicated service, Mr. Narasimhan has honed his skills in various fields, notably in the Maintenance department, Production Planning & Control, and Total Employee Involvement Training. Presently, he continues to share his wealth of knowledge and expertise as a TQM Consultant at Sundaram Clayton. With his extensive experience and comprehensive understanding of quality management methodologies, His presence on our board serves as a guiding force for the company's development, ensuring that we maintain the highest standards of operational efficiency and excellence.

**Krishnaram Priya Vedavalli** serves as a Non-Executive Woman Director of our company. She is a postgraduate from University College London, where she obtained her degree in Economics in the Year 2017, and prior to that, she graduated in arts, specializing in economics, from the University of Madras in the year 2014. Currently, she holds the position of Principle at Artha Global. With over 5 years of dedicated service in data analysis, she was associated with IDFC Institute as an associate. She has also worked as a Data Analyst at Laterite, a firm focusing on development data research with offices across East Africa. Prior to her work experience in Literate, she was associated as a Research Analyst at McKinsey & Company. She has been instrumental in providing valuable insights that have significantly contributed to the growth and development of our company. Her deep understanding of economic principles, coupled with her analytical prowess, has been instrumental in guiding strategic decisions and optimizing operational efficiency.

#### **As on the date of the Draft Red Herring Prospectus**

- A. None of the above-mentioned Directors are on the RBI List of willful defaulters or Fraudulent Borrowers.
- B. Neither Promoter nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoter, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Red Herring Prospectus.
- E. None of Promoter or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

#### **Relationship between our Directors**

None of our other Directors and/or KMP and/ or Promoter are neither related to each other nor do they have any other family relationships as per section 2(77) of the Companies Act, 2013.

Sr. No.	Name of Directors/KMP	Relationship
1.	Varadarajan Krishnaram	Father of Krishnaram Priya Vedavalli
2.	Krishnaram Priya Vedavalli	Daughter of Varadarajan Krishnaram

#### **Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

## Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

## Service Contracts

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

## Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on September 18, 2023, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 300 Cr. (Rupees Three Hundred Crores).

## Terms of appointment and remuneration of our Managing Director and Whole-time Director

### Chandhrasekharan Thirupathi Venkatachalam

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 21, 2023 and approved by the Shareholders of our Company at the EGM held on November 25, 2023 was appointed as the Chairman & Managing Director of our Company for a period of three (03) years with effect from November 25, 2023 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

<b>Basic Salary</b>	Rs. 5,94,550/- (Five Lakh Ninety-Four Thousand Five Hundred Fifty) per month
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mr. Chandhrasekharan Thirupathi Venkatachalam shall be entitled to receive a remuneration, perquisites and allowances not exceeding the ceiling limits under Section II of Part II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed with the liberty to the Board or any committee thereof to decide the breakup of the remuneration from time to time in consultation with Mr. Chandhrasekharan Thirupathi Venkatachalam.

### Eswara Krishnan D

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 21, 2023 and approved by the Shareholders of our Company at the EGM held on November 25, 2023, Mr. Eswara Krishnan D was appointed as the Whole-Time Director of our Company for a period of three (03) years with effect from November 25, 2023 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

<b>Basic Salary</b>	Rs. 3,53,625/- (Three Lakh Fifty-Three Thousand Six Hundred Twenty Five) per month
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mr. Eswara Krishnan D shall be entitled to receive a remuneration, perquisites and allowances not exceeding the ceiling limits under Section II of Part II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed with the liberty to the Board or any committee thereof to decide the breakup of the remuneration from time to time in consultation with Mr. Eswara Krishnan D.

## Remuneration details of our directors

### (i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2023 is as follows:

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Chandhrasekharan Thirupathi Venkatachalam	74.57
2.	Eswara Krishnan D	45.54

(ii) *Sitting fee details of our Independent Directors*

There were no Independent Directors in Fiscal 2023. Further, for Fiscal 2024, our Board of in their meeting held on January 03, 2023 have fixed ₹ 25,000/- per meeting as sitting fee for Independent Director for attending meetings of the Board of Directors.

**Payment or benefit to Directors of our Company**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our directors.

**Remuneration paid to our Directors by our Subsidiary**

Our Subsidiary has not paid remuneration to our directors till the date of this Draft Red Herring Prospectus.

**Loans to Directors**

There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Draft Red Herring Prospectus.

**Shareholding of Directors & KMP in our Company**

Except as stated below, none of our directors & KMP holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholders	Designation	Pre-Offer		Post - Offer	
			Number of Equity Shares	% of Pre-Offer Equity Share Capital	Number of Equity Shares	% of Post-Offer Equity Share Capital
1.	Chandhrasekharan Venkatachalam Thirupathi	Chairman & Managing Director	68,71,948	47.42%	[•]	[•]
2.	Eswara Krishnan D	Whole Time Director	50,320	0.35%	[•]	[•]
3.	Varadarajan Krishnaram	Chief Executive Officer	66,000	0.46%	[•]	[•]
<b>Total</b>			<b>69,88,268</b>	<b>48.23%</b>	<b>[•]</b>	<b>[•]</b>

*\*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.*

**Shareholding of Directors in our Subsidiaries**

Our Company does not have any Subsidiary Companies as on the date of filing of this Draft Red Herring Prospectus, except the following Companies:

1. Emerald Middle East FZE (UAE)
2. Emerald Tyres (Europe)

As on date of this Draft Red Herring Prospectus, our directors do not hold any shares in our subsidiaries.

For detail information about the profile, business, financials, please see the chapter “Our Subsidiary” beginning on page 171.

**Interest of our Directors**

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

Chandhrasekharan Thirupathi Venkatachalam is the Promoter of our Company and may be deemed to be interested in the promotion of our Company to the extent he has promoted our Company. Except as stated above, our directors have no interest in the promotion of our Company other than in the ordinary course of business. Our directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Offer. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” beginning on Page Nos. 174 and 168, respectively of this Draft Red Herring Prospectus, our directors are not interested in any other company, entity or firm.

Except as stated in “*Restated Financial Information - Annexure – 4 Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements*” beginning on Page No. 174 of this Draft Red Herring Prospectus, our directors do not have any other interest in the business of our Company.

#### Interest as to property

Except as disclosed in this Draft Red Herring Prospectus, our directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

Sr. No.	Details of the Properties	Actual use	Owned/ Leased/Rented
1.	Emerald House, Plot No.2, Second Street Porur Gardens, Phase-I, Vanagaram, Tiruvallur, Poonamallee, Tamil Nadu-600095, India	Registered Office	The registered office property is registered in the name our promoter, Chandhrasekharan Venkatachalam Thirupathi. Further, our company has executed leave and license agreement from them for use of said property as Registered Office.

#### Bonus or Profit-Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit-sharing plan.

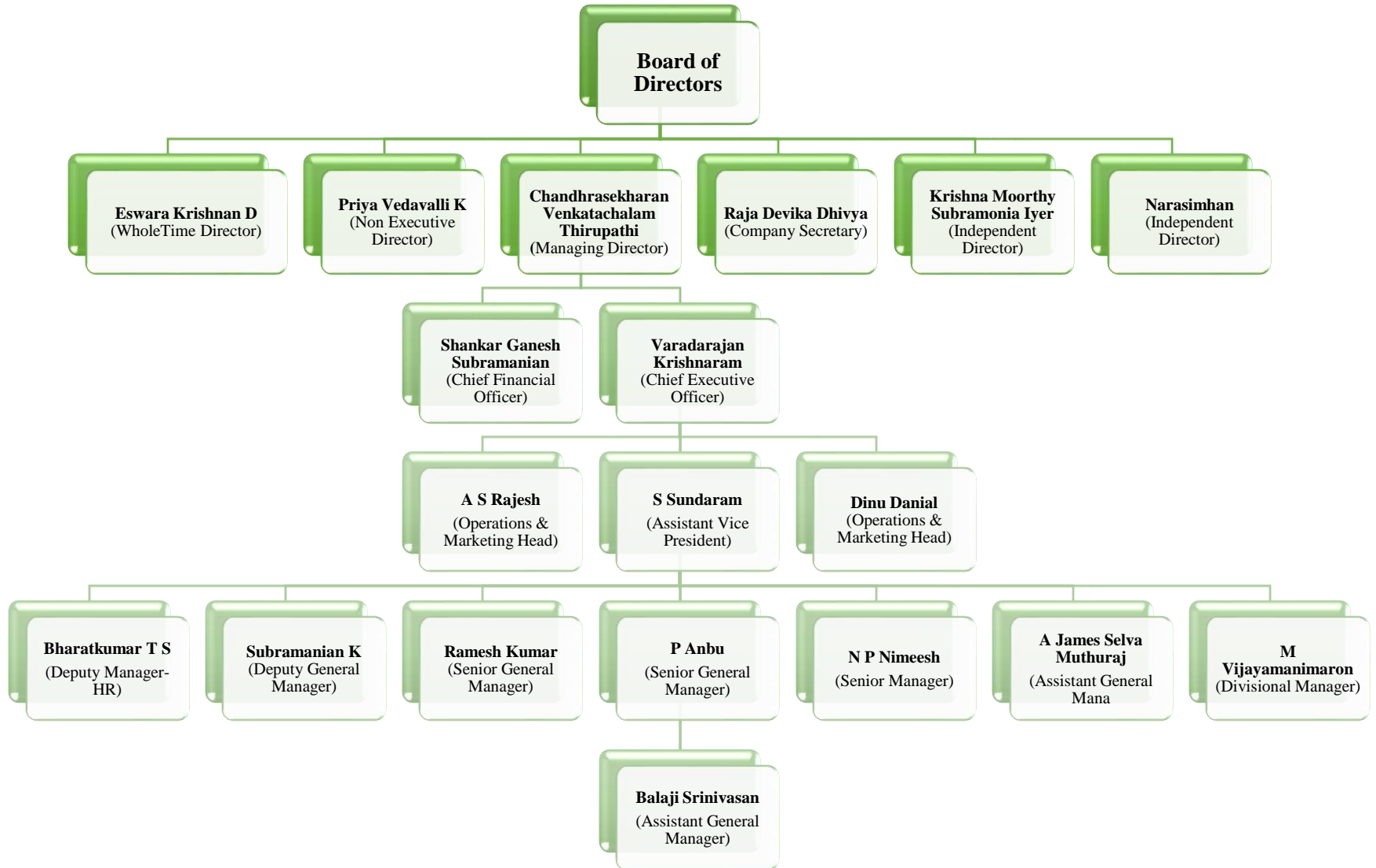
#### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director	Date of Appointment/Change in Designation	Date of Cessation	Reasons for Change/ Appointment
Ramanujam Subramanian	-	29/08/2023	Resignation
Chandhrasekharan Venkatachalam Thirupathi	25/11/2023	-	Change in designation to Chairman and Managing Director
Eswara Krishnan D	25/11/2023	-	Change in designation to Whole-time director
Priya Vedavalli K	25/11/2023	-	Appointed as Non-Executive Director
Krishna Moorthy Subramonia Iyer	25/11/2023	-	Appointed as an Independent director
Narasimhan	25/11/2023	-	Appointed as an Independent director

## Management Organization Structure

Set forth is the management organization structure of our Company:





## Corporate Governance

As our Company is coming with an Offer in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, as on date of this Draft Red Herring Prospectus, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to our Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. However, our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee; and
- c) Nomination and Remuneration Committee.
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee

Details of each of these committees are as follows:

#### *a. Audit Committee*

Our Audit Committee was constituted on January 03, 2024 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Krishna Moorthy Subramonia Iyer	Chairperson
2.	Narasimhan	Member
3.	Chandhrasekharan Venkatachalam Thirupathi	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

#### *A. Powers of Audit Committee*

The Audit Committee shall have the following powers:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### *Role of the Audit Committee*

The role of the audit committee shall include the following:

1. Oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Formulation of a policy on related party transactions, which shall include materiality of related party transactions;

5. 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;
6. Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
7. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
8. Reviewing, with the management, the statement of uses / application of funds raised through an Offer (public Offer, rights Offer, preferential Offer, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights Offer, and making appropriate recommendations to the Board to take up steps in this matter;
9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. 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;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. 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;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
20. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. Reviewing the functioning of the whistle blower mechanism;
22. Monitoring the end use of funds raised through public offers and related matters;
23. Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. Approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. Of the candidate;
25. Reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing; and
26. Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
27. Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable provisions from time to time.

**Further**, the Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor;
- f) Statement of deviations in terms of the SEBI Listing Regulations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
  - b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.
- g) Review the financial statements, in particular, the investments made by any unlisted subsidiary.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

**b. Stakeholders' Relationship Committee**

Our Stakeholder' Relationship Committee was constituted on January 03, 2024. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Krishna Moorthy Subramonia Iyer	Chairperson
2.	Narasimhan	Member
3.	Chandhrasekharan Venkatachalam Thirupathi	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;
2. Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, Offer of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
3. review of measures taken for effective exercise of voting rights by shareholders;
4. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
5. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and Offer of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
6. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
7. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
8. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

**c. Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee was constituted on January 03, 2024 with the following members:

Sr. No.	Name of Member	Designation
1.	Krishna Moorthy Subramonia Iyer	Chairperson
2.	Narasimhan	Member
3.	Chandhrasekharan Venkatachalam Thirupathi	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”).

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our 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.
2. Formulation of criteria for evaluation of independent directors and the Board;
  3. Devising a policy on Board diversity;
  4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director’s performance (including independent director);
  5. Analysing, monitoring and reviewing various human resource and compensation matters;
  6. Deciding 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;
  7. Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  8. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
  9. Reviewing and approving the Company’s compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  10. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable;
  11. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
    - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
  12. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum

for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

**d. Corporate Social Responsibility Committee**

Our Corporate Social Responsibility Committee was last re-constituted on January 03, 2024 with the following members:

Sr. No.	Name of Member	Designation
1.	Krishnaram Priya Vedavalli	Chairperson
2.	Narasimhan	Member
3.	Eswara Krishnan D	Member

The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act 2013. Our Company Secretary and Compliance officer will act as the secretary of the Committee. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. Formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
2. Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
3. Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
4. Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5. Review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
6. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
7. Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

As required under the Companies Act 2013 and rules made thereunder, The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

**e. Risk Management Committee**

Our Risk Management Committee was constituted on January 03, 2024 with the following members:

Sr. No.	Name of Member	Designation
1.	Krishna Moorthy Subramonia Iyer	Chairperson
2.	Narasimhan	Member
3.	Chandhrasekharan Thirupathi Venkatachalam	Member

The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Risk Management Committee.

The scope and function of the Risk Management Committee is in accordance SEBI Listing Regulations and the terms of reference, powers and role of our Risk Management Committee are as follows:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To implement and monitor policies and/or processes for ensuring cyber security;
3. To frame, devise and monitor risk management plan and policy of the Company;
4. To review and recommend potential risk involved in any new business plans and processes;
5. To review the Company’s risk-reward performance to align with the Company’s overall policy objectives;
6. Monitor and review regular updates on business continuity;
7. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

8. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.”

As required under the SEBI Listing Regulations, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings. The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

#### **Our Key Managerial Personnel and Senior Management**

In addition to our Whole Time Director, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel and Senior Management as on the date of filing of this Draft Red Herring Prospectus:

**Varadarajan Krishnaram**, aged 64 years, is the Chief Executive Officer of our Company and has been associated with our company since 2002. He graduated with a commerce degree from Madurai Kamaraj University in 1981, followed by a master's degree in commerce from the same university in 1983. Additionally, he obtained a Post Graduate Diploma in Industrial Relations and Personnel Management from Rajendra Prasad Institute of Communication and Management, Mumbai in 1986, and later pursued Diploma in Industrial Psychology from the Indian School of Labour Education in 1992. He has over two decades of extensive experience in International Marketing of Industrial Tyres besides overall experience in Managing all areas of business.

**Shankar Ganesh Subramanian**, aged 51 years, is the Chief Financial Officer of our Company. He completed his BSc Computer science Degree from Bharathidasan university in the year .1992 . and completed Master of Business Administration in banking and finance from Alagappa University in 2014. He has been associated with our company since 2003 and has extensive experience of two decades in Finance and Accounts.

**Raja Devika Dhivya**, aged 35 years, is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary from the Institute of Company Secretaries of India in 2018 and Post Graduate in Commerce. She has over 5 years of experience of post Qualification Experience as a Company Secretary and is fully conversant with regulatory and legal compliances.

#### **Our Senior Management Personnel includes the following:**

**S.Sundaram** aged 50 years is the Vice President & Plant Head . He completed his graduation in engineering from Madurai Kamaraj University in the year 1995 and completed his Master of Business Administration from IGNOU in the year 2002. With experience of more than 26 years, including over 8 years at TVS Srichakra Limited, he is responsible for the operations of all plants in our company. He has specialised in Tyre design and technology.

**P Anbu** aged 62 years is the Senior General Manager. He completed his Matriculation in the year 1978 and received training as an electrician from the Government Industrial Training Institute, Madras in the year 1980. With experience spanning more than two decades, he is responsible for the Production of Solid Tyres in our company.

**Ramesh Kumar** aged 60 years is the Senior General Manager. He holds a bachelor's degree in engineering from Madurai Kamaraj University and holds a Post-graduation Diploma in computer application from ManonManiam Sundaranar University. With over three decades of operational experience as an engineer, he has worked with MRF Limited, JK Tyre & Industries Limited, Alliance Tyres Limited, and Sun Paper Mill Limited. He is responsible for Productions in the Pneumatic Plant in our company.

**Subramanian K** aged 44 years is the Deputy General Manager. He holds a bachelor's degree in science from Madurai Kamaraj University and holds a Post Graduate Diploma in Rubber Technology from IIT , Kharagpur . With over 16 years of experience, he is responsible for compounding & Quality Assurance in our company.

**Balaji Srinivasan** aged 43 years is the Assistant General Manager. He completed his diploma in mechanical engineering in the year 1999 and Graduated in Bachelor of Science in Engineering from Birla Institute of Technology and Science in the year 2013 . With over two decades of experience as an engineer, he is responsible for the production of the Wheel plant & new development in our company.

**A James Selva Muthuraj** aged 55 years is the Assistant General Manager of our company. He holds a bachelor's degree in mechanical engineering from Madurai Kamaraj University. With experience spanning more than a decade, he is responsible for purchasing operations in our company.

**M Vijayanimaron** aged 46 years is the Divisional Manager. He completed his diploma in electrical & electronics engineering in the year 1998. With over 15 years of experience, he is responsible for the electrical installation of our company.



**N P Nimesh** aged about 35 years is the Senior Manager He has completed his diploma in automobile engineering from State Board of Technical Education and Training and completed his Graduation in Engineering from SRM University. He had worked with JK Tyre & Industries Limited, ATC Tires Private Limited and He has experience of more than a decade. He is responsible for the engineering and maintenance of the pneumatic plant.

**Bharat Kumar T S** aged 40 years is the Deputy Manager-HR. He completed his Master of Business Administration from the University of Madras in the year 2010 and holds a bachelor's degree in commerce from the University of Madras. With over a decade of experience, he is responsible for the human resources department in our company.

**Dinu Danial** aged 44 years, serves as the Operations and Marketing Head of our wholly-owned subsidiary, Emerald Tyres (Europe), Belgium. He graduated with a degree in commerce from the University of Delhi in 1990 and holds a Master of Business Administration degree from Bharathiar University possesses over a decade of experience. He previously worked with CEAT Limited & Bridgestone and Al Dobowi. He has over ten years of Experience in Industrial Tyre Marketing in Middle East and Europe.

**A S Rajesh** aged 45 years, holds the position of Operations and Marketing Head at Emerald Middle East FZE, UAE. He has graduated in Commerce from Delhi University and Holds a Master's Diploma in Business Administration from Symbiosis University. He has over a decade of experience in Industrial Tyre marketing in the middle East.

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

**Relationship of Key Managerial Personnel and Senior Management with our Directors, Promoter and / or other Key Managerial Personnel and Senior Management**

Except as disclosed under the heading “*Relationship between our Directors*” herein above, none of the key managerial personnel and senior management are related to each other or to our Promoter or to any of our directors.

**Shareholding of the Key Managerial Personnel and Senior Management**

Except as disclosed in Our management of Para “*Shareholding of our Directors*” beginning on Page No. 153 none of our KMPs holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus.

**Bonus or Profit-Sharing Plan for our Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit-sharing plan.

**Payment or benefit to Key Managerial Personnel and Senior Management of our Company**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

**Interest of Key Managerial Personnel and Senior Management**

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel’s and Senior Managements have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

**Changes in Key Managerial Personnel and Senior Management in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

Name	Designation	Date of Appointment / Date of change	Reason
Chandhrasekharan Venkatachalam Thirupathi	Chairman & Managing Director	21/10/2023	Change in Designation
Eswara Krishnan D	Whole Time Director	21/10/2023	Change in Designation
Varadarajan Krishnaram	Chief Executive Officer	21/10/2023	Appointment
Shankar Ganesh Subramanian	Chief Financial Officer	21/10/2023	Appointment

Name	Designation	Date of Appointment / Date of change	Reason
Snsatiya Priya	Company Secretary & Compliance Officer	31/01/2019	Appointment
Snsatiya Priya	Company Secretary & Compliance Officer	29/02/2024	Resignation
Raja Devika Dhivya	Company Secretary & Compliance Officer	07/03/2024	Appointment

The attrition of the key management personnel and Senior Management is as per the industry standards.

#### **Employees' Stock Option Plan**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

#### **Loans taken by Key Management Personnel and Senior Management**


Our Company has not granted any loans to the Key Management Personnel and Senior Management as on the date of this Draft Red Herring Prospectus.

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## OUR PROMOTER AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus, our Promoter holds, 68,71,948 Equity Shares, constituting 47.42% of our pre – Offer issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure*" on page 57 of this Draft Red Herring Prospectus.

### Details of our Promoter

	<p><b>Chandhrasekharan Venkatachalam Thirupathi</b></p> <p>Chandhrasekharan Venkatachalam Thirupathi, aged about 49 years, is the Promoter and Chairman cum Managing Director of our Company.</p> <p>For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled "<i>Our Management</i>" on page 153 of this Draft Red Herring Prospectus.</p> <p><b>Date of Birth:</b> March 26, 1975</p> <p><b>Address:</b> KRV House, No 3, Nineth Lane Shastri Nagar, Adyar, Chennai, Tamil Nadu-600020, India</p>
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### Other Undertakings and Confirmations

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number of the Promoter will be submitted at the time of submission of this DRHP with NSE for listing of the securities of our Company on EMERGE Platform of NSE.

Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoter or members of our Promoter Group in the past or are currently pending against them.

None of (i) our Promoter and members of our Promoter Group or persons in control of or on the board of bodies corporate forming part of our Group (ii) the Companies with which any of our Promoter is or was associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

### Other Ventures of our Promoter

The Entities in which our Promoter is involved in are as follows:

- a) Mr. Chandhrasekharan Venkatachalam Thirupathi:

Name of the Entity	Nature of Interest
Emerald Herbs and Plants Private Limited	Managing Director and Shareholder
Emerald Biofertilizers Private Limited	Director and Shareholder

### Change in Control of our Company

Our Promoter is the original promoter of our Company and the control of our Company has not been acquired during five years immediately preceding this Draft Red Herring Prospectus.

### Experience of our Promoter in the business of our Company

For details in relation to experience of our promoter in the business of our Company, please refer to the chapter titled **“Our Management”** beginning on page 153 of this Draft Red Herring Prospectus.

### Interest of our Promoter

#### *Interest in promotion of our Company*

Our Promoter is interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoter in our Company, please refer to the chapter titled **“Capital Structure”**, **“Our Management”** and **“Related Party Transactions”** beginning on page 57, 153 and F-49 respectively of this.

#### *Interest of Promoter in our Company other than as a Promoter*

Our Promoter, Mr. Chandhrasekharan Venkatachalam Thirupathi is the Chairman and Managing Director of our Company therefore, may deemed to be considered interested to the extent of any remuneration which shall be payable to him in such capacity. Except as stated in this section and the section titled **“Our Management”** and **“Related Party Transactions”** on pages 153 and F-49, respectively, our Promoter do not have any interest in our Company other than as a Promoter.

Our Promoter and Chairman cum Managing Director, Mr. Chandhrasekharan Venkatachalam Thirupathi has extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. For further details, please refer to the chapter titled — **“Financial Indebtedness”** on page 177 of this Draft Red Herring Prospectus.

### Interest in the properties of our Company

Except as disclosed in the section titled **“Our Business”**, **“Financial Information”** and the chapter titled **“Related Party Transaction”** on pages 110, 174 and F-49 our Promoter is not interested in the properties acquired by our Company in the three years preceding the date of filing of this with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

### Other Interest and Disclosures

Except as stated in this section and the section titled **“Our Management”**, **“Related Party Transactions”** under the chapter title **“Financial Information”** on pages 153 and F-49, respectively, our Promoter do not have any interest in our Company other than as a Promoter.

Our Promoter are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### Payment or benefits to our Promoter and Promoter Group during the last two years

Except as stated in this chapter and the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoter or the members of our Promoter Group during the last two years from the date of this nor is there any intention to pay or give any benefit to our Promoter or Promoter group as on the date of this. For further details, please refer to the chapter titled **“Related Party Transactions”** on page F-49 of this Draft Red Herring Prospectus.

### Litigations involving our Promoter

There are no litigations filed by or against our Promoter except specified in “*Outstanding Litigation and Material Developments*” on page 196.

### Guarantees

Our Promoter has not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Red Herring Prospectus.

### Details of Companies / Firms from which our Promoter have disassociated in the last three years

Our Promoter has not disassociated themselves from any company/firm during the three years preceding this.

### A. OUR PROMOTER GROUP

In addition to our Promoter, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

#### Individuals forming part of the Promoter Group:

Name of the Promoter	Name of the member of Promoter Group	Relationship with the Promoter
Chandhrasekharan Venkatachalam Thirupathi	Thirupathi Venkatachalam	Father
	Kannaki Thirupathi	Mother
	Vallikannu Chandhrasekharan	Spouse
	Srinivas Venkatachalam Thirupathi	Brother
	Radhai Thirupathi Chandhrasekharan	Daughter
	Anushri Chandhrasekharan	Daughter
	Karthikeyan Chandhrasekharan	Son
	Meyyappan P	Spouse's Father
	Meenatchi Meiyappan	Spouse's Mother
	Palaniappan M	Spouse's Brother
	Nagammai M	Spouse's Sister
	Meyyammai	Spouse's Sister

#### Entities forming part of the Promoter Group:

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

Sr. No.	Name of the entity
1.	Emrald Middle East FZE
2.	Emrald Tyres Europe BV
3.	Emrald Herbs and Plants Private Limited
4.	Emrald Biofertilizers Private Limited
5.	Sree Osaimani Industries
6.	SA Rubber Engineering

### Other Confirmations

None of our Promoter and members of the Promoter Group have been declared as wilful defaulters or as a fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoter or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoter, director or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoter except specified in “*Outstanding Litigation and Material Developments*” on page 196.

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## OUR SUBSIDIARY

Below mentioned are the details of our Subsidiary Companies. No equity shares of our subsidiaries are listed on any of the stock exchange and they have not made any public or rights Offer of securities in the preceding three years.

- Emerald Tyres Europe BV
- Emerald Middle East FZE

### 1. EMRALDTYRES(EUROPE)

#### Corporate Information

Emerald Tyres(Europe) was incorporated on February 14, 2011 pursuant to the regulations of Europe. The registered office of the company is situated at Warandestraat, N°: 1A, Postal code: 9240, Town: Zele. The Corporate Identification Number is 0834.012.334.

#### Nature of Business

The Company is incorporated as a wholly owned subsidiary of our company with the object to carry on the business related to Commission trade and wholesale trade of motor vehicle equipment, retreading and rebuilding of rubber tyres, Retail trade of motor vehicle parts and accessories, Commission trade and wholesale trade of motor vehicle equipment.

#### Board of Directors

The Directors of Emerald Tyres(Europe) as on the date of this Draft Red Herring Prospectus are as follows:

Name	Designation
Varadarajan Krishnaram	Director

#### Shareholding Pattern

Name of shareholder	No. of shares	Holding in %
Emerald Tyre Manufactures Limited	3,350	100.00%
<b>Total</b>	<b>3,350</b>	<b>100.00%</b>

#### Amount of accumulated profits or losses of the subsidiary (ies) not accounted for by the issuer:

issuer has accounted all the accumulated profits and losses of the subsidiary.

### 2. EMRALD MIDDLE EAST FZE

#### Corporate Information

Emerald Middle East FZE was incorporated on November 03, 2012 pursuant to regulations of United Arab Emirates. The registered office of the company is situated at SMBA0479, Compass Building, Al Shohada Road, AL Hamra Industrial Zone-FZ, Ras Al Khaimah, United Arab Emirates. The Corporate Identification Number is RAKIA52FZ301113601.

#### Nature of Business

The Company is incorporated with the object to carry on the business related to General Trading of the Tyres and providing of after sales services in the Brand name of “Emerald”.

#### Board of Directors

The Directors of Emerald Middle East FZE as on the date of this Draft Red Herring Prospectus are as follows:

Name	Designation
Varadarajan Krishnaram	Director

#### Shareholding Pattern

Name of shareholder	Share Capital in (Rs.)	Holding in %
Emerald Tyre Manufactures Limited	45,38,000 <sup>(1)</sup>	100.00%
<b>Total</b>	<b>45,38,000</b>	<b>100.00%</b>

(1) Share capital of company is 2,00,000 AED. Exchange Rate as of 30th November 2023 is consider of a AED: Rs. 22.69

#### Amount of accumulated profits or losses of the subsidiary(ies) not accounted for by the issuer:

Issuer has accounted all the accumulated profits and losses of the subsidiary.

### RELATED PARTY TRANSACTION

For details on related party transaction of our Company, please refer chapter titled Restated Financial statement beginning on page F-49 of this Draft Red Herring Prospectus.



## OUR GROUP COMPANY

The definition of 'Group Companies' as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated March 07, 2024, our Group Companies includes:

Those companies disclosed as related parties in accordance with Accounting Standard ("AS 18") issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years. Provided, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Companies.

All such companies which are deemed to be material are to be considered as Group Companies.

For the purposes of (ii) above, in terms of the materiality policy, a company (other than our Subsidiaries) shall be considered material and disclosed as a group company if the companies which are members of the Promoter Group of our Company and with which there were transactions in the most recent financial year and any stub period for which restated audited financial statements are included in the Draft Red Herring Prospectus, which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the restated annual financial statements for the last three financial years.

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## DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years except in the year FY 2021-22 where company had declared dividend at the rate of 15% on Convertible Preference shares aggregating to 27.47 lakhs and in the year FY 2020-21 where company had declared dividend at the rate of 15% On Convertible Preference shares aggregating to 75.00 lakhs. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, please refer section titled “**Risk Factors**” on Page No. 27 of this Draft Red Herring Prospectus.

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**SECTION VI: FINANCIAL INFORMATION**

***RESTATED FINANCIAL STATEMENTS***

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
1.	Restated Standalone Financial Information	F-1 to F-25
2.	Restated Consolidated Financial Information	F-26 to F-52

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**Independent Auditor's Examination Report on Restated Standalone Financial Information of  
Emerald Tyre Manufacturers Ltd  
(Formerly Known as Emerald Resilient Tyre Manufacturers Ltd, Emerald Resilient Tyre Manufacturers  
Private Limited and Emerald Resilient Tyre Manufacturers P Ltd)**

To,

The Board of Directors

**EMERALD TYRE MANUFACTURERS LTD**

*Formerly Known as Emerald Resilient Tyre Manufacturers Ltd, Emerald Resilient Tyre Manufacturers Private Limited and Emerald Resilient Tyre Manufacturers P Ltd*

Emerald House, Plot No.2,

Second Street Porur Gardens, Phase-I,

Vanagaram, Tiruvallur, Poonamallee,

Tamil Nadu, India, 600095.

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of **EMERALD TYRE MANUFACTURERS LTD** (Formerly known as **Emerald Resilient Tyre Manufacturers Ltd, Emerald Resilient Tyre Manufacturers Private Limited and Emerald Resilient Tyre Manufacturers P Ltd.**) (the "**Company**") comprising the Restated Standalone Statement of Assets and Liabilities as at March 31 2023, 2022 and 2021, the Restated Standalone Statements of Profit and Loss and the Restated Standalone Cash Flow Statement for the years ended March 31 2023, 2022 and 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the "**Restated Standalone Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on 22<sup>nd</sup> March 2024 for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") on *Emerge Platform of National Stock Exchange of India Limited ("NSE")*.

These restated Summary Statement have been 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 Standalone Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Chennai and the Stock Exchange in connection with the proposed IPO. The Restated Standalone Financial Information has been prepared by the management of the Company on the basis of preparation stated in **Annexure 4** to the Restated Standalone Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
  3. We have examined such Restated Standalone Financial Information taking into consideration:
    - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 3, 2024 in connection with the proposed IPO of equity shares of **Emerald Tyre Manufacturers Ltd** (the "**Issuer Company**") on Emerge platform of NSE;





- 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 Standalone 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 Standalone Financial Information have been compiled by the management from:
- a. Audited Standalone Financial Statements of the Company for the year ended on November 30, 2023 prepared in accordance with Accounting Standard as prescribed under section 133 of the Act and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on March 22, 2024.
  - b. Audited Standalone Financial Statements of the Company for the years ended on March 31, 2023, March 31, 2022 and 2021, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 01, 2023, September 07, 2022 and September 04, 2021 respectively.
5. For the purpose of our examination, we have relied on:
- a. Auditor's Report issued by us dated September 01, 2023 and on the Standalone Financial Statement of the Company for the year ended on March 31, 2023, and
  - b. Auditors' Report issued by the Previous Auditors dated September 07, 2022 and September 04, 2021 on the standalone financial statements of the Company as at and for the years ended March 31, 2022 and 2021 respectively as referred in Paragraph 4(b) above.
- The Audit for the financial years ended March 31, 2022 and 2021 were conducted by the Company's previous auditors **M/s. A B J Jain & Associates**, Chartered Accountants (**the Previous Auditor**). The Previous auditor is not in the position to examine the Restated Standalone Statement of Assets and Liabilities and the Restated Standalone Statements of Profit and Loss and Cash flow Statements, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the Audited Standalone Financial Information). We have performed adequate procedures to restate the Financial Information for the said years. The Examination Report included for the said years is based solely on the report submitted by the Previous Auditor.
6. There were no qualifications in the Audit Reports issued by us and by previous auditor as at November 30, 2023 and for the financial years ended on March 31, 2023, 2022 and 2021 which would require adjustments in this Restated Standalone Financial Information of the Company.
7. Based on our examination and according to the information and explanations given to us, we report that:
- a. The Restated Standalone Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - b. The Restated Standalone Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 6 above.



- e. The Restated Standalone Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - d. The Restated Standalone Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;
  - e. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - f. There was no change in accounting policies, which need to be adjusted in the Restated Standalone Summary Statement. The details of Prior period Adjustments are given in Annexure 5 of the Restated Standalone Financial Statements.
  - g. From Financial Years 2020-21 to 2022-23, i.e., the period covered in the restatement, the Company has not declared and paid any dividend.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the years ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus.

Annexure No.	Particulars
1	Standalone Financial Statement of Assets & Liabilities as Restated
2	Standalone Financial Statement of Profit & Loss as Restated
3	Standalone Financial Statement of Cash Flow as Restated
4	Significant Accounting Policy and Notes to the Restated Standalone Summary Statements
5	Adjustments made in Restated Standalone Financial Statements / Regrouping Notes
6	Statement of Share Capital as restated
7	Statement of Reserves & Surplus as Restated
8	Statement of Long-Term Borrowings as Restated
9	Statement of Deferred Tax Liabilities as Restated
10	Statement of Other Long Term Liabilities As Restated
11	Statement of Long-Term Provisions as Restated
12	Statement of Short-Term Borrowings as Restated
13	Statement of Trade Payable as Restated
14	Statement of Other Current Liabilities as Restated
15	Statement of Short-Term Provisions as Restated
16	Statement of Property, Plant & Equipment and Intangible Assets & Depreciation as Restated
17	Statement of Non-Current Investments as Restated
18	Statement of Long-Term Loans and Advances as Restated
19	Statement of Other Non-Current Assets as Restated
20	Statement of Inventories as Restated
21	Statement of Trade Receivables as Restated
22	Statement of Cash & Bank Balances as Restated
23	Statement of Short Term Loans and Advances as Restated
24	Statement of Other Current Assets as Restated
25	Statement of Revenue from Operations as Restated



26	Statement of Other Income as Restated
27	Statement of Cost of Materials Consumed as Restated
28	Statement of Changes in Inventories of Work-In-Progress & Finished Goods as Restated
29	Statement of Employee Benefit Expenses as Restated
30	Statement of Finance Costs as restated
31	Statement of Depreciation & Amortisation Expenses as Restated
32	Statement of Other Expenses as Restated
33	Statement of Summary of Accounting Ratios as Restated
34	Statement of Tax Shelter as Restated
35	Statement of Related Parties Transaction as Restated
36	Statement of Employee Benefit Expense - Gratuity as Restated
37	Statement of Contingent Liability as Restated
38	Statement of Corporate Social Responsibility as Restated
39	Additional Disclosures with respect to Amendments to Schedule III as Restated
40	Statement of Capitalisation Statement as Restated

9. We, M/s. **Rajani & Co.**, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
10. The Restated Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Standalone Financial Statements and Audited Standalone Financial Statements mentioned in paragraph 5 above.
11. 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.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Chennai 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 Rajani and & Co**  
Chartered Accountants  
ICAI Firm Reg. No: 003433S  
Peer Review Certificate No: 012706

Mahesh Jain  
Partner  
Membership No: 229881  
UDIN: 24229881BKBIDA2475  
Place: Chennai  
Date: March 22, 2024



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN: U28120TN2002PL1048665  
 EMERALD HOUSE, Plot No.2, Second Street, Pagar Gardens, Phase-I, Vengal Rao, Chennai 600 025

STANDARDISED FINANCIAL STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE - I

Particulars	Asset No.	As at			
		Mar 30, 2022	Mar 31, 2021	Mar 31, 2021	Mar 31, 2021
<b>I. EQUITY AND LIABILITIES</b>					
<b>A. SHAREHOLDERS' FUNDS</b>					
(i) Share Capital	6	1,433.45	858.00	858.00	1,028.70
(ii) Reserves and Surplus	7	4,311.88	4,230.86	5,412.41	2,731.96
<b>B. NON-CURRENT LIABILITIES</b>					
(i) Long-Term Borrowings	8	1,327.83	2,256.42	2,244.81	1,021.29
(ii) Deferred Tax Liabilities	9	292.98	275.38	281.77	259.34
(iii) Other Long-Term Liabilities	10	100.76	341.34	114.08	79.81
(iv) Long-Term Provisions	11	27.00	8.14	18.44	19.00
<b>C. CURRENT LIABILITIES</b>					
(i) Short-Term Borrowings	12	4,204.14	4,077.61	4,440.21	4,111.21
(ii) Trade Payables	13				
(A) Total outstanding dues of Micro, Small and Medium Enterprises		177.02	267.29	192.44	127.62
(B) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		1,108.63	1,199.22	1,238.18	1,079.64
(iii) Other Current Liabilities	14	427.02	595.56	1,369.61	841.98
(iv) Short-Term Provisions	15	186.44	242.31	177.62	137.49
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,238.68</b>	<b>15,098.82</b>	<b>16,972.72</b>	<b>11,484.68</b>
<b>II. ASSETS</b>					
<b>A. NON-CURRENT ASSETS</b>					
(i) Property, Plant & Equipment and Intangible Assets					
(a) Property, Plant and Equipment	16	4,709.31	4,377.36	2,962.89	2,862.83
(b) Intangible Assets	17	214.73	157.73	162.84	27.22
(c) Capital Work-in-Progress	18	556.67	889.88	1,099.34	364.04
(ii) Non-Current Investments	19	448.91	517.91	217.91	227.06
(iii) Long-Term Loans & Advances	20	36.24	212.38	384.61	2.41
(iv) Other Non-Current Assets	21	221.54	428.12	468.71	233.14
<b>B. CURRENT ASSETS</b>					
(i) Inventories	22	3,117.98	4,712.44	4,283.50	4,563.08
(ii) Trade Receivables	23	4,159.62	4,234.71	5,091.51	5,267.24
(iii) Cash & Bank Balances	24	369.63	67.48	10.71	64.11
(iv) Short-Term Loans and Advances	25	179.69	139.52	450.38	480.73
(v) Other Current Assets	26	347.97	807.64	287.93	287.27
<b>TOTAL ASSETS</b>		<b>16,238.68</b>	<b>15,098.82</b>	<b>16,972.72</b>	<b>11,484.68</b>

In per cent report of error date attached.

For Rajani and Co.,  
 Chartered Accountants  
 FRN: 0034335  
 Plot No. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

  
 V.T. Chandrasekhar  
 Managing Director  
 DIN: 00428914

  
 S. Srinivasan  
 Member Company  
 Chief Financial Officer  
 PAN / ADEPN6454K

  
 M. Srinivasan  
 Director  
 Whole Time Director  
 DIN: 01758136

  
 S. Srinivasan  
 Vice Director  
 Company Secretary  
 Membership No: 157118



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN: U25111TN2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-I, Vengal Rao, Chennai 600 055

STANDARDISED FINANCIAL STATEMENT OF PROFITS & LOSS AS RESTATED

ANNEXURE - 2

Particulars	Amn. No.	For the Year (period ended)			
		Amount in ₹ Lakhs			
		Nov 26, 2002	March 31, 2003	March 31, 2003	March 31, 2003
<b>I Income</b>					
(a) Revenue From Operations	25	9,576.83	15,199.13	21,227.34	7,663.62
(b) Other Income	26	89.14	363.69	89.44	129.49
<b>Total Revenue</b>		<b>9,665.97</b>	<b>15,562.82</b>	<b>21,316.78</b>	<b>7,793.11</b>
<b>IV. Expenditure</b>					
(a) Cost of Materials Consumed	27	5,725.83	19,819.75	8,405.52	4,092.75
(b) Changes in Inventories of Work-in-Progress & Finished Goods	28	(294.29)	(101.08)	(442.44)	(349.97)
(c) Employee Benefit Expenses	29	1,245.14	1,712.65	1,127.73	1,038.95
(d) Finance Costs	30	397.96	951.23	698.63	(574.43)
(e) Depreciation & Amortisation Expenses	31	311.73	399.71	323.34	381.34
(f) Other Expenses	32	1,583.95	1,379.89	1,335.28	953.24
<b>Total Expenditure</b>		<b>8,718.96</b>	<b>14,246.30</b>	<b>10,498.60</b>	<b>7,578.89</b>
<b>V Profit Before Exceptional and Extraordinary Items and Tax (EIT-IV)</b>		<b>947.01</b>	<b>1,316.52</b>	<b>1,018.18</b>	<b>224.22</b>
<b>VI Exceptional and Extraordinary Items</b>					
<b>VII Profit/(Loss) Before Tax (E-VI)</b>		<b>947.01</b>	<b>1,316.52</b>	<b>1,018.18</b>	<b>224.22</b>
<b>VIII Tax Expense</b>					
(a) Current Tax		281.75	217.29	281.49	99.33
(b) Deferred Tax		41.38	33.32	(14.17)	(84.25)
<b>Total Tax Expense</b>		<b>323.13</b>	<b>250.61</b>	<b>267.32</b>	<b>183.58</b>
<b>IX Profit/(Loss) for the Year (E-VII)</b>		<b>623.88</b>	<b>1,065.91</b>	<b>750.86</b>	<b>34.64</b>
<b>X Earnings per Equity Share of Rs. 10 Each</b>					
Pre - Bonus Basis					
Face		4.98	12.66	7.47	2.87
Diluted		4.98	12.64	7.45	2.85
Post - Bonus Basis					
Face		4.98	6.44	3.54	1.28
Diluted		4.98	6.39	3.49	1.24

As per our report of even date attached

For Rajani and Co.  
 Chartered Accountants  
 FRN: 0034335  
 Practising Certificate No: 002110  
 Address:  
 Partner  
 Membership Number: 22980  
 Place: Chennai  
 Date: 22.03.2014  
 TDSN: 122396030000042275

For and on behalf of the Board of Directors of  
**Emerald Tyre Manufacturers Ltd**

*V.T. Chandrasekhar*  
 V.T. Chandrasekhar  
 Managing Director  
 DIN: 00020812

*S. S. Srinivasan*  
 S. S. Srinivasan  
 Member - General  
 Chief Financial Officer  
 PAN: A2299M0442

*Shirish D*  
 Shirish D  
 Whole Time Director  
 DIN: 02730386  
 Regional Director  
 Company Secretary  
 Membership No: 107118





**Emerald Tyre Manufacturers Limited**  
 (formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111EN2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Purus Gardens, Phase-I, Vengal Rao, Chennai 600 095

STANDALONE FINANCIAL STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE - 3

Particulars	For the Year specified			
	For 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax	70.93	1,342.98	1,19.07	222.04
Adjustments for:				
Depreciated and amortisation	311.27	400.71	323.74	383.33
Profit/(loss) on sale of assets				11.18
Dividend Income	0.31	0.30	0.17	1.14
Net gain on foreign currency transactions	138.12	1,017.59	132.90	139.96
Finance Cost	(217.89)	(311.22)	(325.42)	(375.41)
Bad Debts	0.11	0.19		22.28
Current Provisions and Liabilities Provisions	0.54	21.87	31.13	1.40
Other (s)	0.00			
Operating Profit before working capital changes	1,003.42	2,069.75	1,017.81	1,078.89
Adjustments for changes in working capital				
Adjustments for (increase)/decrease in operating assets				
(Increase)/Decrease in Inventories	(401.38)	(225.72)	(222.20)	(177.02)
(Increase)/Decrease in Trade Receivables	110.80	(322.16)	(211.43)	(174.71)
(Increase)/Decrease in Short Term Loans and Advances	(23.59)	719.47	18.33	76.31
(Increase)/Decrease in Long Term Loans and Advances	11.70	136.48	(341.31)	(2.31)
(Increase)/Decrease in Other Current assets	(91.97)	47.90	(1.81)	(30.00)
(Increase)/Decrease in Other Short Current assets	88.30	(39.32)	(71.38)	(27.24)
Increase/(Decrease) in Trade and Other payables	181.67	239.43	239.15	186.71
Increase/(Decrease) in Other Current Liabilities	228.84	(704.72)	70.12	(17.67)
Increase/(Decrease) in Other Long Term Liabilities	0.24	21.20	10.28	0.00
Increase/(Decrease) in Short term provisions	31.22	(20.97)	(46.47)	80.42
Increase/(Decrease) in Long term Provisions	139.44	(13.31)	(11.70)	4.18
	87.00	(178.88)	(405.08)	(1,076.16)
Cash generated from operations	1,090.42	1,890.87	1,112.73	0.73
Income Taxes paid	(342.81)	(339.41)	(36.43)	(79.51)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>1,083.44</b>	<b>1,481.44</b>	<b>1,040.24</b>	<b>(78.78)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Capital expenditures on fixed assets, including capital leases	(771.72)	(1,474.24)	(1,714.02)	(82.49)
Proceeds from sale of fixed assets				43.87
Interest Income	0.14	0.10	0.17	15.54
Long Term Investments	(200.95)			
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(972.53)</b>	<b>(1,474.14)</b>	<b>(1,713.85)</b>	<b>(66.94)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from equity share applications received	418.92		299.15	240.25
Proceeds from issue of loans of others				200.95
Proceeds from long-term borrowings (Net of expenses)	1,009.15	7.63	127.54	240.43
Tax income - (decrease)/to working capital for working	11,893.92	1,171.49	509.75	262.56
Finance cost	(487.00)	(481.22)	(448.82)	(474.41)
Dividend paid including tax			(37.47)	(77.60)
<b>NET CASH CRED IN FINANCING ACTIVITIES (C)</b>	<b>1,044.99</b>	<b>426.90</b>	<b>122.95</b>	<b>134.89</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>111.91</b>	<b>107.30</b>	<b>(47.61)</b>	<b>(105.03)</b>
Opening Cash and Cash Equivalents	17.00	11.71	14.11	12.71
<b>CLOSING CASH AND CASH EQUIVALENT</b>	<b>128.91</b>	<b>119.01</b>	<b>(33.50)</b>	<b>(92.32)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH THE BALANCE SHEET</b>				
Cash & cash equivalent as per Balance Sheet	128.91	119.01	(33.50)	(92.32)

As per our report of even date attached

For Rajani & Co.  
 Chartered Accountants  
 FRN: 0034335  
 Firm Registration No: 600249  
 Mgr: [Signature]  
 Partner  
 22/05/2024  
 22/05/2024  
 22/05/2024  
 22/05/2024

For and on behalf of the Board of Directors of  
 Emerald Tyre Manufacturers Limited

V.T. Chandrasekaran  
 Managing Director  
 097-8623811

S. Srinivasan  
 Member of Board  
 Chief Financial Officer  
 PAN: AAZP9454G

[Signature]  
 Whole Time Director  
 043-86731166

[Signature]  
 Naga Venkta Pragas  
 Company Secretary  
 Member No: 35738



**Emerald Tyre Manufacturers Limited**  
 Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd  
 CIN:U25111EN2002PLC04660  
 EMERALD HOUSE, Plot No.2, Second Street, Perur Gardens, Phase-I, Vengaloor, Chennai 600 095

**DISCLOSURE ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS**

ANNEXURE - 4

**A. ACCOUNTING POLICY**

Emerald Resilient Tyre Manufacturers Private Limited (hereinafter referred to as the Company) during CIN:U25111EN2002PLC04660 incorporated on 27th March 2002 under the provisions of the Companies Act, 1956, and having its registered office at Emerald House, Plot No.2, 2nd Street, Perur Gardens, Phase-I, Vengaloor, Chennai - 600 095. The Registered Office has changed from KRC House No 1, 96 East Coast Road, Adyar, Chennai 600029 vide resolution dated 11.11.2021.

The company's name changed from Emerald Resilient Tyre Manufacturers Private Limited to Emerald Resilient Tyre Manufacturers Private Limited vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on 10/07/2022. Subsequently, the company's name changed from Emerald Resilient Tyre Manufacturers Private Limited to Emerald Resilient Tyre Manufacturers Private Limited (Company) vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on 21/11/2022 and the name was changed from Emerald Resilient Tyre Manufacturers Private Limited (Company) to Emerald Resilient Tyre Manufacturers Ltd.

Subsequently, the name special resolution was passed vide 11/08/2024 and the name of the Company was changed from Emerald Resilient Tyre Manufacturers Ltd to Emerald Tyre Manufacturers Limited (the Company) in the "Share" part of the Registrar of Companies, Chennai with Corporate Identification Number U25111EN2002PLC04660.

The Company is engaged in the business of manufacturing various types of all categories, steel Rim of all Grades, Split Rims, single piece Rims and Multisize Rims, Automotive Casting Wheels and Cast Iron Wheels and Rims for all Motor, Handing and other applications, and Hydraulic Presses, and other machinery used in the manufacture of Tyres and Rims and Rubber Moulded goods including retreading of Tyres of all categories. Retreading, Remoulding of solid and Pneumatic Tyres, Solid Inner Tyres, Age Supplement Tyres, Mail Lanes, Press-on Band Tyres, ABS Tyres, Van Wheel Assemblies, Rubber Mats, Rubber Treads and Fabrications of Tires, Wheels and all other average Rubber products of Automotive vehicles and of Rubber Moulded goods made of natural and synthetic rubber and other moulded products made of Polyethylene, PPS, PE and other resins and chemicals.

**Accounting Policy**

**Basic principles:**

The financial statements of Emerald Tyre and Resilient of the Company as at 30th November 2023, 31st March 2023, 31st March 2022 and 31st March 2021 and the related necessary statement of retained profit and loss and cash flows for the period ended 30th November 2023, year ended 31st March 2023, 31st March 2022 and 31st March 2021 (collectively referred to as the "Financial statements") have been prepared specifically for the purpose of compliance with the disclosure to be filed by the Company in accordance with the proposed revised Public Company (Disclosure) Rules, 2017.

The financial statements have been prepared by applying accounting principles applied to the financial statements of Emerald Tyre and Resilient of the Company. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles as laid down in Indian Accounting Standards (Ind AS) as applicable to the Company. The financial statements of the Company have been prepared in accordance with the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (the "Act"), as applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI Regulations"). The financial statements have been prepared on a normal basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are summarised as follows:

**Use of estimates:**

The preparation of the financial statements in accordance with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, inventory losses, post-retirement benefits and the useful lives of Property, Plant and Equipment and intangible assets.

**Revenue recognition:**

Revenue is recognised only when risks and rewards associated to ownership are transferred to the customer. It can be reliably measured and it is reasonable to expect collection. Revenue from operations includes sale of goods, services, interest on loan, dividend and other income earned over period, adjusted by discounts given and paid and on corresponding budget amounts.

Revenue is recognised when the performance obligation is satisfied and when there is no uncertainty on the measurement of collectibility of consideration. Revenue is from sales of Tyres and Rims.

Revenue is recognised in the amount that is probable that the consideration will flow to the Company and the revenue can be reliably measured in accordance with IAS-18, Revenue Recognition. Sales are recognised on normal basis, and only after transfer of ownership to the customer.

Revenue from services provided under fixed price contracts, where the revenue can be estimated reliably, is recognised following the proportionate completion method, where revenue is recognised in proportion to the progress of the contract activity. The progress of the contract activity is usually determined as a percentage of work measured up to the balance sheet date, which bears to the total work. Also estimated for the contract.

Revenue on time-based contract services are recognised as the related services are performed and the revenue from the end of the last billing to the balance sheet date are recognised as bill and collect.

Interest income is recognised on the time proportion basis after taking into account the amount outstanding and the rate applicable.

Other Income: Other types of income and expenditure are recognised on normal basis unless a specific accounting policy and the accounting policies are consistent with the generally accepted accounting policies.

**Property, Plant and Equipment including Intangible Assets:**

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes cost of expenditure (including interest cost, freight, installation cost, duties and taxes) and other incidental or primary incurred up to the installation stage, related to such acquisition. Property, Plant and Equipment are valued at fair value less any impairment or depreciation. Low value asset is recognised on the date of purchase.

Intangible assets that are acquired by the Company are measured at cost or fair value less impairment, as applicable. Intangible assets include all intangible assets, including computer software, accumulated copyright fees.

Intangible assets are measured at a straight-line basis over the estimated useful life as specified in Schedule II of the Companies Act 2013. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. In respect of the assets held during the year, amortisation is provided from the beginning of the year till the date of its disposal.

**Impairment of assets:**  
 The Management periodically examines long-term and intangible assets, whether there is an indication that an asset may be impaired. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost to sell and value in use, which states the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The level of impairment loss is recognised immediately as expense in the profit and loss account.

**Use of estimates:**

The preparation of the financial statements in accordance with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, inventory losses, post-retirement benefits and the useful lives of Property, Plant and Equipment and intangible assets.

**Foreign currency transactions:**

**Domestic Operations:**

**1. Initial recognition:**

A foreign currency transaction is recorded on initial recognition in the reporting currency. In respect of the foreign currency, revenue the exchange rate between the reporting currency and the foreign currency in the date of the transaction.

**2. After recognition:**

Foreign currency monetary items are recognised using the closing rate.  
 Non-monetary items which are stated in terms of historical cost are measured at a foreign currency recognised using the exchange rate at the date of the transaction.  
 Non-monetary items which are stated at fair value or other values are measured at a foreign currency recognised using the exchange rate that existed when the values were determined.



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN-0251112ND02PLC048665

EMERALD HOUSE, Flat No.2, Second Street, Parvur Gardens, Phase-I, Vanagararam, Chennai 600 095

**III. Treatment of Foreign exchange:**

Exchange differences arising on settlement of foreign currency monetary assets and liabilities of the Company are recognized as income or expenses in the Statement of Profit and Loss.

**Employee Benefits:**

**A. Short-term employee benefits:**

**Leave encashment:**

The leave encashment liability upon retirement would accrue to the accumulated leave or unutilized leave and accumulated at cost.

**B. Post-Employee's benefits:**

**Defined benefit plan:**

The Company provides for Gratuity, a Defined benefit plan (The Gratuity Fund covering eligible employees in accordance with provisions of Gratuity Act, 1972) of which liability is a defined benefit obligation and is funded through UL of India. The Company accounts for liability for this gratuity benefit based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year.

**Defined contribution Plan:**

Provident Fund: Eligible employees have a benefit from provident fund account under the Provident Fund Act. Both the employee and the company make monthly contributions. The employee contribution is charged to the Profit & Loss Account as an expense.

**Taxes on Income:**

Provision for income tax is made in accordance with the provisions of the Income Tax Act, 1961.

**A. Current Tax:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

**B. Deferred Tax:**

Deferred tax is recognized, subject to the consideration of prudence, as the net effect of timing differences between the taxable income and accounting income computed for the current accounting year using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized, and carried forward to the extent that there is a reasonable certainty, excepting from tax benefits depreciation and limited Emerald Loans, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**Provisions and Contingent Liabilities:**

A provision is recognized if, as a result of past event, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligation at the reporting date. Where an reliable provision can be made, a liability must be made as contingent liability. A liability must be a contingent liability in this sense where there is a present obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or present obligation or expense or liability the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Earnings Per Share:**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Diluted potential equity shares are diluted and included as at the beginning of the period, unless issued at a later date. Diluted potential equity shares are determined independently for each period presented.

**Operating Costs:**

Costs which are directly attributable or can be allocated to all the units and benefits of each step of the business, are classified as operating costs. Operating costs are recognized as an expense in the Profit and Loss Account as a chargeable item.

**Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and cash deposits held banks. The Company considers all highly liquid investments with a original maturity of a date of purchase of three months or less and that are readily convertible to known amounts of cash as cash equivalents.

**Cash Flow Statement:**

Cash flows are reported using the direct method, whereby net profit less adjustments for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Intangibles:**

Intangibles which are readily saleable and essential to be held for no more than one year from the date on which such intangibles are made, are classified as current intangibles. All other intangibles are classified as long-term intangibles.

**ANNEXURE TO RELATED STANDALONE FINANCIAL STATEMENT**

**ADDITIONAL NOTES TO RELATED STANDALONE FINANCIAL STATEMENTS - REGULATORY NOTES**

ANNEXURE - 8

**Adjustments having an impact on Profit Method Reversing**

Appropriate adjustments have been made in the related summary statements, wherever required, by a reclassification of the corresponding items of Income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the specified financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities Exchange Board of India (Disclosure of Capital & Development Requirements Regulations, 2018) as amended.

**Reconciliation of Profit:**

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Profit after tax, as per consolidated financial statements, as reported in the Profit and Loss Account	185.97	308.76	407.46	334.38
Provision for Leave Encashment	31.39	2.15	17.43	18.25
Provision for Gratuity	(18.20)	1.85	4.24	4.75
Difference in Exchange Rate Conversion	(128.31)	218.36	-	-
Change in Depreciation	51.89	(17.93)	-	-
Change in Depreciation	19.41	(11.11)	20.78	2.33
Impact of Inflation/Deflation	16.31	7.84	-	9.14
Interest on late payment of taxes	40.17	(11.95)	(21.71)	18.25
Provision for Tax	(67.51)	34.17	40.77	27.11
Provision for Deferred Tax	16.29	3.75	(9.08)	(4.75)
<b>Net adjustment to Profit and Loss Account</b>	<b>171.28</b>	<b>446.62</b>	<b>32.78</b>	<b>22.08</b>
Adjusted Profit after Tax	357.25	755.38	440.24	356.46
<b>Net Profit after Tax as per Restricted Accounts</b>	<b>357.25</b>	<b>755.38</b>	<b>440.24</b>	<b>356.46</b>

**Notes for Reconciliation:**

- Provision for Leave Encashment - The company did not have a provision for accumulation of leave in previous years. The same has been created after receiving a Valuation by an Actuary.
- Gratuity - The Company has recognized Gratuity as per the Valuation derived from UL of India on pay roll basis. The same has been revised after third party actuary Valuation carried out in July 2021.
- Impact of Exchange Rate Conversion - Increase in Exchange rate in November 2020 has the same bearing as it is pertaining to FY 2020-2021 (2020-21) financial year.
- Difference in Exchange Rate Conversion - Reversing the Foreign Exchange Conversion for FY 2020-2021 pertaining to Outstanding Trade Receivables.
- Change in Depreciation - Change in Profit and Loss due to EBIT as a Change in the Useful life of Assets.
- Impact of Inflation/Deflation - Reversal of EBIT due to Change in the Useful life of Assets.
- Interest on late payment of taxes - Interest related to Income Tax as per the provision also noted by ICAI.
- Provision for Tax - The Change is due to consolidation of the prior years.
- Provision for Deferred Tax - The Change is due to consolidation of the prior years (Year 1 to Year 3).





**Emerald Tyre Manufacturers Limited**  
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 CINC02511FN202PLC000605  
 EMERALD HOU SE, Plot No.2, Second Street, Power Gardens, Phase-I, Vengal Rao, Chennai 600 095

**Reconciliation of Equity:**

Particulars	Amount in ₹ Lakhs			
	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
<b>Equity as per Audited Financial Statements</b>	<b>3,559.18</b>	<b>4,767.20</b>	<b>4,887.50</b>	<b>3,845.65</b>
Opening Difference in amount of depreciation	(70.59)	88.97	(57.58)	-
Opening Provision for Deferred Tax	-	-	-	(12.31)
Opening Provision for bonus mandatorily provided	-	-	-	(7.91)
Opening Provision for gratuity recognized	-	-	-	(11.82)
Interest on late payment of taxes expense for prior years	-	-	-	7.18
Changes in profit in loss	-	-	-	(1.41)
Net adjustment to Equity	(71.59)	88.97	(57.58)	(27.18)
Adjusted Equity	3,559.18	4,767.20	4,887.50	3,845.65
<b>Equity as Reported</b>	<b>3,559.18</b>	<b>4,767.20</b>	<b>4,887.50</b>	<b>3,845.65</b>

**Notes for Reconciliation:**

- Provision for Leave Encumbrance:** The company did not have a provision for accumulation of leaves in prior years. The same has been created (Rs. 500 Lakhs) Valuation to be as per.
- Gratuity:** The Company has recognized Gratuity as per the Valuation received from (Rs. 5) of funds on payment basis. The same has been created after Third Party valuation received against liability.
- Interest on late payment of taxes expense for prior years:** The Change to due in consideration of the prior years.
- Deferred Tax:** The Change to due in consideration of the prior years (Point 1 to Point 4 of Reconciliation of Profit and Loss).
- Changes in Profit and Loss:** The Change to due in consideration of the prior years (Point 1 to Point 4 of Reconciliation of Profit and Loss).

**STATEMENT OF SHARE CAPITAL AS RESTATED**

Amount in ₹ Lakhs

Particulars	Amount in ₹ Lakhs			
	As at Nov 30, 2021	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
<b>Authorized Share Capital</b>				
1,25,00,000 Equity Shares of Rs 10/- each (Under Share 1)				
7,50,000 15% Convertible Non-Convertible Redeemable Preference Share of Rs 100/- each (Under Sub 1)	1,100.00	1,100.00	1,100.00	1,100.00
<b>Issued, Subscribed &amp; Paid Up</b>				
14,13,262 Equity Shares of Rs 10/- each fully paid (Under Share 2 & 3)	1,413.26	1,413.26	1,413.26	1,413.26
2,00,000 15% Convertible Non-Convertible Redeemable Preference Share of Rs 100/- each (Under Share 3)	200.00	200.00	200.00	200.00
<b>Total</b>	<b>3,813.26</b>	<b>3,813.26</b>	<b>3,813.26</b>	<b>3,813.26</b>

Note 1: Authorized capital increased from 1,25,00,000 equity shares to 1,58,00,000 Equity shares held at last date (19/03/2022) with members resolution and approval on 18/03/2022.

Note 2: The Company has declared bonus Shares to the Members Meeting held on 25/11/2021 on the date of 1 Equity shares of Rs 10/- each for every 5 Equity Shares of Rs 10/- each held.

Note 3: The Company on its Members Meeting held on 18/03/2022 has approved to convert the remaining Convertible Redeemable Preference Shares of ₹ 200 Lakhs into 1,00,000 Equity Shares of ₹ 10/- for the Share including Provision of ₹ 1.00 for the Share on per the terms agreed.

(In Nos.)

Particulars	Amount in ₹ Lakhs			
	As at Nov 30, 2021	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
<b>Equity Shares*</b>				
At the beginning of the year	67,68,495	67,68,495	62,17,324	76,80,814
Issued during the year	71,72,110	-	2,72,665	3,07,864
Shares bought back during the year	-	-	-	-
<b>Total Outstanding at the end of the year</b>	<b>1,39,40,605</b>	<b>67,68,495</b>	<b>64,89,989</b>	<b>80,47,678</b>

**\* Equity Shares attached to Equity Shares**

The company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders at the meeting (except Open Market Buyback except if vote of shares is held) in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after satisfaction of all preferred securities in proportion to their shareholding.

**Details of shareholders holding more than 5% of shares:**

Name of Shareholder	As at Nov 30, 2021		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
	No. of shares Held	% Holding	No. of shares Held	% Holding	No. of shares Held	% Holding	No. of shares Held	% Holding
Equity shares of Rs. 10 each fully paid-up								
T. Sangeetha	17,81,000	12.8%	9,50,000	14.0%	28,89,314	44.5%	28,89,314	35.9%
T. Ramesh	6,80,000	4.9%	3,43,800	5.1%	14,41,059	22.1%	14,47,059	18.1%
M. T. Chandrasekaran	68,73,548	49.3%	34,37,074	50.6%	9,64,719	14.9%	9,64,719	12.1%
Ka.Ramesh Srinivasan	4,13,191	2.9%	1,17,149	1.7%	-	-	-	-
Shrikanth Trading Company	-	-	-	-	4,22,000	6.4%	4,22,000	5.3%
Equilateral Global Securities Pvt Ltd	27,83,864	20.0%	-	-	-	-	-	-
<b>Total</b>	<b>1,39,40,605</b>	<b>100.0%</b>	<b>71,40,623</b>	<b>100.0%</b>	<b>45,81,674</b>	<b>100.0%</b>	<b>45,89,678</b>	<b>100.0%</b>

**Details of Shareholding of Promoters:**

Name of Promoter	As at Nov 30, 2021		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
	No. of shares Held	% Holding	No. of shares Held	% Holding	No. of shares Held	% Holding	No. of shares Held	% Holding
Equity shares of Rs. 10 each fully paid-up								
T. V. T. Chandrasekaran	68,73,548	49.3%	34,37,074	50.6%	9,64,719	14.9%	9,64,719	12.1%
T. Sangeetha	17,81,000	12.8%	9,50,000	14.0%	28,89,314	44.5%	28,89,314	35.9%
<b>Total</b>	<b>86,54,548</b>	<b>62.1%</b>	<b>43,87,074</b>	<b>61.6%</b>	<b>38,54,033</b>	<b>84.4%</b>	<b>38,54,033</b>	<b>47.6%</b>

\* The % change during the period is taken after the issue of bonus shares. The % change does not show the share structure change of share purchase during the period.



**Emerald Tyre Manufacturers Limited**  
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 CIN-529111N2802PLC00668  
 EMERALD HOUSE, Flat No.2, Second Street, Park Garden, Phase-I, Vengal Rao, Chennai-600 005

STATEMENT OF RESERVE AND SURPLUS AS RESTATED

ANNEXURE -7

Particulars	Amount in ₹ Lakhs			
	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
<b>(A) Securities Premium Account</b>				
Opening Balance	1,891.79	1,891.79	798.13	439.43
Add: Additions during the year**	338.23	-	212.07	369.59
Less: Transferred to Other Reserves (Dividend, Bonus, etc.)	(236.71)	-	-	-
<b>Closing Balance</b>	<b>1,993.31</b>	<b>1,891.79</b>	<b>1,010.20</b>	<b>798.43</b>
<b>(B) General Reserve</b>				
Opening Balance				
Add: Additions during the year	221.89	221.89	221.89	181.89
Less: Transferred to Other Reserves (Dividend, Bonus, etc.)	-	-	95.98	-
<b>Closing Balance</b>	<b>221.89</b>	<b>221.89</b>	<b>221.89</b>	<b>181.89</b>
<b>(C) Capital Redemption Reserve Account</b>				
Opening Balance				
Add: Transfer from Reserve and Surplus	798.00	798.00	-	-
Less: Transferred to Other Reserves (Dividend, Bonus, etc.)	-	-	798.00	-
<b>Closing Balance</b>	<b>798.00</b>	<b>798.00</b>	<b>798.00</b>	<b>-</b>
<b>(D) Debenture Redemption Reserve Account</b>				
Opening Balance				
Add: Transfer from Reserve and Surplus	-	-	-	-
Less: Transferred to Fund of Reserve	-	-	10.00	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>10.00</b>	<b>-</b>
<b>(E) Reserves</b>				
Opening Balance	2,499.89	2,499.89	1,768.96	1,399.44
Add: Additions during the year	517.21	517.19	331.19	151.49
Less: Transferred to Other Reserves (Dividend, Bonus, etc.)	-	-	127.47	(17.80)
Less: Opening Depreciation adjustment	-	-	-	(11.32)
Less: Adjustments of retained tax	-	-	-	(5.97)
Less: Adjustments of cost of investments	-	-	-	(5.97)
Less: Adjustments of liability	-	-	-	(11.49)
Less: Interest expense accrual	-	-	-	7.19
Less: Transferred to Provisional Share Redemption Reserve	-	-	-	(1,475)
Less: Transferred to Debenture Redemption Reserve	-	-	(10.00)	-
<b>Closing Balance</b>	<b>3,017.10</b>	<b>3,016.98</b>	<b>1,641.68</b>	<b>1,768.96</b>
<b>Total</b>	<b>4,511.69</b>	<b>4,282.86</b>	<b>2,661.87</b>	<b>2,739.89</b>

\*\*The Company at its Members Meeting held on 18th March 2021 has proposed to convert the outstanding Compulsory Convertible Debenture account of ₹ 210 Lakhs into 1,52,500 Equity Shares of ₹ 1.40 per Share (including Premium of ₹ 1.00 per Share). The total Premium amount is ₹ 210 Lakhs.

STATEMENT OF LONG-TERM BORROWINGS AS RESTATED

ANNEXURE -8

Particulars	Amount in ₹ Lakhs			
	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
<b>Secured</b>				
<b>(A) Term Loans</b>				
1. From Banks (State 1)	177.00	542.80	177.00	171.34
2. From NBFC (State 1)	1,192.18	391.11	1,173.00	76.75
<b>Unsecured</b>				
<b>(B) Compulsory Convertible Debentures**</b>				
3 year 10% Compulsory Convertible Debentures (CCD)	-	-	-	560.00
5 year 10% Non-Convertible Debentures (NCD)	-	-	-	-
10 year 10% Compulsory Convertible Debentures (CCD) of ₹ 200 each	200.00	250.49	200.00	200.00
Each CCD will be converted into one equity share of ₹ 1.40 each together with a premium of 10% per equity share at the end of term (not) from the date of allotment				
<b>(C) Term Loans</b>				
1. From Banks (State 1)	81.72	121.90	111.51	111.51
2. From MFC (State 1)	1,471.91	1,946.70	1,311.54	864.34
<b>Total</b>	<b>1,650.69</b>	<b>2,461.29</b>	<b>1,600.04</b>	<b>2,046.69</b>
Less: Current Maturity of Long Term Loans	79.18	1,169.21	1,170.97	104.51
<b>(Refer Annexure - II Below)</b>				
<b>Total</b>	<b>1,571.51</b>	<b>1,292.08</b>	<b>429.07</b>	<b>1,942.18</b>

\*\*The Company at its Members Meeting held on 18th March 2021 has proposed to convert the outstanding Compulsory Convertible Debenture account of ₹ 210 Lakhs into 1,52,500 Equity Shares of ₹ 1.40 per Share (including Premium of ₹ 1.00 per Share) per the proposed.



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 CIN (U25111TN2002PLC049665)

EMERALD HOUSE, Plot No.2, Second Street, Parvati Gardens, Phase-1, Vanagaram, Chennai 600 095

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS**

Table 1

Particulars	Term of Repayment	Rate of Interest	No of DDs (Installments)	Installment Amount (Rs. In Lakhs)	Maturity Date	Outstanding (Rs. in Lakhs)	Nature of Security / Pledge
<b>Secured Term Loans</b>							
Guaranteed Equipment Credit Line Card	36 Months	8%	36	17.25	2019-2024	178.00	Bank Pledge (A/B)
Guaranteed Equipment Credit Line Card	36 Months	8%	36	11.51	2019-2021	88.58	Bank Pledge (A/B)
Bank Overdraft - Term Loan	36 Months	11%	36	9.77	05/10/2024	498.00	Bank Pledge (A/B)
Term Capital Finance Services Ltd	60 Months	11%	37	32.33	4/10/2022	384.87	Bank Pledge (A)
Stansham Finance Intermediation & Services Pvt Ltd	24 Months	20%	24	20.45	15/01/2021	88.00	Bank Pledge (A)
Stansham Finance Intermediation & Services Pvt Ltd	24 Months	20%	16	20.85	05/04/2021	280.31	Bank Pledge (A)
<b>Car Loans</b>							
Korak Motors Private Ltd	60 Months	8%	50	1.88	05/08/2021	79.71	Vehicle
Korak Motors Private Ltd	36 Months	8%	11	0.38	04/07/2020	16.30	Vehicle
Korak Motors Private Ltd	60 Months	8%	27	0.91	06/09/2020	39.44	Vehicle
Korak Motors Private Ltd	36 Months	8%	13	0.38	06/09/2020	11.11	Vehicle
Korak Motors Private Ltd	36 Months	8%	13	0.38	06/09/2020	11.41	Vehicle
<b>Unsecured Loans</b>							
<b>From Banks</b>							
Korak Motors Bank Loan	36 Months	11%	36	1.78	01/06/2020	28.11	Unsecured
Union Small Finance Limited Bank	36 Months	8%	36	1.75	04/07/2020	89.91	Unsecured
Vidya Devi Loan	36 Months	8%	36	1.52	04/07/2020	23.48	Unsecured
<b>SBIs/Co</b>							
Aditya Birla Finance Ltd	36 Months	8%	11	4.07	05/01/2021	44.82	Unsecured
ICICI Capital Services Pvt Ltd	36 Months	11%	36	2.07	01/06/2020	24.38	Unsecured
L&T Finance Limited	24 Months	11%	11	1.74	04/01/2021	23.41	Unsecured
Mangrova	24 Months	8%	12	1.38	05/11/2020	17.36	Unsecured
Chennai Finance Services P Ltd	12 Months	8%	2	7.43	05/11/2020	91.88	Unsecured
Shree Aardra Mega Multi Term Loan 2	36 Months	11%	4	4.82	15/06/2021	31.11	Unsecured
Shree Aardra Mega Multi Term Loan 3	36 Months	11%	4	20.08	15/06/2021	81.78	Unsecured
Shree Aardra Mega Multi Term Loan 4	36 Months	11%	4	20.08	15/06/2021	81.78	Unsecured
Shree Aardra Mega Multi Term Loan 5	36 Months	11%	4	31.02	08/07/2021	134.88	Unsecured
Term Capital Finance - BR 1	36 Months	11%	36	1.23	01/06/2020	20.66	Unsecured
Term Capital Finance - BR 2	36 Months	11%	28	13.82	08/07/2021	213.31	Unsecured
Term Capital Finance - BR 3	36 Months	12%	28	4.98	05/04/2021	71.34	Unsecured
Term Capital Finance BR 3	36 Months	12%	11	7.18	15/07/2021	172.22	Unsecured
Term Capital Finance BR 3	36 Months	12%	36	13.88	08/12/2021	286.88	Unsecured
Transtech Finance Services Pvt Ltd	24 Months	20%	4	2.11	01/06/2020	89.91	Unsecured
Carolina Global Corporation Inc	12 Months	20%	4	8.89	26/01/2021	23.86	Unsecured
Equinox Global Finance Pvt Ltd	36 Months	20%	4	49.08	17/11/2021	221.27	Unsecured

Notes:  
 (i) The figures disclosed above are based on the Memorandum of Association and Articles of Association of the Company.  
 (ii) The rate of interest given above are as agreed with the lenders on the respective facility letters.  
 (iii) The above includes interest on borrowings that will accrue interest and the overall maintenance of long-term borrowings included in other interest liabilities.

Table 2  
 The above has to include party has to specify name bank schedule has to be provided.

**STATEMENT OF DEFERRED TAX LIABILITIES AS RESTATED**

ANNEXURE - 8

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Opening Balance (Rs.)	271.89	249.77	238.44	202.13
Provision for Depreciation as per Companies act, 2013 and as per Income tax act, 1961	31.22	34.78	110.49	134.25
The Amount of expense disallowed under section 179A, 179B	87.01	6.54	1.83	8.87
<b>Total</b>	<b>390.12</b>	<b>291.09</b>	<b>350.76</b>	<b>345.25</b>

**STATEMENT OF OTHER LONG TERM LIABILITIES AS RESTATED**

ANNEXURE - 9

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Deposits from Debtors	178.79	141.38	110.89	78.41
<b>Total</b>	<b>178.79</b>	<b>141.38</b>	<b>110.89</b>	<b>78.41</b>

**STATEMENT OF LONG TERM PROVISIONS AS RESTATED**

ANNEXURE - 10

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Provision for Loss on Investments	17.80	18.18	15.44	18.80
<b>Total</b>	<b>17.80</b>	<b>18.18</b>	<b>15.44</b>	<b>18.80</b>

**STATEMENT OF SHORT TERM BORROWINGS AS RESTATED**

ANNEXURE - 11

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
<b>Secured</b>				
(a) Finance Institutions of Long-term borrowings (Note 11)	178.77	168.66	151.11	221.36
<b>Short Term Borrowings - Deposits in Demand</b>				
(i) Cash Credit	172.86	198.25	112.84	112.41
(ii) Current Payable Credit	2,540.41	2,438.14	1,889.78	1,918.92
(iii) Short Term Loans	178.00	178.00	181.11	-
(iv) 12% payable short-term	397.11	398.42	400.00	398.02
(v) Bills Discounting Facilities	-	-	-	26.27
<b>Unsecured</b>				
(a) Current Maturity of Long-term borrowings (Note 11 & 12)	407.78	1,528.66	1,830.81	703.40
(b) Loans from Banks/Debtors	397.38	197.38	197.25	471.98
<b>Total</b>	<b>4,284.44</b>	<b>5,812.47</b>	<b>4,182.19</b>	<b>4,513.12</b>





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Roadwear Tyre Manufacturers P Ltd, Emerald Roadwear Tyre Manufacturers P Ltd & Emerald Roadwear Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC040665  
 EMERALD HOUSE, Flat No.2, Second Street, Park Gardens, Phase-I, Vazhagiri, Chennai-600 035

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS**

Particulars	Terms of Repayment	Rate of Interest	No of SSI Borrowings	Repayment Amount (Rs. In Lakhs)	Current Maturity (Rs.)	Nature of Security/pledge
<b>Secured Term Loans*</b>						
Unsecured Emergency Credit Line	36 Months	9.25%	1	13,177.5	38.53	Bank Pledge (a & b)
Unsecured Emergency Credit Line	36 Months	9.25%	1	11,900.00	34.04	Bank Pledge (a & b)
Term Capital Deposits Services Ltd	48 Months	11.50%	27	32,334.00	181.84	Bank Pledge (a)
Statebank Financial Institutions & Services Pvt Ltd	33 Months	20.00%	3	25,477.0	48.00	Bank Pledge (a)
Statebank Financial Institutions & Services Pvt Ltd	24 Months	20.00%	6	20,000.0	54.46	Bank Pledge (a)
<b>Car Loans</b>						
State Machine Parts Ltd	36 Months	8.00%	38	1,591.0	8.91	Vehicle
State Machine Parts Ltd	36 Months	8.00%	35	1,505.0	1.87	Vehicle
State Machine Parts Ltd	36 Months	8.00%	17	6,594.0	1.36	Vehicle
State Machine Parts Ltd	36 Months	8.00%	19	6,384.0	1.21	Vehicle
State Machine Parts Ltd	36 Months	8.00%	18	6,480.0	1.21	Vehicle
<b>Financial Leases</b>						
<b>Bank Loans</b>						
State Machine Parts Ltd	36 Months	11.00%	14	2,750.0	3.00	Unsecured
Term Bank Loan	36 Months		10	1,421.04	4.47	Unsecured
Charity Small Finance Limited Bank	36 Months				1.18	
<b>SBFCs</b>						
Atulya Saha Finance Ltd	33 Months	10.00%	21	4,866.0	5.11	Unsecured
Shree Capital Services Pvt Ltd	33 Months	10.00%	23	3,867.0	7.63	Unsecured
J & T Finance Limited	33 Months	10.00%	19	1,544.0	5.77	Unsecured
Megacorp	24 Months	18.00%	12	1,080.0	5.50	Unsecured
Optima Finance Services Pvt Ltd	33 Months	18.00%	2	1,020.0	1.99	Unsecured
Super Asia Finance	36 Months	17.00%	3	4,424.0	19.11	Unsecured
Super Asia Finance	36 Months	17.00%	3	26,082.0	38.78	Unsecured
Super Asia Finance	36 Months	17.00%	3	26,082.0	38.78	Unsecured
Super Asia Finance	36 Months	17.00%	4	31,022.0	134.36	Unsecured
State Capital Finance Limited	36 Months	17.00%	15	2,347.0	1.88	Unsecured
State Capital Finance Limited	36 Months	17.00%	20	17,247.0	31.91	Unsecured
State Capital Finance Limited	36 Months	17.00%	23	4,217.0	19.23	Unsecured
State Capital Finance Limited	36 Months	17.00%	21	7,280.0	21.27	Unsecured
State Capital Finance Limited	36 Months	17.00%	26	11,180.0	31.45	Unsecured
Prudential Financial Services Pvt Ltd	24 Months	20.00%	8	2,547.0	9.19	Unsecured
<b>Current Liabilities from State Bank of India</b>						
Cash Credit	36 Months	11.00%			175.80	Bank Pledge (a & b)
Against Cheques Issued	36 Months	11.00%			2,308.47	Bank Pledge (a & b)
Bank City Loan	36 Months	11.00%			170.80	Bank Pledge (a & b)
LC payable (Other than)	36 Months	11.00%			305.11	Bank Pledge (a & b)

- \* Term Loans from SBI are secured by:-
1. Equitable Mortgage by deposit of the deeds of the plots of 100 sq ft & 100 sq ft of the 100 & 100 sq ft of Emerald Ltd at Plot 1 & 2, S.P.P. Sports Industrial Complex, Guindy, Chennai.
  2. Equitable Mortgage over the plot (to be constructed) on Industrial Land measured above.
  3. Hypothecation of Plant & Machinery owned & to be received out of term loans.
- \* The Term Loans from SBI are also collaterally secured by:-
4. Hypothecation of movable fixed assets belonging to the company.
  5. Equitable Mortgage by deposit of the deeds of 100 sq ft land and residential house situated at 11, South Coast, Mount Road, Adyar, Chennai in the name of M V Thirupathi.
  6. Pledge of 370,000 shares of the face value of Rs. 10 each of Emerald Roadwear Tyre Manufacturers P Ltd, owned by M V Thirupathi and his family members.
  7. Hypothecation of all other fixed assets of the company (plant & fixtures).
- \* Personal Guarantees of M V Thirupathi, M V Karande, M V T Chandrabudhan & M V T Srinivas.
- \* Bank Borrowings are secured by way of hypothecation of all the Current Assets of the company. The current loans are additionally secured by the additional securities given to the Term Loans provided to the SBI. The loans are also secured by the Personal Guarantees of M V Thirupathi, M V Karande, M V T Chandrabudhan & V T Srinivas.
- \* The present Finance from State Capital Deposits Services Limited (SCDS) are secured by Hypothecation of Machinery furnished out of TCFE, Plant and other fixed & movable personal guarantees of M V Thirupathi, M V Karande and M V T Chandrabudhan.
- \* All Short-term loans are secured by way of hypothecation of all the Current Assets of the company. Personal Guarantees of M V Thirupathi, M V T Chandrabudhan, M V T Karande, M V T Srinivas.

**STATEMENT OF TRADE PAYABLES AS RESTATED**

ANNEXURE -12

(Amount in ₹ Lakhs)

Particulars	As at Mar 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023
(a) M/SME	509.91	375.29	514.79	114.83
(b) Others	507.81	1,011.90	591.88	1,042.91
(c) Disputed dues - M/SME	-	-	-	-
(d) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>1,017.72</b>	<b>1,387.19</b>	<b>1,106.67</b>	<b>1,157.74</b>

Revisions as required by MIBED Act, 2006

(Amount in ₹ Lakhs)

Particulars	As at Nov-30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023
(i) (a) The principal interest (including any amount repaid to an obligor) as at the end of accounting year	798.50	479.29	744.76	1,048.81
(i) (b) The interest due (including any amount repaid to an obligor) as at the end of accounting year	-	-	-	-
(ii) The amount of amount paid by the borrower under MIBED Act, 2006 (including with the consent of the principal lender to the obligor) as at the end of accounting year	-	-	-	-
(iii) The amount of interest due and payable for the period within the principal has been paid but interest under the MIBED Act, 2006 (not paid)	-	-	-	-
(iv) The amount of interest accrued and amount repaid at the end of accounting year	-	-	-	-
(v) The amount of interest accrued due and payable over the accounting year, with each date when the interest does not accrue but actually paid to the lender (including for the purpose of discharge) as a deductible expenditure under section 23 of MIBED Act, 2006	-	-	-	-

\*Trade Payables ageing schedule for the Period ended Nov. 30, 2022

(Amount in ₹ Lakhs)

Particulars	Year Due	Outstanding for following periods from due date of payment				Total
		< 1 Year	1 - 1 Year	1 - 3 Years	> 3 Years	
(a) M/SME	514.79	274.69	-	-	-	514.79
(b) Others	591.88	260.49	-	-	-	591.88
(c) Disputed dues - M/SME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-



**Emerald Tyre Manufacturers Limited**  
(Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
CIN: U25111UN2002PLC048665

**EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-I, Vasugaram, Chennai 600 055**

\*Trade Payables aging schedule for the year ended March 31, 2021

Particulars	Net Due	Outstanding for following periods from the date of payment				Total
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) MSME	332.13	332.13	-	-	-	332.13
(ii) Others	997.25	281.27	-	-	-	281.27
(iii) Dependent dues - MSME	-	-	-	-	-	-
(iv) Dependent dues - Others	-	-	-	-	-	-

\*Trade Payables aging schedule for the year ended March 31, 2022

Particulars	Net Due	Outstanding for following periods from the date of payment				Total
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) MSME	837.69	287.75	-	-	-	287.75
(ii) Others	825.26	122.49	1.19	-	-	123.68
(iii) Dependent dues - MSME	-	-	-	-	-	-
(iv) Dependent dues - Others	-	-	-	-	-	-

\*Trade Payables aging schedule for the year ended March 31, 2023

Particulars	Net Due	Outstanding for following periods from the date of payment				Total
		< 1 Year	1-2 Years	2-3 Years	> 3 Years	
(i) MSME	-	134.32	-	-	-	134.32
(ii) Others	584.31	218.01	-	-	-	218.01
(iii) Dependent dues - MSME	-	-	-	-	-	-
(iv) Dependent dues - Others	-	-	-	-	-	-

**STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED**

Particulars	ANNEXURE -14			
	As at Nov 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
On Advances from Customers				
(i) Capital Goods Suppliers	215.61	42.54	499.99	188.83
(ii) Suppliers payable	-	80.08	31.41	17.08
(iii) Suppliers payable	261.89	89.08	444.98	273.90
(iv) Suppliers dues payable	28.32	32.96	33.55	33.08
(v) Others	-	27.50	21.03	17.08
(vi) Salaries & Wages	35.44	47.50	82.11	26.25
(vii) Tax Payable	-	29.83	15.09	11.71
<b>Total</b>	<b>427.96</b>	<b>269.96</b>	<b>1,096.61</b>	<b>327.88</b>

**VI. STATEMENT OF SHORT-TERM PROVISIONS AS RESTATED**

Particulars	ANNEXURE -15			
	As at Nov 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I. Provision for Employee Benefits				
(i) Provision for Leave Encashment	-	-	-	-
(ii) Provision for Gratuity	2.59	2.85	2.64	1.54
(iii) Provision for Unpaid Bonus	41.44	-	-	-
(iv) Provision for Unpaid share of Dividends (TDS & TCS Reserves)	490.11	109.21	147.54	82.05
(v) Provision for Proposed Dividend (Reserves)	-	-	17.47	34.00
<b>Total</b>	<b>434.14</b>	<b>112.06</b>	<b>167.65</b>	<b>117.59</b>

**STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AND DEPRECIATION AS RESTATED**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	April 1, 2022	Additions for the year	Deletions for the year	Nov 30, 2022	April 1, 2022	Depreciation for the year	Depreciation on deletion	Nov 30, 2022	Nov 30, 2023	March 31, 2023
	Property, Plant and Equipment									
Land - Constructed	22.80	-	-	22.80	8.22	-	-	9.22	64.75	64.75
Buildings	879.21	12.84	-	892.05	411.31	36.69	-	447.90	438.07	479.52
Plant and Equipment	8,394.02	113.94	-	8,507.96	6,821.76	271.19	-	7,092.95	4,817.23	3,289.42
Furniture & Fixtures	89.46	3.98	-	93.44	39.02	1.29	-	40.31	7.16	2.44
Vehicles	84.36	111.01	-	195.37	89.62	11.29	-	100.91	173.46	31.54
Computers	1,00.90	1.00	-	101.90	188.46	2.36	-	119.64	11.82	8.47
Intangible Assets										
Software	72.21	9.64	-	81.85	62.81	1.31	-	64.12	36.94	122.34
Patent development cost	275.96	85.13	-	361.09	118.41	7.47	-	125.88	248.06	112.43
Capital Work In Progress										
Machinery	581.48	388.48	117.30	1,067.26	-	-	-	-	1,067.26	644.48
<b>Total</b>	<b>10,643.80</b>	<b>1,601.87</b>	<b>217.30</b>	<b>12,438.37</b>	<b>8,421.46</b>	<b>251.27</b>	<b>-</b>	<b>8,672.73</b>	<b>5,861.87</b>	<b>4,209.98</b>

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	April 1, 2022	Additions for the year	Deletions for the year	March 31, 2023	April 1, 2022	Depreciation for the year	Depreciation on deletion	March 31, 2023	March 31, 2023	March 31, 2022
	Property, Plant and Equipment									
Land - Constructed	22.71	-	0.61	23.32	2.39	0.64	-	3.03	64.75	71.29
Buildings	888.06	12.71	-	900.77	386.09	29.74	-	415.83	429.54	411.29
Plant and Equipment	8,183.00	1,811.11	-	9,994.11	4,196.29	348.41	-	4,544.70	2,847.42	2,286.77
Furniture & Fixtures	89.46	-	-	89.46	81.13	1.49	-	82.62	4.44	8.11
Vehicles	84.47	1.42	-	85.89	72.03	0.01	-	72.04	31.92	20.17
Computers	112.67	4.99	-	117.66	188.11	1.87	-	190.00	8.47	0.50
Intangible Assets										
Software	50.96	6.71	-	57.67	41.88	1.44	-	43.32	12.41	61.0
Patent development cost	275.96	-	-	275.96	140.14	0.44	-	140.58	125.41	111.02
Capital Work In Progress										
Machinery	2,098.44	773.07	1,071.89	1,800.62	-	-	-	-	1,800.62	1,028
<b>Total</b>	<b>9,175.60</b>	<b>2,601.94</b>	<b>1,072.50</b>	<b>10,705.04</b>	<b>5,022.28</b>	<b>399.72</b>	<b>-</b>	<b>5,422.00</b>	<b>3,229.19</b>	<b>2,442.82</b>





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN-525111N2002PLC046645

**EMERALD HOUSE, Plot No.2, Second Street, Purer Gardens, Phase-3, Vengal Rao, Chennai 600 097**

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	April 1, 2021	Additions for the year	Deletions for the year	March 31, 2022	April 1, 2021	Depreciation for the Year	Depreciation on deletion	March 31, 2022	March 31, 2021	March 31, 2021
Property, Plant and Equipment										
Land - Leasehold	78.77	-	-	78.77	2.90	0.00	-	2.90	75.87	75.87
Buildings	827.92	13.46	-	841.38	361.67	24.17	-	385.84	455.56	455.56
Plant and Equipment	6,196.76	184.28	-	6,381.04	3,029.12	267.13	-	3,296.25	2,896.77	2,264.4
Furniture & Fixtures	87.57	2.11	-	89.68	86.77	2.70	-	89.47	83.32	83.8
Vehicle	86.87	-	-	86.87	10.77	0.90	-	97.67	87.47	46.18
Computer	186.21	5.84	-	192.05	133.11	2.07	-	191.04	0.84	3.18
Intangible Assets										
Software	76.29	-	-	76.29	19.63	1.70	-	85.93	0.22	66.18
Product development cost	148.11	172.81	-	320.92	112.50	26.34	-	148.11	343.82	186.87
Capital Work In Progress										
Machinery	364.94	1,418.08	754.87	1,028.15	-	-	-	1,028.15	364.94	364.94
<b>Total</b>	<b>7,642.13</b>	<b>1,708.21</b>	<b>748.87</b>	<b>8,771.48</b>	<b>4,786.82</b>	<b>322.71</b>	<b>-</b>	<b>5,022.31</b>	<b>4,147.27</b>	<b>3,274.18</b>

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	April 1, 2020	Additions for the year	Deletions for the year	March 31, 2021	April 1, 2020	Depreciation for the Year	Depreciation on deletion	March 31, 2021	March 31, 2021	March 31, 2020
Property, Plant and Equipment										
Land - Leasehold	78.77	-	-	78.77	2.42	0.00	-	2.42	76.35	446.17
Buildings	827.82	-	-	827.82	340.67	24.67	-	365.34	463.54	39.65
Plant and Equipment	6,196.88	26.22	186.36	6,036.74	4,744.24	242.86	84.97	5,813.91	3,168.44	9.13
Furniture & Fixtures	87.22	6.13	-	93.35	77.78	2.89	-	80.77	6.58	76.11
Vehicle	77.07	-	7.42	69.65	48.90	0.27	3.88	49.77	46.18	2,513.70
Computer	181.63	0.77	-	182.40	84.77	0.91	-	184.11	2.18	57.65
Intangible Assets										
Software	76.29	0.18	-	76.47	63.18	0.43	-	76.61	18.97	17.34
Product development cost	148.11	-	-	148.11	89.74	28.92	-	123.76	16.35	44.77
Capital Work In Progress										
Machinery	369.78	13.30	-	383.08	-	-	-	383.08	369.78	369.78
<b>Total</b>	<b>8,028.21</b>	<b>82.49</b>	<b>164.77</b>	<b>7,963.53</b>	<b>4,479.63</b>	<b>282.38</b>	<b>184.47</b>	<b>4,786.53</b>	<b>3,254.99</b>	<b>3,291.88</b>

**STATEMENT OF NON-CURRENT INVESTMENTS AS RESTRICTED**

ANNEXURE -17

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Investment in Equity Instruments				
As Subsidiaries				
(i) Emerald Mobile Tire PVT		29.58	29.58	29.58
(ii) Emerald Tyre Europe PVT Ltd	440.31	440.31	440.31	440.31
Investment in Debt Instruments				
(i) Government of India Bonds	448.91	447.91	447.91	447.91
<b>Total</b>	<b>448.91</b>	<b>447.91</b>	<b>447.91</b>	<b>447.91</b>

\* Investment has been entered off and their investments details are not available with the company

**Investment in Mutual Funds as at 31 Mar 2021**

Name of the Fund	Units	Amount
ICICI Prudential Moderate Growth Fund - Regular Growth	127584 (34000)	19,374.4
ICICI Short Term Debt Fund Regular Plan Growth	109 (29 (34000))	25.198

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Aggregate Value of Listed Investments	-	-	-	-
Aggregate Value of Un-listed Investments	639.90	527.90	527.91	527.91
Aggregate Market Value of Listed Investments	-	-	-	-
Aggregate proceeds of disposals in Value of Investments	-	-	-	-

**STATEMENT OF LONG-TERM LOANS & ADVANCES AS RESTRICTED**

ANNEXURE -18

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Long Term Advances				
(i) Unsecured, Unconditional good				
(ii) Other Advances given to Suppliers	20.24	112.90	114.00	2.11
(iii) Advances by TDS & TCS (recoverable) Net of Provision for Badly	-	-	-	-
<b>Total</b>	<b>20.24</b>	<b>112.90</b>	<b>114.00</b>	<b>2.11</b>

**STATEMENT OF OTHER NON-CURRENT ASSETS AS RESTRICTED**

ANNEXURE -19

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Other Non-current Assets				
(i) Group general Reserve	0.00	0.00	0.00	0.00
(ii) Security Deposits	217.77	425.38	557.47	209.65
<b>Total</b>	<b>217.77</b>	<b>425.38</b>	<b>557.47</b>	<b>209.65</b>

**STATEMENT OF INVENTORIES AS RESTRICTED**

ANNEXURE -20

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Raw Materials	901.28	417.38	409.41	932.79
Work-in-Progress	1,227.99	1,230.03	1,111.91	1,128.70
Finished Goods	5,681.09	5,627.46	2,480.89	2,184.90
Stores and Spares	264.14	269.25	191.02	176.79
Capital Assets	-	-	-	-
<b>Total</b>	<b>8,115.86</b>	<b>7,714.48</b>	<b>4,283.76</b>	<b>4,742.98</b>





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers FI 4 & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN-0251112N2002PLC04064  
 EMERALD HOUSE, Plot No.2, Second Street, Purple Gardens, Phase-I, Yanganagar, Chennai 600 095

STATEMENT OF TRADE RECEIVABLES AS RESTATED

ANNEXURE -11

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Trade receivable - contract good - Invoiced	-	-	-	-
Trade receivable - Contracted and Uninvoiced Good	-	-	-	-
Trade receivable (which have significant increase in credit risk)	4,097.62	4,224.51	3,881.79	3,007.60
Trade receivable - audit impaired	-	-	-	-
<b>Total</b>	<b>4,097.62</b>	<b>4,224.51</b>	<b>3,881.79</b>	<b>3,007.60</b>

\*Trade Receivables aging schedule Nov 30, 2021

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 4 Months	4 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Un disputed Trade Receivables - Contracted good	-	4,155.77	708.21	36.17	39.89	361.83	4,149.62

\*Trade Receivables aging schedule for the year ended March 31, 2022

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 4 Months	4 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Un disputed Trade Receivables - Contracted good	-	3,768.25	89.44	56.70	308.88	39.77	4,213.04

\*Trade Receivables aging schedule for the year ended March 31, 2021

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 4 Months	4 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Un disputed Trade Receivables - Contracted good	-	3,236.84	193.21	301.88	39.77	-	3,769.70

\*Trade Receivables aging schedule for the year ended March 31, 2021

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 4 Months	4 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Un disputed Trade Receivables - Contracted good	-	2,332.41	277.41	49.58	-	-	2,659.40

STATEMENT OF CASH & BANK BALANCES AS RESTATED

ANNEXURE -12

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(i) Cash & Bank Equivalents				
(a) Balance with banks	192.31	66.47	16.89	61.59
(b) Cash on hand	17.71	11.08	12.28	6.79
(c) Other liquid financial instruments	138.97	-	-	-
(Having original custody of same has transferred and deposit having custody of same due transferred and has been given to bank as to hold in respect of Credit facilities from the bank.)				
<b>Total</b>	<b>348.99</b>	<b>87.55</b>	<b>29.17</b>	<b>68.38</b>

STATEMENT OF SHARE THIRD PARTIES AND ADVANCES AS RESTATED

ANNEXURE -13

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(i) Deposits with Financial institutions	54.67	422.81	414.38	423.02
(ii) Trade Advances	9.68	-	-	-
(iii) Deposited Expenses	107.45	39.34	21.61	62.21
(iv) Short Term and Advances	5.06	6.39	11.08	3.79
<b>Total</b>	<b>176.86</b>	<b>468.54</b>	<b>457.07</b>	<b>489.02</b>

STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

ANNEXURE -14

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(i) Government - Indirect Tax - Payables	237.34	46.84	176.41	176.41
(ii) TDS Recoverable from IITC	44.76	66.97	12.39	26.39
<b>Total</b>	<b>282.10</b>	<b>113.81</b>	<b>188.80</b>	<b>202.80</b>



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN 1251127N2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Flower Gardens, Phase-I, Vengal Rao, Chennai 600 075

STATEMENT OF REVENUE FROM OPERATION AS RESTATED

ANNEXURE -25

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products				
Domestic	2,764.07	3,790.44	3,312.00	2,700.31
Export	6,264.73	11,063.32	6,469.76	4,724.80
Other Operating Income - as Restated				
Finance Charge	0.42	3.39	3.28	1.50
Finance (MT) Market Heads	11.34	40.81	80.97	42.44
Data Feedback on Export	116.28	200.80	147.67	90.43
<b>Total</b>	<b>9,156.84</b>	<b>15,098.76</b>	<b>10,013.68</b>	<b>7,669.48</b>

STATEMENT OF OTHER INCOME AS RESTATED

ANNEXURE -26

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Income on Deposits	0.31	0.36	8.17	17.86
Other Non-Operating Income	0.47	26.36	17.28	1.81
Profit on Sale of Asset	-	-	-	0.18
One Time on Foreign Currency Transactions	39.32	327.99	31.86	94.98
<b>Total</b>	<b>40.10</b>	<b>254.71</b>	<b>57.31</b>	<b>114.83</b>

STATEMENT OF COST OF MATERIALS (COST) AS RESTATED

ANNEXURE -27

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock of Raw Materials	331.58	287.36	281.97	352.84
Opening Stock of Engineering Spares	289.21	198.52	156.79	207.67
Purchases of Raw Materials	4,668.51	5,555.84	3,920.78	4,568.27
Purchases of Engineering Spares	177.93	286.45	122.33	147.56
Closing Stock of Raw Materials	399.28	415.38	407.41	329.97
Closing Stock of Engineering Spares	264.19	289.23	100.32	176.11
Consumption				
Material (Rubber and Rubber Products)	3,487.07	5,780.92	4,317.88	4,848.14
Engineering Spares	122.16	227.76	148.59	94.79
<b>Total Consumption of Raw Materials</b>	<b>3,609.23</b>	<b>6,008.68</b>	<b>4,466.47</b>	<b>4,942.93</b>

STATEMENT OF CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS (Change in Inventory of Work-in-Progress & Finished Goods)

ANNEXURE -28

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock				
Transfer Costs	2,827.40	3,430.99	2,764.86	1,813.27
Work-in-Progress	1,219.44	1,243.54	1,209.54	983.36
Closing Stock				
Transfer Goods	1,811.89	2,417.46	2,410.93	2,061.83
Work-in-Progress	1,247.19	1,240.44	1,244.84	1,219.31
Change in Inventory (Decrease) Increase	<b>(284.91)</b>	<b>(101.06)</b>	<b>(141.66)</b>	<b>(141.97)</b>

STATEMENT OF EMPLOYEE BENEFITS EXPENSES AS RESTATED

ANNEXURE -29

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries & Wages (Other than Bonus)	1,003.28	1,088.22	993.76	893.80
Provision for Bonus	18.62	11.72	40.68	1.86
Provision for Gratuity/Provident	11.38	2.33	7.47	9.28
Contribution to Provident Fund and P.F.	62.94	80.60	78.48	89.23
Staff Welfare	178.84	129.89	138.25	76.37
<b>Total</b>	<b>1,265.06</b>	<b>1,312.76</b>	<b>1,258.24</b>	<b>1,060.54</b>

Salaries & Wages

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
to Bonus	1,003.28	1,088.22	789.64	699.64
to Director's Remuneration	61.78	204.25	202.68	181.79
<b>Total</b>	<b>1,065.06</b>	<b>1,292.47</b>	<b>992.32</b>	<b>881.43</b>



**Emerald Tyre Manufacturers Limited**  
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 CIN:U25111IN2002PL1008665

EMERALD HOUSE, Plot No.2, Second Street, Park Gardens, Phase-I, Vengal Rao, Chennai 600 095  
 STATEMENT OF FINANCE COSTS AS RESTATED

ANNEXURE -38

*(Amount in ₹ Lakhs)*

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
<b>Interest Expenses</b>				
Term Loan				
Other Interest	11.17	21.53	38.48	27.80
Interest on loan provision of equity	307.09	403.95	282.01	273.48
Interest on loan provision of debt	23.84	17.93	20.31	9.39
Other Borrowing Costs	75.23	327.81	305.32	346.31
<b>Total</b>	<b>417.33</b>	<b>871.22</b>	<b>646.12</b>	<b>657.01</b>

Note:  
 1. Other Interest on Interest paid on loan taken under other Term Loans to Institutions  
 2. Other Borrowing Costs are Bank Charges and Processing Charges for taking loans.

STATEMENT OF DEPRECIATION & AMORTISATION EXPENSES AS RESTATED

ANNEXURE -39

*(Amount in ₹ Lakhs)*

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
Depreciation expense	302.37	348.80	305.94	338.90
Amortisation expense	9.25	9.93	18.13	14.17
<b>Total</b>	<b>311.62</b>	<b>358.73</b>	<b>324.07</b>	<b>353.07</b>

STATEMENT OF OTHER EXPENSES AS RESTATED

ANNEXURE -40

*(Amount in ₹ Lakhs)*

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
<b>Other Direct Expenses</b>				
Printing Material	11.41	10.76	7.86	9.47
Electricity Consumption	201.26	432.83	341.71	323.87
Insurance	38.87	24.42	28.69	27.08
Shipping Charges Bank Processing Charges	94.22	109.88	91.08	91.07
Factory Expenses	19.89	24.19	28.52	23.43
Freight Inwards & Outwards	29.41	114.70	113.23	81.54
Wages/Overtime/Contractor Charges	17.83	2.68	14.59	12.14
Machinery Maintenance Expenses	71.33	92.42	75.80	98.17
<b>Other Expenses</b>				
Traveling & Conveyance Expenses				
Export Freight Charges	28.91	37.38	40.81	9.96
Export Documentation Charges	9.43	11.78	203.27	11.87
Export Commission	87.18	107.91	148.98	81.78
Marketing & Sales Prom Expenses	24.26	-	-	-
Dividend on Share	29.43	12.72	181.12	86.78
SG&A Expenses	6.81	15.54	1.19	6.86
Export Promotion/Other Direct Stock Sales Expenses	29.31	58.43	27.12	29.86
Advance from Banking Expenses	12.13	-	-	-
Freight Inwards	-	17.88	-	-
Freight Outwards	87.76	12.74	88.69	55.93
Postages & Telegrams	0.43	0.75	0.88	0.88
Reference Material/DMC/Client Service	12.83	21.99	20.26	-
Telephone Expenses	4.81	8.52	7.12	7.28
Car Exp	-	6.00	-	0.63
Bad Debt	15.52	18.54	-	23.49
Others Travel & Trip Expenses	25.82	39.87	8.33	-
Tax Computation	1.23	10.11	0.41	11.11
Computer & Software Maintenance Expenses	2.13	1.67	2.91	8.11
Arbitration Expenses	-	1.81	1.73	1.81
Insurance Charges	-	-	0.13	0.11
Financial Institute Interest	4.17	8.50	0.42	4.62
Legal Professional & Consultant Charges	11.20	26.41	81.58	27.12
Vehicle Depreciation & Maintenance	0.26	4.03	2.75	1.59
Printing & Stationery	9.46	2.27	1.83	8.75
Office Rent	7.89	12.94	12.94	13.64
Magazines & Literature Fee	3.08	20.81	10.40	14.84
Other office Expenses	36.73	17.81	36.28	37.11
<b>Total</b>	<b>1,002.99</b>	<b>1,798.89</b>	<b>1,287.94</b>	<b>986.34</b>

PAYMENT TO SUPPLIERS

*(Amount in ₹ Lakhs)*

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
1. Materially Available	1.00	1.79	1.08	1.40
2. Trade Credit Balance	9.35	6.57	6.21	8.21
<b>Total</b>	<b>10.35</b>	<b>8.36</b>	<b>7.29</b>	<b>9.61</b>



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC049645  
 EMERALD HOUSE, Flat No.2, Second Street, Park Gardens, Phase-I, Yakkalamudi, Chennai-600 095

STATEMENT OF SUMMARY OF ACCOUNTING RATIOS AS INDICATED

(Amount in ₹ Lakhs)

Ratio	For the Period ended 30.06.2013	For the year ended 30.06.2012	For the year ended March 31, 2011	For the year ended March 31, 2010
Dividend P.A.Y. as per Part B, Account - (A)	507.29	694.30	431.28	355.48
Self - Interest on Debentures (per cent)	28.96	24.96	28.96	88.91
Dividend P.A.Y. as per Part B, Account for Dividend EPS - (B)	432.89	645.94	517.76	364.24
Weighted Average Number of Equity Shares at the end of the Year - Period (Per - Dividend Issue) - (1*)				
- Share	1,31,91,621	67,68,140	65,51,219	40,98,179
- Dividend	1,40,77,907	87,14,750	65,46,649	47,34,149
Weighted Average Number of Equity Shares at the end of the Year - Period (Per - Dividend Issue) - (B)				
- Share	1,39,19,817	1,81,28,978	1,27,84,710	1,21,96,199
- Dividend	1,48,17,807	1,02,77,218	1,29,41,641	1,28,12,819
Per. of equity shares at the end of the year - period - (C)	1,43,19,284	1,65,09,899	1,65,09,899	12,47,824
Net Worth - (D)	5,916.39	4,618.84	4,698.91	3,943.87
Current Assets - (E)	3,282.39	6,311.36	8,550.21	7,323.86
Current Liabilities - (F)	6,187.87	8,021.81	7,281.87	6,712.28
Earnings Per Share (Per - Dividend Issue)				
- Share	4.08	12.96	7.97	2.47
- Dividend	3.35	13.64	7.92	3.48
Earnings Per Share (Per - Dividend Issue)				
- Share	3.09	9.45	7.34	3.28
- Dividend	2.30	9.90	4.60	2.31
Return on Net Worth (%)	9.09%	17.37%	11.99%	1.89%
Net Asset Value Per Share (Rs.)	41.39	33.28	32.42	31.47
Current Ratio	0.87	1.18	1.18	1.36
EBITDA	1,811.29	1,466.47	1,285.73	894.47

Note: Ratios have been calculated as below

Earnings Per Share (EPS) (Rs.)  
 (Share Per & per Issue)

Dividend Earnings Per Share (EPS) (Rs.)  
 (Per - Dividend)

Current Asset Ratio

Return on Net Worth (%)

Net Asset Value per equity share (Rs.)

Weighted Profit after Tax available to equity Shareholders (A)  
 Weighted Average Number of Equity Shares at the end of the year - period - (1) & (2)

Weighted Profit after Tax available to equity Shareholders (B)  
 Weighted Average Number of Equity Shares at the end of the year - period - (1) & (2)

Current Assets (C)  
 Current Liabilities (D)

Weighted Profit after Tax available to equity Shareholders (E)  
 Dividend Per Share of Equity Shareholders (F)

Equated Net Worth of Equity Shareholders (G)  
 Number of Equity Shares outstanding at the end of the year - period - (1)





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CINE 1251115ND002PL048605  
 EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-I, Vengal Rao, Chennai 600 095.

STATEMENT OF TAX SHEDULER AS REGISTAR

ANNEXURE - 04

Continued in F Table

Particulars	For the Period ended Nov 30, 2003	For the year ended March 31, 2003	For the year ended March 31, 2002	For the year ended March 31, 2001
Profit before tax as per books of accounts (A)	753.91	1,142.99	818.07	523.44
General Corporate Tax Rate (B)	23.17%	23.17%	23.17%	23.17%
Minimum Alternative Tax Rate (C)	0.00%	0.00%	0.00%	0.00%
Tax Expense of Normal Item (D) = A * B	172.41	264.27	189.81	121.11
Income considered separately (E)				
Profit on Sale of Assets	-	-	-	(1.18)
Interest on Deposits	97.70	(97.70)	(97.70)	(17.80)
Total Income considered separately (E)	97.70	(97.70)	(97.70)	(18.98)
Adjustment Differences (F)				
Depreciable assets as per 30	-	277	312	8.19
Interest U/s 23A & 23C (Interest on Public and Loans etc)	23.61	13.03	20.41	8.29
Total Adjustment Differences (F)	23.61	15.00	34.67	16.48
Taxing Differences (G)				
Employee Extra emolument expense	11,206	2,119	3,241	8,201
Employee Gratuity expense	30,627	31,752	10,468	1,461
Contribution towards Provident fund	(11,371)	(11,312)	(6,202)	(7,914)
Depreciation as per Books of Accounts	311,257	899,702	333,734	365,566
Depreciation as per Income tax	(169,024)	(197,702)	(248,414)	(247,261)
Total Taxing Differences (G)	98,469	1,024,549	77,263	129,053
Income from other Sources (H)	8.50	9.58	9.17	26.83
Provision under Chapter VI-A (I)	-	-	-	-
Provision under section 80B(1)(a) for New Employment	-	-	-	-
Tax Adjustments (J) = (B + C) - (D + E)	(142.71)	(110.75)	(181.70)	(144.27)
Amount Forward (K) as per (A)				
Tax Expense after Tax (K) = (J - K)	(142.71)	(110.75)	(181.70)	(144.27)
Tax Expense as Adjusted (L) = (D + J)	315.12	153.52	211.11	76.84
Tax Expense (Normal Tax Schedule) (M) = (D + K)	129.70	153.52	189.11	76.84

STATEMENT OF RELATED PARTIES TRANSACTIONS AS REGISTAR

ANNEXURE - 05

Sl. No	Name of Related Party	Relation
1	Mr V T Chandrasekharan	Chairman & Managing Director
2	Mr D Eswara Reddy	Whole Time Director
3	Mr V Krishnamoorthy	CEO
4	Mr V Shankar Ganesh	COO
5	Mr. K. S. Srinivas Reddy (Resigned on 20.03.2024)	Company Secretary cum Compliance Officer
6	Mr. K. S. Srinivas Reddy (Appointed on 27.03.2024)	Company Secretary cum Compliance Officer
7	Subsidiaries	
8	Emerald Mobile Tyre PVT Ltd	Wholly Owned Subsidiaries
9	Emerald Tyre Europe PVT Ltd	Wholly Owned Subsidiaries
10	Entities in which Director/MP/Officer of EMT has exercise significant influence	
1	Emerald India P Ltd	
2	Emerald PVT Ltd	
3	Emerald Res PVT Ltd	
List of Other Related parties		
1	Mr. V. Srinivas	Partner of (Company and MP)
2	Mr. V. Srinivas	Director of (Company and MP)
3	S. S. Rubber Engineering PVT Ltd	Company Owned by Brothers of Chairman and MP

Transaction with Related Parties during the Year

Continued in F Table

Sl. No	Nature of Transaction	For the Period ended Nov 30, 2003	For the year ended March 31, 2003	For the year ended March 31, 2002	For the year ended March 31, 2001
<b>A) Sale of Products</b>					
	Emerald Mobile Tyre PVT Ltd	302.38	244.78	408.11	497.01
	Emerald Tyre Europe PVT Ltd	1,375.12	2,738.33	2,428.59	1,487.95
	S. S. Rubber Engineering PVT Ltd	31.58	271.31	145.11	262.29
<b>B) Remuneration Paid to Directors</b>					
	Mr. V. T. Chandrasekharan	37.56	74.07	61.26	50.93
	Mr. D. Eswara Reddy	32.20	61.33	46.70	50.00
	Mr. V. Krishnamoorthy (Resigned on 20.03.2024)	36.90	61.37	38.80	31.64
	Mr. V. Srinivas (Appointed on 27.03.2024)	-	38.98	36.78	34.21
<b>C) Salary Paid to Other Related Parties and to MP's</b>					
	Mr. V. Srinivas - (Company Related Party)	48.80	97.60	-	-
	Mr. V. Srinivas - (Relative)	47.48	94.95	92.78	47.98
	Mr. V. Shankar Ganesh (Appointed on 01.04.2024)	12.76	18.80	14.29	11.22
	Mr. K. S. Srinivas Reddy	1.80	1.80	2.48	1.80



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN290291,048695

**EMERALD HOUSE, Plot No.2, Second Street, Peerar Gardens, Phase-2, Vengalraam, Chennai 600 095.**

Balance with Retained Profit at the end of the year

*(Amount in ₹ Lakhs)*

Sl No	Nature of Transaction	Amount in ₹ Lakhs			
		For the Period ended Nov 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
<b>A</b>	<b>Investment in Subsidiaries</b>				
	Emerald Mobile Tool P Ltd	25.70	25.70	25.70	25.70
	Emerald Tyre Garage PVTY	480.10	480.10	480.20	480.10
<b>B</b>	<b>Share Redemption Payable</b>				
	Ms V T Chandrasekharan	0.12	0.12	1.61	4.4
	Ms H Gnananathan	1.97	1.97	2.96	2.96
	Ms V Krishnaswami	2.45	2.45	4.71	4.31
	Ms V Thiagaraja - (Revised as Disclosed dated 29/07/2022)	-	-	4.07	4.43
<b>C</b>	<b>Salary Payable to Retired Parties and NCDP</b>				
	Ms S P Selva Prasa	0.20	0.20	0.20	0.2
	Ms S Shanmugam	0.21	0.20	1.01	0.96
	Ms V Thiagaraja - (Revised as Disclosed dated 29/07/2022)	0.00	0.03	-	-
	Ms V T Suresan	0.25	0.26	4.26	0.74
<b>D</b>	<b>Leave and Advances taken</b>				
	Ms V Thiagaraja	-	200.38	201.21	186.4
<b>E</b>	<b>Trade Receivable</b>				
	Emerald Mobile Tool P Ltd	638.26	418.70	341.09	512.65
	Emerald Tyre Garage PVTY	0.12	1,609.26	1,431.21	1,277.96
	S A Rubber Engineering PVTY Ltd	498.34	711.48	600.00	252.2
<b>F</b>	<b>Salary Advance</b>				
	Ms V Krishnaswami	-	3.98	3.98	0.38
<b>G</b>	<b>Board Advance</b>				
	Ms V Krishnaswami	-	1.01	1.01	0.01

STATEMENT OF EMPLOYER BENEFIT EXPENSE - GRATUITY (ABSTRACT)

*(AMOUNT IN ₹)*

**1) Formula**

- 1) **Gratuity** - The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. This method considers each period of service as giving rise to an additional unit of benefit contribution and assumes each unit separately to fulfil up the final obligation.
  - 2) **Current Service Cost** - is the discounted present value of the benefits from the Plan (based on its financial condition) to the services rendered by employees during the accounting period.
  - 3) **Interest cost** - is the present value of this liability over the accounting period resulting from the operation of the interest of the interest rate.
  - 4) **Actuarial Gain or Loss** - occurs when the experience of the Plan differs from that anticipated from the actuarial assumptions. It could also occur due to changes made in the actuarial assumptions.
- The Company provides for gratuity, a defined benefit plan (The Gratuity Plan) covering eligible employees in accordance with provisions of Ministry, Gov. 1972. Gratuity liability is a defined benefit obligation and is funded through L.T.C. of funds. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out at the end of each financial year. Under the gratuity plan, every employee who has completed at least 7 years of service gets gratuity on retirement or in the form of superannuation (continued for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary).

**2) Actuarial assumptions**

*(Amount in ₹ Lakhs)*

Particulars	Amount in ₹ Lakhs			
	For the Period ended Nov 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
Rate of discounting	7.42%	7.19%	7.08%	7.08%
Salary Escalation	3.00%	3.00%	3.00%	3.00%
Mortality Rate	0.00%	0.00%	1.00%	0.00%
Benefit rate during employment period	Indian Annuity (from March 2015-01) to (01-01-21) 10 years	Indian Annuity (from March 2015-01) to (01-01-21) 10 years	Indian Annuity (from March 2015-01) to (01-01-21) 10 years	Indian Annuity (from March 2015-01) to (01-01-21) 10 years

The actuarial valuation of gratuity is based on actuarial valuation table from actuarial valuation, mortality, pension and other relevant factors (including wage) and depend on the employee's health. The above information is provided by the company.

**(ii) Reconciliation of opening and closing balance of gratuity obligation**

*(Amount in ₹ Lakhs)*

Particulars	Amount in ₹ Lakhs			
	For the Period ended Nov 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2021
Net Liability at the beginning of the period of month	0.01	1.12	1.12	61.74
Net Expense in P.L.A.C.	(10.51)	(11.72)	(10.00)	(1.00)
Plan No Paid	-	-	-	-
Employee Contribution	(0.01)	(0.01)	0.20	0.00
Net Liability at the end of the period	7.00	4.37	1.32	60.74
Present Value of the assets (Obligation is being funded)	7.00	4.37	1.32	60.74

**(iii) Expense recognized in Statement of Profit and Loss during the year**

*(Amount in ₹ Lakhs)*





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Latexoid Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN: U25111TN2002PLC046605

EMERALD BIRHOUSE, Plot No 2, Second Street, Pooze Gardens, Phase-1, Vasugaram, Chennai 601055

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Income Tax	-	-	-	-
Capital Gains Tax	4.21	7.17	4.19	4.12
Fair Value Gain	6.38	6.76	6.99	6.60
Capital Gains on Real Assets	-	-	-	-
Charitable Donations	(8.00)	(7.70)	(8.00)	(7.80)
Settlement Cost/Gain	-	-	-	-
Net Action of gains - Tax	2.59	5.23	3.18	2.92
Net Income before recognized in P&L	36.02	31.71	39.68	34.46
<b>Total</b>	<b>36.02</b>	<b>31.71</b>	<b>39.68</b>	<b>34.46</b>

**61) Changes in Share Obligations**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Opening Defined Benefit Obligations (Funded)	-	-	-	-
Current year cost	21.07	11.89	42.51	34.72
Interest cost for the year	0.16	0.74	0.99	2.67
Actuarial Gains (Losses)	4.23	7.15	6.31	6.31
Benefits paid	(1.91)	(1.14)	(3.11)	(2.87)
Net Income	(0.56)	(1.30)	(0.52)	(1.22)
<b>Total</b>	<b>24.53</b>	<b>17.09</b>	<b>45.68</b>	<b>39.21</b>

**7) Leave Encashment Plan**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Opening Balance	0.00	0.00	0.00	0.00
Provision made	0.00	0.00	0.00	0.00
Withdrawal	0.00	0.00	0.00	0.00
Net Income	0.00	0.00	0.00	0.00
Balance at year end	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Present Value of Benefit Obligations as at the beginning of the period / year	21.07	11.89	42.51	34.72
Current Service Cost	0.16	0.74	0.99	2.67
Interest cost	4.23	7.15	6.31	6.31
Benefits paid	(1.91)	(1.14)	(3.11)	(2.87)
Actuarial gain/loss	0.56	1.30	0.52	1.22
Present value of benefit obligations as at the end of the period / year	24.11	19.74	46.23	42.05

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Actuarial (gains) losses on debt plan for the year	-	-	-	-
Actuarial (gains) losses on asset for the year	-	-	-	-
Actuarial (gains) losses recognized in income & expense	-	-	-	-

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Current year cost	21.07	11.89	42.51	34.72
Interest cost	0.16	0.74	0.99	2.67
Actuarial gain/losses	4.23	7.15	6.31	6.31
Benefits paid	(1.91)	(1.14)	(3.11)	(2.87)
Expense charged to the Statement of Profit and Loss	(1.39)	(1.30)	(1.44)	(1.32)

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Opening net liability	21.07	11.89	42.51	34.72
Expense above	(1.39)	(1.30)	(1.44)	(1.32)
Benefits paid	-	-	-	-
Net liability (asset) recognized in the balance sheet	19.68	9.59	41.07	33.40

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
On Plan Liability (Gains/Losses)	-	-	-	-

**STATEMENT OF CONTINGENT LIABILITY AS RESTRICTED**

ANNEXURE - 4\*

**A. Contingent Liabilities**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Claims against the company not acknowledged as debt	-	-	-	-
Guarantees	-	-	-	-
Other assets for which the company is contingently liable <sup>1</sup>	808.47	505.67	816.47	715.67
<b>Total</b>	<b>808.47</b>	<b>505.67</b>	<b>816.47</b>	<b>715.67</b>

<sup>1</sup> On 28th August 2022, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2020, a notice demanding tax amount of ₹. 8.43 lakhs, interest of ₹. 0.31 lakhs, including ₹. 10.77 lakhs, which is pending.

<sup>2</sup> On 21st February 2017 under Section 143(1) of the Income Tax Act 1961, for the assessment year 2014, a notice demanding tax amount of ₹. 21.79 lakhs, interest of ₹. 22.79 lakhs, which is pending.

<sup>3</sup> On 12th February 2021, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2018, a notice demanding tax amount of ₹. 1.37 lakhs, interest of ₹. 0.21 lakhs, including ₹. 1.58 lakhs, which is pending.



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 CIN: U28111TN2002PLC046665  
**EMERALD HOUSE, Plot No.2, Second Street, Purer Gardens, Phase-I, Vengal Rao, Chennai 600 052**

- 4 On 28th October 2015, under Section 143(3) of the Income Tax Act 1961, for the assessment year 2017, a notice demanding notice demand was issued with a tax amount of Rs. 1.33 lakhs, amount of Rs. 0.44 lakhs, pending Rs. 1.76 lakhs, which is pending.
- 5 On 12th February 2021, under Section 143(3) of the Income Tax Act 1961, for the assessment year 2018, a notice demanding notice demand was issued with a tax amount of Rs. 381.66 lakhs, amount of Rs. 48.75 lakhs, pending Rs. 430.41 lakhs, which is pending.
- 6 On 16th March 2015, under Section 143(3) of the Income Tax Act 1961, for the assessment year 2012, a notice demanding notice demand was issued with a tax amount of Rs. 1.30 lakhs, pending Rs. 1.30 lakhs, which is pending.
- 7 On 20th April 2020, under Section 143(3) of the Income Tax Act 1961, for the assessment year 2019, a notice demanding notice demand was issued with a tax amount of Rs. 7.77 lakhs, amount of Rs. 2.97 lakhs, pending Rs. 3.79 lakhs, which is pending.
- 8 On 15th June 2017, under Section 143(3) of the Income Tax Act 1961, for the assessment year 2011, a notice demanding notice demand was issued with a tax amount of Rs. 4.79 lakhs, amount of Rs. 4.08 lakhs, pending Rs. 19.67 lakhs, which is pending.
- 9 On 04th February 2023, under Section 143(3) of the Income Tax Act 1961, for the assessment year 2021, a notice demanding notice demand for resolution of pending tax issued with a tax amount of Rs. 7.52 lakhs, pending Rs. 0.02 lakhs, which is pending.
- 10 On 19th June 2023, under Section 143(3) of the Income Tax Act 1961, for the assessment year 2023, a notice demanding notice demand was issued with a tax amount of Rs. 9.74 lakhs, amount of Rs. 2.71 lakhs, pending Rs. 6.99 lakhs, which is pending.

**F. Contingencies** (Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Contingent amount of contracts remaining to be executed on capital account and a provision for	-	-	-	-
Contingent liability on claims and other contingencies pending	-	-	-	-
Other contingencies	-	-	-	-
<b>Total</b>	-	-	-	-

**STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY AS REQUIRED** ANNEXURE -B  
 The applicability of clause (b) of sub-section (3) of Section 135 of the Companies Act, 2013 and the company is following required steps in compliance with Corporate Social Responsibility (CSR) as per clause (b) of sub-section (3) of Section 135 of the Companies Act, 2013.

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Amount required to be spent for the company during the year	12.00	1.07	N/A	N/A
By Amount of expenditure incurred	12.00	0.00	N/A	N/A
(b) Amount left at the end of the year	-	-	-	-
(c) Total of previous years unutilized	-	-	-	-
(d) Balance to be carried forward	-	-	-	-
(e) Nature of CSR activities	Education	Education	N/A	N/A
(f) Details of related party transactions (e.g. contribution to a trust established by the company or relative to CSR) expenditure as per relevant Accounting Standards	No Related Party Involvement	No Related Party Involvement	N/A	N/A
(g) Where a provision is made with respect to a liability, incurred by meeting with a contractual obligation, the amount is to be provided during the year should be shown separately	No	No	No	No

**ADDITIONAL DISCLOSURES WITH RESPECT TO ASSESSMENTS UNDER RULE 13 AS STATED** ANNEXURE -C

- (a) The company has not been able to provide reliable data on the basis of the last year.
- (b) The Company has not retained its Property, Plant and Equipment during the reporting period.
- (c) Loans and Advances granted to Promoters, Directors, KMP and Related Parties.
- (d) There are no unsecured Advances in the nature of loan that are granted to promoters, directors, KMPs and the related parties either directly or indirectly with any other person. (Not an expenditure incurred).
- (e) There are no proceedings pending or pending against the assets (including all) owned property under the Section Transactions of Related Parties Act, 1988/15 of 1988.
- (f) The company has borrowing from the banks and financial institutions on the basis of security of current assets, specified intangible and immovable current assets are listed by the Company with respect to banks and financial institutions.

Quarter	Name of Bank	Particulars of Assessment Provided	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return statement (₹ in Lakhs)	Amount of Difference (₹ in Lakhs)	Reason for material discrepancies
<b>For the year ended March 31, 2023</b>						
Q1 Jan 2023	State bank of India	Stock statement	6,547.76	4,495.08	81.00	Bank statement allowed to book the return
		Bank debts	7,610.70	1,140.91	1,869.49	The company's bank book debts outstanding for six months at year-end after loan
Q2 September 2022	State bank of India	Stock statement	4,742.17	4,740.43	1.53	Bank statement allowed to book the return
		Bank debts	3,104.30	1,478.54	1,726.01	The company's bank book debts outstanding for seven months at year-end after loan. Loans outstanding provided to banks were not included.
Q3 December 2022	State bank of India	Stock statement	4,064.40	4,060.19	0.00	N/A
		Bank debts	5,809.37	1,326.11	2,176.25	The company's bank book debts outstanding for seven months at year-end after loan. Loans outstanding provided to banks were not included.
Q4 March 2023	State bank of India	Stock statement	4,712.48	4,712.31	0.00	N/A
		Bank debts	4,099.91	5,899.08	2,415.50	The company's bank book debts outstanding for seven months at year-end after loan. Loans outstanding provided to banks were not included.
<b>For the period ended September 30, 2023</b>						
Q1 Jan 2023	State bank of India	Stock statement	4,798.84	4,797.49	0.00	N/A
		Bank debts	4,077.04	1,476.92	2,976.91	The company's bank book debts outstanding for seven months at year-end after loan. Loans outstanding provided to banks were not included.
Q2 September 2023	State bank of India	Stock statement	4,947.30	4,945.12	1.54	Bank statement allowed to book the return
		Bank debts	4,078.92	1,180.50	2,948.45	The company's bank book debts outstanding for seven months at year-end after loan. Loans outstanding provided to banks were not included.



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Kanamal Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Purer Gardens, Phase I, Vasagiri, Chennai 600 055.

- (16) The company is not declared as NCDI defaulter by any bank or financial institution or other bodies.
- (17) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (18) The Company does not have any charge to be registered with Registrar of Companies beyond the statutory period.
- (19) The Company has Two wholly owned subsidiaries namely Emerald Malle Fort T2T and Emerald Tyre Europe BV. Both are under the corporate cover provided under clause (B) of section 2 of the Act read with Companies (Disclosure on number of Undertakings, 2017) rules as applicable.
- (20) No Scheme of Arrangement has been approved by the Company's Authority in terms of section 230 to 237 of the Companies Act, 2013.
- (21) Calculation of Bonus paid for the past three years:
- A. The company has not advanced or issued or credited (either in cash or kind or in any other manner or by any other means or by any other person or in any manner including through trustees (the employees) with the understanding (whether recorded or not) or otherwise that the beneficiary shall:
- (i) directly or indirectly hold or control or exercise (either directly or indirectly) or in or behalf of the company (or former Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary or
- B. The Company has not received any fund from any person or persons (including foreign entities (including Pans) with the understanding (whether recorded or not) or otherwise that the company shall:
- (i) directly or indirectly hold or control or exercise (either directly or indirectly) or in or behalf of the Funding Party (Ultimate Beneficiary) or
  - (ii) provide any guarantee, security or the like in or behalf of the Ultimate Beneficiary.

(22) Capital Work in Progress as on 30 Nov 2021 (Amount in P Lakhs)

Particulars	Amount in CWP for a period of				Total
	Less Than 1 Year	1-2 Year	3-5 Years	More than 5 Years	
Projects in progress					
- Machinery	46.10			736.45	782.55
Projects in Suspended					
<b>Total</b>					<b>782.55</b>

Particulars	Amount in CWP for a period of				Total
	Less Than 1 Year	1-2 Year	3-5 Years	More than 5 Years	
Projects in progress					
- Machinery	304.45			216.45	520.90
Projects in Suspended					
<b>Total</b>					<b>520.90</b>

Particulars	Amount in CWP for a period of				Total
	Less Than 1 Year	1-2 Year	3-5 Years	More than 5 Years	
Projects in progress					
- Machinery	742.45			256.45	1,000.00
Projects in Suspended					
<b>Total</b>					<b>1,000.00</b>

Particulars	Amount in CWP for a period of				Total
	Less Than 1 Year	1-2 Year	3-5 Years	More than 5 Years	
Projects in progress					
- Machinery	18.45			236.45	254.90
Projects in Suspended					
<b>Total</b>					<b>254.90</b>

(23) Analytical ratios

S.No	RATION	Current year Numerator (Rs)	Current year Denominator (Rs)	As at Year End, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Current Ratio	Current Assets - Current liabilities	5,792.15	5,765.43	1.01	1.11	1.18	1.30
Debt-Equity Ratio	Total Outside Liabilities - Total Shareholders Funds	742.97	3,993.10	1.28	1.40	1.67	1.89
Debt Service Coverage Ratio	EBITDA - Interest - Depreciation expenses	6,887.64	8,131.13	0.28	0.23	0.18	0.17
Return on Equity Ratio	Net Profit After Taxes - Preference Dividend (Rs) / Average Shareholders fund	487.29	3,443.06	10.21%	15.94%	13.27%	1.66%
Inventory Turnover Ratio	Cost of Goods Sold (Rs) / Sales - Average Inventory	7,842.68	4,913.17	1.11	2.13	1.90	1.34
Trade Receivable Turnover Ratio	Credit Sales - Average Trade Receivables	9,376.10	6,212.46	2.23	1.86	1.71	2.84
Trade Payable Turnover Ratio	Net Payable Turnover Ratio	6,311.67	1,722.47	0.61	0.18	0.27	2.21
Net Capital Turnover Ratio	Cost of Goods Sold (Rs) / Sales - Net Working Capital	12,74.47	14,493.84	0.89	8.13	8.09	0.81
Net Profit Ratio	Net Profit - Total Sales	487.29	5,336.10	9.27%	13.07%	11.95%	2.68%
Return on Capital Employed (ROCE) - Capital Employed + IAT		3,443.06	2,222.18	155%	201%	221%	314%
Return on Investment	Income generated from investment - Total Investment + IAT	-	-	-	-	-	-





**Emerald Tyre Manufacturers Limited**  
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 CIN:U25111TN2002PLC048605  
 EMERALD HOUSE, Plot No.2, Second Street, Porter Gardens, Phase-I, Vanagaram, Chennai-600 055

**Reasons for Variance Analysis**

S.No	RATIOS	As at Mar 31, 2022		For the year ended March 31, 2023		For the year ended March 31, 2022	
		Variance	Reason for Variance	Variance	Reason for Variance	Variance	Reason for Variance
Current Ratio	Current Assets / Current Liabilities	(28.88%)	Reduction in Short Term Borrowings	1.88%	Increase in Short Term Borrowings	0.23%	Increase in Short Term Borrowings
Debt-Equity Ratio	Total Outside Liabilities / Total Shareholder's Equity	28.11%	Increase in Short	1.88%	Increase in P&L	(9.92%)	Reduction of Preference Share Capital
Debt Service Coverage Ratio	EBITDA / Interest + Principal	0.52%	No New Borrowings	(33.86%)	Increase in Debt Repayments	(28.74%)	Increase in Debt Repayments
Return on Equity Ratio	After Profit After Taxes / Preference Dividend (After - Average Shareholder's Fund)	44.12%	Increase in Equity	(89.87%)	Increase in P&L	1.84.17%	Increase in P&L
Inventory Turnover Ratio	Cost of Goods Sold (net) Sales / Average Inventory	48.13%	Reduction in No. of Months	(7.94%)	Increase in sales	(40.97%)	Increase in Sales
Trade Receivables Turnover Ratio	Credit Sales / Average Trade Receivables	22.28%	Increase in No. of Months	(4.07%)	Increase in sales	(78.34%)	Increase in Sales
Trade Payable Turnover Ratio	Credit Purchases / Average Trade Payables	44.83%	Increase in Trade Payable	3.92%	Reduction in Trade Payables	(51.94%)	Reduction in Trade Payables
Return on Capital Employed	Net Profit / Total Assets	20.67%	Increase in Equity	1.2.88%	Increase in P&L	(41.79%)	Increase in P&L
Net Profit Ratio	Net Profit / Total Sales	(7.88%)	No Major Variance	(18.87%)	Increase in Total Sales	(88.88%)	Increase in Total Sales
Net Capital Turnover Ratio	Cost of Goods Sold (net) Sales / Net Working Capital	(7.14%)	Reduction in No. of Months	(41.82%)	Increase in sales	8.11%	Increase in sales
Return on Investment		-		-		-	

**STATEMENT OF CAPITALIZATION STATEMENT AS MUTATED**

(ANNEXURE-4B)

(Amount in ₹ Lakhs)

Particulars	Pre-issue	Post Issue
<b>Borrowings</b>		
Short Term Debt (A)		6,281.00
Long Term Debt (B)		0,017.00
<b>Total Debt (C = A + B)</b>		<b>7,298.00</b>
<b>Shareholders' Funds</b>		
Equity Share Capital (D)		1,431.00
Reserve and Surplus - as reported (E)		4,351.00
<b>Total Shareholders' Funds (F = D + E)</b>		<b>5,782.00</b>
Long Term Debt / Shareholders' Funds (G = B/E)		0.03 times
Total Debt / Shareholders' Funds (H = C/F)		1.27 times

**Notes:**

- The figures disclosed above are based on reported statement of Assets and Liabilities of the Company as at 31.03.2023.
- Long term debts represent debts which shall have debts as defined above.
- Short term debts represent the debts which are reported to be paid / payable within 12 months and also includes amount due to tax in cases repayable within 12 months.



**Independent Auditor's Examination Report on Restated Consolidated Financial Information of  
Emerald Tyre Manufacturers Limited**  
(Formerly Known as Emerald Resilient Tyre Manufacturers Ltd, Emerald Resilient Tyre Manufacturers Private Limited and Emerald Resilient Tyre Manufacturers P Ltd)

To,  
The Board of Directors  
**Emerald Tyre Manufacturers Ltd**  
(Formerly Known as Emerald Resilient Tyre Manufacturers Ltd, Emerald Resilient Tyre Manufacturers Private Limited and Emerald Resilient Tyre Manufacturers P Ltd)  
Emerald House, Plot No.2,  
Second Street Porur Gardens, Phase-I,  
Vanagaram, Tiruvallur, Poonamallee,  
Tamil Nadu, India, 600095.  
Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **Emerald Tyre Manufacturers Ltd (Formerly Known as Emerald Resilient Tyre Manufacturers Ltd, Emerald Resilient Tyre Manufacturers Private Limited and Emerald Resilient Tyre Manufacturers P Ltd)** (the "Company" [or the "Issuer"]) and its subsidiaries namely **Emerald Middle East FZ LLC** incorporated on January 10, 2011 and **Emerald Tyres Europe BVBA** incorporated on February 14, 2011 (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31 2023, 31<sup>st</sup> March 2022 and 2021, the Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Cash Flow Statement for the years ended March 31 2023, 2022 and 2021 the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on **March 22, 2024** for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") on **Emerge Platform of National Stock Exchange of India Limited ("NSE")**.

These restated Consolidated Summary Statement have been 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 Draft Red Herring Prospectus/Red Herring Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Chennai and the Stock Exchange 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 **Annexure 4** to the Restated Consolidated Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company 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 January 3, 2024 in connection with the proposed IPO of equity shares of **Emerald Tyre Manufacturers Ltd** (the "Issuer Company") on Emerge platform of NSE;
  - 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 Financial Statements of the Group for the period **ended on Nov 2023** prepared in accordance with Accounting Standard as prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on 22<sup>nd</sup> March, 2024.
  - b. Audited Consolidated Financial Statements of the Group for the year ended on March 31, 2023, 2022 and 2021 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 01, 2023, September 04, 2022 and September 07, 2021 respectively.
5. For the purpose of our examination, we have relied on:
  - a. Auditor's Report issued by us dated and on the Consolidated Financial Statement of the Group as at and for the year ended on March 31, 2023, and
  - b. Auditors' Report issued by us dated September 01, 2023 and Auditors' Report issued by other auditors dated September 07, 2022 and September 04, 2021 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2022 and 2021 as referred in Paragraph 4(b) above.

The audit for Consolidated Financial Statements for the financial year ended March 31, 2022 were conducted by the Company's previous auditors, **M/s. A B J Jain & Associates**, Chartered Accountants ("the Previous Auditors"). The previous auditor is not in the position to examine the Restated Consolidated Statement of Assets and Liabilities and the Restated Consolidated Statements of Profit and Loss and Restated Consolidated Cash flow Statements, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the Audited Consolidated Financial Information), therefore we have performed adequate procedures to restate the Consolidated Financial Information for the said year. The Examination Report included for the said year is based solely on the report submitted by the Previous Auditor.

6. There were no qualifications in the Audit Reports issued by us and by previous auditor as at and for the years ended on March 31, 2023 and 2022 and 2021 which would require adjustments in this Restated Consolidated Financial Information of the Company.





7. As indicated in our audit reports referred above:

We did not audit the financial statements of subsidiaries namely, namely **Emerald Middle East FZ LLC** and **Emerald Tyres Europe BVBA** whose share of total assets, total revenues, net cash inflows/(outflows) included in the Consolidated Financial Statements. The Financial Statements of **Emerald Middle East FZ LLC**, which is a material subsidiary of the Group have been audited by the other auditors (**Abdallah Al Qaydi SPA Auditing, Dubai, Emirates**), whose reports have been furnished to us by the Company's management and the Financial Statements of **Emerald Tyres Europe BVBA** is **not audited** as the local regulation of the Country does not mandate the audit however the same has been audited by Other Auditors M/s CA T.Pothi Madhavan, Chartered Accountants, No. 9/3, 1st Floor, Pushpa Nagar main Road, Nungambakkam, Chennai- 600034 and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of **Emerald Middle East FZ LLC** and **Emerald Tyres Europe BVBA** is based solely on the reports of the other auditors.

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Emerald Middle East FZ LLC</b>			
Total Assets	266.02	466.22	558.72
Total Revenue	500.22	1,122.09	1,015.40
Net Cash Inflows/ (Outflows)	13.79	14.40	30.64
<b>Emerald Tyres Europe BVBA</b>			
Total Assets	1,735.37	1,431.78	1,345.05
Total Revenue	3,788.02	2,867.04	1,894.84
Net Cash Inflows/ (Outflows)	7.08	2.79	10.83

Our opinion on the consolidated financial statements is not qualified in respect of these matters.

The Management of the Company has examined the Restated Consolidated financial information and there are:

- No adjustments in the Restated Consolidated financial information due to the changes in accounting policies retrospectively in the financial year ended March 31, 2023, 2022 and 2021 to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- No adjustments in the Restated Summary Statements due to prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments; and
- The Restated Consolidated financial information has 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, we report that:

- The Restated Consolidated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

- b. The Restated Consolidated Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 6 above.
  - c. The Restated Consolidated Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - d. The Restated Consolidated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;
  - e. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - f. There was no change in accounting policies, which need to be adjusted in the Restated Consolidated Summary Statement. The details of Prior period Adjustments are given in Annexure 5 of the Restated Consolidated Financial Statements.
  - g. From Financial Years 2020-21 to 2022-23, i.e., the period covered in the restatement, the Company has not declared and paid any dividend.
9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the years ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus.

Annexure No.	Particulars
1	Consolidated Financial Statement of Assets and Liabilities as Restated
2	Consolidated Financial Statement of Profit and Loss as Restated
3	Consolidated Financial Statement of Cash Flow as Restated
4	Significant Accounting Policy and Notes to the Restated Consolidated Summary Statements
5	Adjustments made in Restated Consolidated Financial Statements / Regrouping Notes
6	Statement of Share Capital as restated
7	Statement of Reserves and Surplus as restated
8	Statement of Long-Term Borrowings as restated
9	Statement Of Deferred Tax Liabilities as Restated
10	Statement Of Other Long Term Liabilities as Restated
11	Statement of Long-Term Provisions as restated
12	Statement of Short-Term Borrowings as restated
13	Statement of Trade Payables as restated
14	Statement of Other Current Liabilities as restated
15	Statement of Short-Term Provisions as restated
16	Statement of Property, Plant & Equipment and Depreciation as restated
17	Statement Of Non-Current Investments as Restated
18	Statement of Long-Term Loans & Advances as restated



19	Statement of Other Non-Current Assets as restated
20	Statement Of Inventories as Restated
21	Statement of Trade Receivables as restated
22	Statement of Cash & Bank Balances as restated
23	Statement Of Short Term Loans And Advances as Restated
24	Statement of Other Current Assets as restated
25	Statement of Revenue from Operation as restated
26	Statement of Other Income as restated
27	Statement Of Cost Of Materials Consumed as Restated
28	Statement Of Changes In Inventories Of Work-In-Progress & Finished Goods as Restated
29	Statement of Employee Benefits Expenses as restated
30	Statement of Finance Costs as restated
31	Statement of Depreciation & Amortisation Expenses as restated
32	Statement of Other Expenses as restated
33	Statement of Summary of Accounting Ratios as restated
34	Statement of Related Parties Transactions as restated
35	Statement of Provision for Gratuity as Restated
36	Statement of Contingent Liability as Restated
37	Statement Of Corporate Social Responsibility as Restated
38	Statement Of Net Assets And Profit/(Loss) Attributable To Owners And Minority Interest
39	Additional Disclosures with respect to Amendments to Schedule III as Restated
40	Statement of Capitalisation Statement as Restated

10. We, M/s. **Rajani & Co.**, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "**Peer Review Board**" of the ICAI.
11. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose financial statements and audited financial statements mentioned in paragraph 4 above.
12. 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.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



14. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Chennai 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 Rajani and & Co**  
Chartered Accountants  
ICAI Firm Reg.No: 003433S  
Peer Review Certificate No: 012706

  
**Mahesh Jain**  
Partner  
Membership No: 229881  
UDIN: 24229881BKBIDF7181

**Place: Chennai**  
**Date: 22<sup>nd</sup> March 2024**



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC048665  
 EMERALD HOUSE, Flat No.2, Second Street, Pearu Gardens, Phase-I, Vanagaram, Chennai 600 095

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE - I

(Amount in ₹ Lakhs)

Particulars	Acct. No.	As at			
		Nov 30, 2021	March 31, 2022	March 31, 2022	March 31, 2021
<b>I EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	6	1,471.43	656.05	656.05	1,128.79
(b) Reserves and Surplus	7	3,463.62	3,026.56	2,217.95	1,216.19
<b>NON-CURRENT LIABILITIES</b>					
(a) Long-Term Borrowings	8	4,267.34	2,766.23	2,863.58	2,170.62
(b) Deferred Tax Liabilities	9	202.08	279.09	217.77	208.34
(c) Other Long-Term Liabilities	10	550.39	141.38	134.09	78.81
(d) Long-Term Provisions	11	17.00	18.43	36.40	30.00
<b>CURRENT LIABILITIES</b>					
(a) Short-Term Borrowings	12	4,475.41	3,780.07	4,268.81	4,241.33
(b) Trade Payables	13				
(c) Total outstanding dues of Micro and Small Enterprises		317.92	167.93	192.40	127.25
(d) Total outstanding dues of creditors other than Micro and Small Enterprises		1,100.61	1,490.22	1,284.18	1,186.26
(e) Other Current Liabilities	14	686.31	1,190.81	1,199.20	362.75
(f) Short-Term Provisions	15	184.40	202.31	175.62	176.19
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,998.17</b>	<b>15,605.19</b>	<b>17,460.38</b>	<b>17,153.45</b>
<b>II ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
(a) Property, Plant & Equipment and Intangible Assets					
(i) Property, Plant and Equipment	16	6,729.08	4,119.43	3,974.44	2,877.29
(ii) Intangible Assets	18	214.25	117.70	162.94	27.22
(iii) Capital Work In Progress	19	158.07	664.69	1,019.44	914.94
(iv) Short-Term Investments	17	870.00	9.00	9.00	9.00
(v) Long-Term Loans & Advances	20	28.24	112.08	340.61	2.51
(vi) Other Non-Current Assets	21	316.63	411.19	581.32	307.13
<b>CURRENT ASSETS</b>					
(a) Inventories	22	5,550.00	3,729.32	3,191.47	4,480.33
(b) Trade Receivables	23	4,119.43	3,015.91	3,255.27	2,014.89
(c) Cash & Bank Balances	24	366.98	88.02	15.37	115.24
(d) Short-Term Loans and Advances	25	208.22	180.19	563.86	671.23
(e) Other Current Assets	26	117.90	100.91	207.31	203.27
<b>TOTAL ASSETS</b>		<b>16,998.17</b>	<b>15,605.19</b>	<b>17,460.38</b>	<b>17,153.45</b>

As per our report of even date attached

Per Rajani and Co.,  
Chartered Accountants  
FRN: 0034335  
Pass Review Certificate No: 002706

Mahesh Jay  
Partner  
Membership No: 20490

Place: Chennai  
Date: 22-03-2024  
ICDN: 312298104-81067101

For and on behalf of the Board of Directors of  
Emerald Tyre Manufacturers Ltd

*V. T. Chandrasekaran*  
V. T. Chandrasekaran  
Managing Director  
DIN: 00528916

*D. Karaneshwaran*  
D. Karaneshwaran  
Whole Time Director  
DIN: 00109186

*S. S. Senthil*  
S. S. Senthil  
Member Company Secretary  
Chief Financial Officer  
PAN: AZEP9894K

*Shiva R.D*  
Shiva R.D  
Joint Director  
Company Secretary  
Membership No: 49710



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC048645  
 EMERALD HOUSE, Flat No.2, Second Street, Park Gardens, Phase-I, Vengal Rao, Chennai 600 055

CONSOLIDATED FINANCIAL STATEMENT OF PROFIT & LOSS AS RESTATED

ANNEXURE -2

(Amount in ₹ Lakhs)

Particulars	Sl. No.	For the Year (upto) ended			
		Nov. 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>I. Income</b>					
II Revenue From Operation	20	13,726.09	10,393.99	17,364.38	8,664.30
III Other Income	26	375.12	434.15	395.41	112.67
<b>Total Revenue</b>		<b>14,101.21</b>	<b>10,828.14</b>	<b>17,759.79</b>	<b>8,776.97</b>
<b>IV. Expenditures</b>					
(a) Cost of Materials Consumed	27	3,976.28	10,359.89	8,899.67	3,244.20
(b) Changes in Inventories of Work-in-Progress & Finished Goods	28	(158.91)	(411.56)	(300.78)	(370.79)
(c) Employee Benefits Expenses	29	1,359.59	1,532.56	1,544.64	1,182.87
(d) Finance Costs	30	670.90	886.23	681.76	793.89
(e) Depreciation & Amortisation Expenses	31	314.46	466.60	395.33	587.27
(f) Other Expenses	32	1,600.15	2,355.56	2,135.45	1,791.36
<b>Total Expenditure</b>		<b>8,844.38</b>	<b>15,645.39</b>	<b>12,807.66</b>	<b>8,074.38</b>
V Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		<b>5,256.83</b>	<b>(4,817.25)</b>	<b>4,952.13</b>	<b>6,702.59</b>
VI Exceptional and Extraordinary Items					
VII Profit/(Loss) Before Tax (V-VI)		<b>5,256.83</b>	<b>(4,817.25)</b>	<b>4,952.13</b>	<b>6,702.59</b>
VIII Tax Expenses:					
(a) Current Tax		181.74	127.28	181.86	86.31
(b) Deferred Tax		13.86	31.31	(14.31)	(14.29)
<b>IX Profit/(Loss) for the Year (VII-VIII)</b>		<b>5,062.83</b>	<b>(5,027.24)</b>	<b>4,755.96</b>	<b>6,601.99</b>
X Earnings per Equity Share of Rs 30 Each					
Per - Bonus Issue					
-Cash		5.69	11.89	7.43	(5.41)
-Dividend		6.09	11.86	8.26	(3.81)
Per - Bonus Issue					
-Cash		5.69	6.58	3.72	(5.75)
-Dividend		6.09	7.81	4.18	(8.99)

As per our report of even date attached

For Rajani and Co,  
Chartered Accountants  
FRN: 0019778  
Peer Review Certificate No. 03219

Mahesh Jale  
Partner  
Membership No. 22981

Plot: Chennai  
Date: 25-03-2024  
TIN: 3422980196/24071181

For and on behalf of the Board of Directors of  
Emerald Tyre Manufacturers Limited

*V. T. Chandrasekharan*  
V. T. Chandrasekharan  
Managing Director  
DIN: 00128616

*S. S. Srinivasan*  
S. S. Srinivasan  
Chief Financial Officer  
PAN: AZEP6854K

*H. P. D.*  
H. P. D.  
Whole Time Director  
DIN: 01731186  
Raja Devika Bharya  
Company Secretary  
Membership No. A57118





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC088645  
 EMERALD HOUSE, Plot No.2, Second Street, Park Garden, Phase-1, Vanagaram, Chennai 600 095

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOW ABSTRACTED

ANNEXURE - 3

(Amount in ₹ Lakhs)

Particulars	For the Year (partial ended)			
	Nov 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Pre Paid Interest Tax	587.81	1,128.00	642.00	(274.13)
<b>Adjustments for:</b>				
Depreciation and amortisation	314.16	409.62	336.35	367.07
(Profit)/Loss on sale of Assets	-	-	-	(111.11)
Interest Income	(7.45)	(9.86)	(8.17)	(13.88)
Net gain on foreign currency transactions	(80.24)	(147.50)	(71.58)	(86.61)
Finance Cost	675.88	896.26	481.34	501.99
Bad Debt	16.19	16.96	1.32	22.44
Ordinary Dividend and Income from Investment Dividends	8.54	15.47	18.11	5.66
Warranty	5.06	-	-	-
<b>Operating Profit before working capital changes</b>	<b>1,025.88</b>	<b>3,126.76</b>	<b>1,889.79</b>	<b>701.47</b>
<b>Adjustments for changes in working capital:</b>				
<b>Adjustments for increase / decrease in operating assets:</b>				
Increase / (Decrease) in Inventories	(23.71)	(390.43)	(638.16)	(20.24)
Increase / (Decrease) in Trade Receivables	(1,072.67)	(43.43)	(334.67)	(486.12)
Increase / (Decrease) in Short Term Loans and Advances	(18.19)	432.95	198.78	(87.85)
Increase / (Decrease) in Long Term Loans and Advances	131.56	182.81	(342.31)	153.26
Increase / (Decrease) in Other Current assets	(87.95)	47.26	(4.44)	(44.66)
Increase / (Decrease) in Other Non-Current assets	84.89	(80.83)	(74.21)	(80.91)
Increase / (Decrease) in Trade and Other payables	(88.65)	238.32	231.58	(193.42)
Increase / (Decrease) in Other Current liabilities	238.42	(680.38)	756.41	(3,181.71)
Increase / (Decrease) in Other Long Term Liabilities	6.21	27.29	50.28	(8.81)
Increase / (Decrease) in Short term provisions	81.27	(26.87)	(86.47)	(17.31)
Increase / (Decrease) in Long term Provisions	(13.46)	(12.21)	(11.74)	(7.21)
	<b>(906.42)</b>	<b>(446.24)</b>	<b>(848.77)</b>	<b>(2,802.78)</b>
<b>Cash generated from operations</b>	<b>619.46</b>	<b>1,680.52</b>	<b>1,041.02</b>	<b>(1,101.31)</b>
Security Taxes paid	(191.81)	(213.61)	(78.48)	(27.80)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>427.65</b>	<b>1,466.91</b>	<b>962.54</b>	<b>(1,129.11)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Capital expenditure on fixed assets, including capital advances	(751.75)	(1,480.45)	(1,213.88)	(98.71)
Proceeds from sale of fixed assets	-	-	-	28.20
Interest Income	7.46	9.36	8.17	13.88
Long Term Investments	(180.89)	-	-	1.28
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(825.18)</b>	<b>(1,471.09)</b>	<b>(1,205.71)</b>	<b>(82.15)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from equity share applications money	446.02	-	289.95	281.23
Proceeds from issue of term deposits	-	-	-	280.00
Proceeds from long term borrowings (Net of expenses)	1,803.10	(498.43)	264.96	(31.07)
Reductions / (Increase) in working capital borrowings	(1,240.06)	1,171.26	525.20	1,741.48
Finance cost	(676.88)	(896.26)	(481.34)	(501.99)
Dividends paid including tax	-	-	(27.47)	(73.93)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(317.62)</b>	<b>75.55</b>	<b>(180.94)</b>	<b>(576.69)</b>
<b>3) NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>109.85</b>	<b>671.37</b>	<b>(324.11)</b>	<b>(707.05)</b>
Opening Cash and Cash Equivalents	88.12	31.77	191.64	33.20
<b>CLOSING CASH AND CASH EQUIVALENT</b>	<b>198.00</b>	<b>603.14</b>	<b>(33.77)</b>	<b>(173.85)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH THE BALANCE SHEET:</b>				
Cash & cash equivalent as per Balance sheet	198.00	603.14	(33.77)	(173.85)

As per our report of even date attached

For Rajani & Co,  
Chartered Accountants  
FRN: 003433S  
Place: Chennai, India

Mahesh Kumar  
Partner  
Membership No: 22981

Place: Chennai  
Date: 21-03-2024  
CIN: U25111TN2002PLC088645



For and on behalf of the Board of Directors of  
Emerald Tyre Manufacturers Ltd

V.T. Chandrasekhar  
Managing Director  
DIN: 0012814

S. Suresh  
Shareholder  
Chief Financial Officer  
PAN: AZEP9654K

D. Eswaralingam  
Whole Time Director  
DIN: 0112928

Shrija R.D.  
Kajal Devisha Shrija  
Company Secretary  
Membership No: 197138



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Parar Gardens, Phase-I, Vanagaram, Chennai 600 095

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENTS**

APPENDIX - 4

**A. BACKGROUND**

Emerald Resilient Tyre Manufacturers Private Limited (the Holding Company) having CIN:U25111TN2002PLC048665 incorporated on 27th March 2002 under the provisions of the Companies Act, 1956, and having its registered office at Emerald House, Plot No.2, 2nd Street, Parar Gardens, Phase-I, Vanagaram, Chennai - 600 095 (The Registered Office was changed from EKV House No.3, 9th Lane, Nattai Nagar, Adyar, Chennai 600029 vide resolution dated 21-10-2021)

The company's name changed from Emerald Resilient Tyre Manufacturers Private Limited to Emerald Resilient Tyre Manufacturers Private Limited vide special resolution passed by its shareholders at the Extra Ordinary General Meeting held on 16-07-2018. Subsequently, Company was converted into Public Limited Company vide special resolution passed by its shareholders at the Extra Ordinary General Meeting held on 25-11-2021 and the name was changed from Emerald Resilient Tyre Manufacturers Private Ltd to Emerald Resilient Tyre Manufacturers Ltd.

Subsequently, a special resolution was passed vide 0094 Dated 11-01-2024 and the name of the Company was changed from Emerald Resilient Tyre Manufacturers Ltd to Emerald Tyre Manufacturers Limited (as "the Company") in the "Form" present in issuance of Fresh Certificate of Incorporation dated 27-01-2024 by Registrar of Companies, Chennai with Corporate Identification Number U25111TN2002PLC048665.

\* Emerald Tyre Manufacturers Limited holds 100% of Emerald Middle East FZE, which was incorporated on January 20, 2017 and 100% of Emerald Tyres Europe BV which was incorporated on February 14,2017. The registered office of the subsidiaries are situated in Dubai, UAE & Veld, Belgium respectively.

Emerald Tyre Manufacturers Limited along with subsidiaries Emerald Middle East FZE and Emerald Tyres Europe BV is the "Group" for the purpose of consolidation. The Financial Statements of Emerald Middle East FZE is audited by NPA auditing, Dubai. The audit report of Europe does not mention the audit. We have gone through the audit report of the subsidiaries and no qualifications were found. In so far as it relates to the amounts and disclosures included in respect of Emerald Tyres Europe BV is based solely on the reports of the Management.

**Significant Accounting Policies**

**Basic of preparation**

The summary statement of consolidated assets and liabilities of the Company as at 30th November 2023, 31st March 2023, 31st March, 2022 and 31st March, 2021 and the related summary statement of consolidated retained profit and loss and cash flows for the period ended 30th November 2023, year ended 31st March 2023, 31st March, 2022 and 31st March, 2021 (collectively referred to as the "financial summary financial statements") have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company in connection with the proposed Initial Public Offering (hereinafter referred to as "IPO"). The related summary financial information has been prepared by applying necessary adjustments to the financial statements ("financial statements") of the Company. The financial statements of the Company have been prepared in accordance with the generally Accepted Accounting Principles in India (Indian GAAP) in compliance with the accounting standards specified under section 133 of the Companies Act, 2013, of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the 2013 Act), as applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2018, as amended (the "Regulations"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistently applied.

**Principle of consolidation**

The consolidated financial statements comprise the financial statements of Emerald Resilient Tyre Manufacturers P Ltd (the Holding Company) and of its Subsidiary Company. The financial statements of all the companies are prepared according to uniform accounting policies, in accordance with generally accepted accounting principles in the countries of incorporation. The effects of intercompany transactions are eliminated on consolidation. Companies included in Consolidation:

Name of the Company	Ownership	Shareholding %
Emerald Middle East FZE	100%	100%
Emerald Tyres Europe BV	100%	100%

**Use of estimates**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles require the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, income taxes, post-retirement benefit, and the useful lives of Property, Plant and Equipment and intangible assets.

**Revenue recognition**

- Revenue is recognized only when risks and rewards associated to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service fee, license fee, and sales during trial free period, adjusted for discounts (if any), and penalties for corresponding hedge contracts.
- Revenue is recognized when the performance obligation are satisfied and when there is no uncertainty as to measurement or collectibility of consideration. Revenue is from sales of Tyres and Rims.
- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured in accordance with IAS-18, Revenue Recognition. Sales are recognized on accrual basis, and with other number of services in the contract.
- Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognized following the proportionate completion method, where revenue is recognized by payment in the progress of the contract activity. The progress of the contract activity is usually determined as a proportion of efforts incurred up to the balance sheet date, which bears to the total efforts. It also extended for the contract.
- Revenue on time-and-material contracts are recognized as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognized as realized revenues.
- Interest Income: Revenue is recognized on the time proportion basis after taking into account the amount outstanding and the rate applicable.
- Other Income: Other items of income and expenses are recognized on accrual basis and on a group revenue basis, and the accounting policies are consistent with the generally accepted accounting policies.

**Property Plant and Equipment including Intangible assets:**

Property Plant and Equipment are stated at cost less accumulated depreciation. Cost includes cost of acquisition including interest cost, freight, installation cost, import and taxes, and other incidental expenses incurred up to the installation stage, related to such acquisition. Property Plant and Equipment purchased as India as foreign currency are recorded in Rupees, converted at the exchange rate prevailing on the date of purchase. Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

**Depreciation & Amortization:**

The Company has applied the estimated useful lives as specified in Schedule II of the Companies Act, 2013 and calculated the depreciation as per the Straight Line Value (SLV) method. Depreciation on new assets acquired during the year is provided at the rates applicable from the date of acquisition to the end of the financial year. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal. Intangible assets are amortized on a straight line basis over the estimated useful life as specified in Schedule II of the Companies Act, 2013. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss. In respect of the assets sold during the year, amortization is provided from the beginning of the year till the date of its disposal.



**Emerald Tyre Manufacturers Limited**  
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 CIN:U15111TN0001PLC048665  
 EMERALD HOUSE, Flat No.2, Second Street, Park Gardens, Phase-I, Vazhagam, Chennai 600 095

**Impairment of assets:**

The Management periodically assesses intang, physical and financial assets, whether there is an indication that an asset may be impaired. An impairment loss is recognized whenever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The level of impairment loss is recognized immediately as income to the profit and loss account.

**Use of estimates:**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, income taxes, provisions for employee benefits, depreciation and amortization, and the useful lives of Property, Plant and Equipments and intangible assets.

**Foreign currency transactions:**

**Domestic Operation:**

**I. Initial recognition:**

A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**II. Measurement:**

Foreign currency monetary items are reported using the closing rate.

Non-monetary items which are carried at historical cost and measured in a foreign currency are reported using the exchange rate at the date of the transaction.

Non-monetary items which are carried at fair value or other similar valuation, denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

**III. Treatment of foreign exchange:**

Exchange differences arising on settlement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

**Employee Benefits:**

**A Short-term employee benefits:**

**Leave encashment:**

The leave encashment liability upon retirement is calculated based on the accumulated leave and it is recognized accordingly. Leave liability is recognized and accounted on annual basis.

**B Post-Employment benefits:**

**Defined benefit plan:**

The Company provides for Gratuity, a Defined benefit plan (The Gratuity Plan) covering eligible employees in accordance with provision of Gratuity Act, 1972. Gratuity liability is a defined benefit obligation and is funded through LDC of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as on the end of each financial year.

**Defined contribution Plan:**

**Provident Fund:** Eligible employees receive benefits from provident fund covered under the Provident Fund Act. Both the employees and the company make monthly contributions. The employee contribution is charged off to Profit & Loss Account as it is expense.

**Taxes on Income:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

**A Current Tax:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

**B Deferred Tax:**

Deferred tax is recognized, subject to the considerations of prudence, as for the effect of timing difference between the taxable income and accounting income computed for the current accounting year using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carried forward losses, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**Provisions and Contingent Liabilities:**

A provision is recognized if, as a result of past events, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligations at the reporting date. Where an reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Earnings Per Share:**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**Operating Leases:**

Leases where the Lessee effectively assumes substantially all the risks and benefits of ownership of the leased items, are classified as operating lease. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis.

**Gold and Cash Equivalents:**

Gold and cash equivalents comprise cash and cash deposits with banks. The Company considers all highly liquid investments with a original maturity of a date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**Cash Flow Statement:**

Cash flows are reported using indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Investments:**

Investments, which are readily realizable and intended to be held for a term that is not less than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.





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ANNEXURE TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

ADJUSTMENTS MADE IN RESTATED CONSOLIDATED FINANCIAL STATEMENTS / REGROUPING NOTES

ANNEXURE - 5

**Adjustments bearing no impact on Profit Material Regrouping**

Appropriate adjustments have been made in the restated statutory statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities Exchange Board of India (Disclosure & Disclosure Requirements) Regulations, 2018 (as amended).

**Reconciliation of Profit**

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Net profit after Tax as per audited accounts for before adjustments for related accounts	71.17	124.25	461.64	102.44
Provision for Leave Encumbrance Reversal	21.24	(2.15)	(7.43)	(0.23)
Provision for Dividend	(18.29)	1.81	4.34	4.73
Difference in Exchange Rate Conversion	(128.94)	128.94	-	-
Export Tyre Claim	93.80	(93.80)	-	-
Elimination difference in unadjusted profit at closing stock	289.88	(9.37)	(21.29)	-
Change in Depreciation	(8.40)	(1.61)	26.78	2.54
Impact of benchmark fund	(6.37)	3.84	-	9.18
Interest on late payment of taxes	45.77	(13.57)	(21.31)	(8.20)
Provision for Tax	80.74	14.67	40.67	27.43
Provision for Deferred Tax	36.28	3.37	(9.39)	(4.31)
<b>Net adjustment in Profit and Loss Account</b>	<b>78.50</b>	<b>(31.65)</b>	<b>11.45</b>	<b>22.14</b>
Adjusted Profit after Tax	149.67	92.60	473.14	124.58
<b>Net Profit after Tax as per Restated Accounts</b>	<b>149.67</b>	<b>92.60</b>	<b>473.14</b>	<b>124.58</b>

**Notes for Reconciliation:**

- Provision for Leave Encumbrance** - The company did not have a provision for accumulation of Leave as previous years. The same has been created after receiving a Valuation by an Auditor.
- Goodwill** - The Company has recognized Goodwill as per the Valuation received from I.R. of India on payment basis. The same has been created after Third Party statutory Valuation received as actual liability.
- Export Tyre Claim** - Product Liability Insurance Claim received in November 2023 but the same belongs to claim pertaining to FY 2022-2023 (Delimitation Time).
- Difference in Exchange Rate Conversion** - Restating the Foreign Exchange Currency for FY 2022-2023 pertaining to Outstanding Trade Receivables.
- Change in Depreciation** - Change in Profit and Loss due to Effect given to Change in the Useful life of the Assets.
- Impact of benchmark fund** - Accumulation of Benchmark Fund has been created since to the respective year.
- Interest on late payment of taxes** - Interest accrued in Finance Cost as per the guidelines issued by ICAI.
- Provision for Tax** - The Change is due to consolidation of the profit above.
- Provision for Deferred Tax** - The Change is due to consolidation of the profit above (Point 1 to Point 5).
- Elimination difference in unadjusted profit in closing stock** - unadjusted profit eliminated towards stock purchased by foreign subsidiary.

**Reconciliation of Equity**

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity as per Audited Financial Statements	4,829.92	3,341.98	2,870.84	2,490.82
Opening balance of adjustment in Equity	258.64	538.47	45.44	-
Opening Difference in amount of depreciation	-	-	-	(12.32)
Elimination difference (including in FCTR)	(116.91)	(273.43)	281.30	47.21
Opening Provision for Deferred Tax	-	-	-	(5.05)
Opening Provision for leave encumbrance recognized	-	-	-	(11.43)
Opening Provision for guarantee recognized	-	-	-	3.18
Interest on late payment of taxes expense for prior years	-	-	-	(1.43)
Change in profit in loss	48.05	131.05	11.44	21.19
<b>Net adjustment in Equity</b>	<b>(18.96)</b>	<b>138.84</b>	<b>336.47</b>	<b>67.44</b>
Adjusted Equity	4,899.03	3,681.54	2,907.01	2,558.26
<b>Equity as Restated</b>	<b>4,899.03</b>	<b>3,681.54</b>	<b>2,907.01</b>	<b>2,558.26</b>

**Notes for Reconciliation:**

- Provision for Leave Encumbrance** - The company did not have a provision for accumulation of Leave as previous years. The same has been created after receiving a Valuation by an Auditor.
- Goodwill** - The Company has recognized Goodwill as per the Valuation received from I.R. of India on payment basis. The same has been created after Third Party statutory Valuation received as actual liability.
- Interest on late payment of taxes expense for prior years** - The Change is due to consolidation of the profit above.
- Deferred Tax** - The Change is due to consolidation of the profit above (Point 1 to Point 4 of Reconciliation of Profit and Loss).
- Change in Profit and Loss** - The Change is due to consolidation of the profit above (Point 1 to Point 4 of Reconciliation of Profit and Loss).
- Elimination difference (including in FCTR)** - Difference from the parent company - was necessarily resulted by Foreign subsidiary funds - same from translation and elimination difference recognized accordingly.

STATEMENT OF SHARE CAPITAL AS RESTATED

ANNEXURE - 4

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Authorized Share Capital</b>				
1,13,00,000 Equity Shares of Rs 100 each (Refer Note 1)	1,13,00,000	1,13,00,000	1,13,00,000	1,13,00,000
5,00,000 17% Convertible Non-Cumulative Redeemable Preference Share of Rs 100 each (Refer Note 1)	500,000	500,000	500,000	500,000
<b>Issued, Subscribed &amp; Paid Up</b>				
1,45,14,552 Equity Shares of Rs 100 each Rs 95 paid (Refer Note 2 & 3)	1,45,14,552	1,45,14,552	1,45,14,552	1,45,14,552
5,00,000 17% Convertible Non-Cumulative Redeemable Preference Share of Rs 100 each (Refer Note 1)	500,000	500,000	500,000	500,000
<b>Total</b>	<b>1,45,14,552</b>	<b>1,45,14,552</b>	<b>1,45,14,552</b>	<b>1,45,14,552</b>

Note 1: Authorized capital increased from 1,10,00,000 Equity shares to 1,13,00,000 Equity shares with effect from 18/08/2023 vide members resolution and approval on 18/08/2023.

Note 2: The Company has declared bonus shares as per the Members Meeting held on 20/11/2023, in the ratio of 1 Equity share of Rs 100 each for every 1 Equity share of Rs 100 each held.

Note 3: The Company at its Board's Meeting held on 15th March 2024, has proposed to issue of the outstanding Convertible Guaranteed Redeemable convertible of ₹ 2,00,00,00,000 Equity Shares of ₹ 100 Per Share (including Provision of ₹ 100 Per Share) as per the terms agreed.

(In ₹ Lakhs)

Particulars	As at Nov 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Equity Shares</b>				
At the beginning of the year	62,80,484	62,80,484	62,80,424	62,80,424
Issued during the year	77,71,777	-	2,71,668	1,07,069
Warrant bought back during the year	-	-	-	-
<b>Total Outstanding at the end of the year</b>	<b>1,40,52,261</b>	<b>62,80,484</b>	<b>65,52,092</b>	<b>63,87,493</b>



**Emerald Tyre Manufacturers Limited**  
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CIN:U25111TN2002PLC048662  
EMERALD HOUSE, Flat No.2, Second Street, Parvati Gardens, Phase-I, Vengal Rao, Chennai 600 055

**Terms/ rights attached to Equity Shares**

The company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after the distribution of all preferential amounts, in proportion to their shareholding.

**Details of shareholders holding more than 1% of shares**

Name of Shareholder	As at Nov 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% Holding	No. of shares held	% Holding	No. of shares held	% Holding	No. of shares held	% Holding
<b>Equity shares of Rs. 10 each fully paid-up</b>								
T. Thevaraj	17,21,000	11.85%	8,16,940	12.99%	34,82,310	77.94%	34,82,310	89.59%
T. Thevaraj	3,00,000	4.31%	1,49,890	3.08%	14,47,000	21.87%	14,47,000	27.02%
T. T. Chandrasekaran	48,71,814	47.98%	34,12,914	32.77%	5,64,714	8.09%	1,84,714	8.98%
Surbharat Finance	10,11,100	7.21%	9,17,203	7.89%	-	-	-	-
Shreeing Trading Company	-	-	-	-	4,23,000	9.08%	4,23,000	8.70%
Enterprise Global Securities Pvt Ltd	17,81,384	12.40%	-	-	-	-	-	-
<b>Total</b>	<b>1,26,76,687</b>	<b>84.20%</b>	<b>51,43,618</b>	<b>78.86%</b>	<b>45,06,024</b>	<b>68.61%</b>	<b>45,01,024</b>	<b>75.89%</b>

**Details of Shareholding of Promoters**

Name of Promoter	As at Nov 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% Holding	No. of shares held	% Holding	No. of shares held	% Holding	No. of shares held	% Holding
<b>Equity shares of Rs. 10 each fully paid-up</b>								
T. V. T. Chandrasekaran	48,71,814	47.98%	34,12,914	32.77%	5,64,714	8.09%	1,84,714	8.98%
<b>% Change during the year/Period</b>								
T. V. T. Chandrasekaran	-	(4.47%)	-	(43.79%)	-	(9.37%)	-	-

\* The % change during the period is taken after the issue of these shares. The % change mentioned here denotes the absolute change of share percentage during the period.

**STATEMENT OF RESERVES AND SURPLUS AS RESTATED**

**ANNEXURE - 7**

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>(A) New/Retracted Provision Account</b>				
Opening Balance	1,862.79	1,862.79	798.13	439.43
Add: Additions during the year**	388.21	-	272.07	869.30
Less: Transferred to Other Reserves (Dividend, Bonus, etc.)	(170.71)	-	-	-
<b>Closing Balance</b>	<b>3,080.29</b>	<b>1,862.79</b>	<b>1,070.20</b>	<b>1,308.73</b>
** The Company or its Member's Meeting held on 15th March 2024, has proposed to convert the outstanding Company's Convertible Debentures amount of ₹ 250 Lakhs into 150,250 Equity Shares of ₹ 100 (the Share) (including Premium of ₹ 100) (1% Share). The total Premium amount is ₹ 250.25 Lakhs.				
<b>(B) General Reserve</b>				
Opening Balance	231.00	231.00	191.00	191.00
Add: Additions during the year	-	-	39.00	-
Less: Transferred to Other Reserves (Dividend, Bonus, etc.)	-	-	-	-
<b>Closing Balance</b>	<b>231.00</b>	<b>231.00</b>	<b>231.00</b>	<b>191.00</b>
<b>(C) Capital Redemption Reserve Account</b>				
Opening Balance	900.00	900.00	180.00	50.00
Add: Transfer from Reserves and Surplus	-	-	480.00	30.00
Less: Transferred to Other Reserves (Dividend, Bonus, etc.)	(480.00)	-	-	-
<b>Closing Balance</b>	<b>420.00</b>	<b>900.00</b>	<b>660.00</b>	<b>180.00</b>
<b>(d) Debenture Redemption Reserve Account</b>				
Opening Balance	-	-	-	-
Add: Transferred from Reserves and Surplus	-	-	30.00	-
Less: Transferred to General Reserve	-	-	(30.00)	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(e) Foreign Currency Translation Reserve</b>				
Opening Balance	(716.95)	(716.95)	(46.08)	(167.39)
Add: Opening difference in Foreign Currency translation reserve	-	-	-	167.31
Add: Additions during the year 2023	(22.58)	(91.44)	(6.24)	(26.57)
<b>Closing Balance</b>	<b>(741.53)</b>	<b>(808.39)</b>	<b>(52.32)</b>	<b>(126.65)</b>
<b>(f) Surplus to Profit &amp; Loss</b>				
Opening Balance	2,054.39	1,298.99	496.29	978.48
Add: Additions during the year	388.18	863.18	275.11	(793.26)
Less: Proposed Dividend on Preference Shares	-	-	(27.47)	(73.88)
Less: Opening Depreciation adjustment	-	-	-	(12.71)
Less: Adjustments of deferred tax	-	-	-	(2.97)
Less: Adjustments of Equity Instruments	-	-	-	(11.43)
Less: Adjustments of currency	-	-	-	7.18
Less: Interest expense prior period	-	-	-	(1.41)
Less: Transfer to Debenture Share Redemption Reserve	-	-	(49.99)	(50.00)
Less: Transferred to Debenture Redemption Reserve	-	-	(76.98)	-
<b>Closing Balance</b>	<b>2,442.57</b>	<b>2,162.10</b>	<b>1,298.99</b>	<b>491.25</b>
<b>Total</b>	<b>3,662.63</b>	<b>4,024.89</b>	<b>2,252.45</b>	<b>1,916.47</b>





**Emerald Tyre Manufacturers Limited**  
(Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
CIN:U25117ND002PLC048665  
EMERALD HOUSE, Plot No.2, Second Street, Panna Gardens, Phase-I, Vengal Rao, Chennai 600 075

STATEMENT OF LONG-TERM BORROWINGS AS RESTATED

ANNEXURE -B

(Amount in ₹ Lakhs)

Particulars	As at Mar 30, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>				
<b>(i) Term Loans</b>				
1. From Banks (Note 1)	2,674.89	1,991.19	707.17	1,236.55
(i) From NBFC (Note 1)	818.58	987.25	364.30	1.83
<b>Unsecured</b>				
<b>(ii) Compulsory Convertible Debentures</b>				
5 year 18% Compulsory Convertible Debentures (CCD) (Year 2022 - Non-Convertible Debentures (NCD))	-	-	-	900.00
3 Year 12% Compulsory Convertible Debentures (CCD) of Rs. 500/- each	250.00	250.00	250.00	250.00
Each CCD will be converted into one equity share of Rs. 10/- each together with a premium of Rs. 100/- per equity share at the end of each year from the date of allotment.				
<b>(iii) Term Loans</b>				
1. From Banks (Note 1)	80.92	121.89	154.91	252.98
(i) From NBFC (Note 1)	1,872.99	1,861.79	2,236.80	964.14
<b>Total</b>	<b>5,495.17</b>	<b>4,882.83</b>	<b>4,399.88</b>	<b>3,258.67</b>
Less: Current Maturity of Long Term Debt (Refer Annexure -12 Below)	920.81	803.70	1,277.95	1,232.83
<b>Total</b>	<b>4,574.36</b>	<b>4,079.13</b>	<b>3,121.93</b>	<b>2,025.84</b>

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS

Note 1

Particulars	Terms of Repayment	Rate of Interest	No of DSB Installments	Disbursement Amount (Rs. In Lakhs)	Starting Date	Outstanding (Rs. In Lakhs)	Nature of Security /Pledge
<b>Secured Term Loans</b>							
Guaranteed Emergency Credit Line Deal	36 Months	9%	36	10.28	24/01/2024	10.00	Bank Guarantee (i)
Guaranteed Emergency Credit Line Deal	36 Months	9%	36	11.01	25/09/2023	99.08	Bank Guarantee (i)
State Bank Of India - Term Loan	60 Months	11%	60	8.17	01/12/2024	80.00	Bank Guarantee (i)
Tata Capital Financial Services Ltd	60 Months	13%	21	52.50	01/02/2020	107.40	Bank Pledge (ii)
Standard Financial Intermediation & Services Pvt Ltd	60 Months	10%	2	23.43	15/02/2020	89.60	Bank Pledge (i)
Standard Financial Intermediation & Services Pvt Ltd	24 Months	20%	16	29.56	05/04/2020	201.79	Bank Pledge (i)
DFP Finance	60 Months	4.99%	37	19.56	30/09/2020	188.56	Bank Pledge (ii)
<b>Car Loans</b>							
Koark Mahindra Finance Ltd	60 Months	9%	36	1.09	30/08/2023	0.21	Vehicle
Koark Mahindra Finance Ltd	60 Months	9%	12	0.39	01/07/2023	0.20	Vehicle
Koark Mahindra Finance Ltd	60 Months	9%	37	0.31	01/09/2023	0.62	Vehicle
Koark Mahindra Finance Ltd	60 Months	9%	27	0.38	01/09/2023	0.22	Vehicle
Koark Mahindra Finance Ltd	60 Months	9%	44	0.19	01/09/2023	0.12	Vehicle
<b>Unsecured Loans</b>							
<b>From Banks</b>							
Koark Mahindra Bank Loans	36 Months	17%	18	1.78	03/09/2021	26.11	Unsecured
Udyam Small Finance Limited Bank	36 Months	16%	18	1.76	04/07/2021	20.31	Unsecured
Yes Bank Loan	36 Months	0%	18	1.42	04/07/2021	27.98	Unsecured
<b>NBFCs</b>							
Aditya Birla Finance Ltd	36 Months	16%	11	4.87	03/01/2021	14.82	Unsecured
Cher Capital Services Pvt Ltd	36 Months	17%	12	2.87	03/06/2021	24.78	Unsecured
LEF Finance Limited	24 Months	17%	19	1.74	03/01/2021	23.43	Unsecured
Shreeganesh	24 Months	16%	12	1.09	03/01/2021	17.08	Unsecured
Cher Capital Services Pvt Ltd	12 Months	16%	2	3.42	18/07/2022	18.79	Unsecured
Sagar Auto Forge Short Term Loans 2	36 Months	16%	7	4.82	15/01/2021	14.11	Unsecured
Sagar Auto Forge Short Term Loans 3	36 Months	16%	2	26.89	15/01/2021	18.19	Unsecured
Sagar Auto Forge Short Term Loans 4	36 Months	16%	3	26.89	15/01/2021	18.79	Unsecured
Sagar Auto Forge Short Term Loans 1	36 Months	16%	4	39.62	16/01/2021	16.68	Unsecured
Tata Capital Finance - BI 1	36 Months	17%	18	1.23	05/06/2021	35.60	Unsecured
Tata Capital Finance - BI 2	36 Months	16%	26	13.82	05/01/2021	213.13	Unsecured
Tata Capital Finance - BI 3	36 Months	17%	23	4.08	13/01/2021	75.84	Unsecured
Tata Capital Finance BI 4	36 Months	17%	11	7.18	16/07/2021	171.22	Unsecured
Tata Capital Finance BI 5	36 Months	17%	36	13.89	26/12/2021	300.00	Unsecured
Trivedi Financial Services Pvt Ltd	36 Months	20%	8	2.54	03/08/2022	18.91	Unsecured
Calibre Global Corporation Inc	11 Months	20%	4	5.00	24/09/2023	23.06	Unsecured
Calibre Global Indenture Pvt Ltd	8 Months	20%	4	40.00	07/11/2023	212.27	Unsecured

Note:

- (i) The figures disclosed above are based on the Statements of Assets and Liabilities as Restated of the Company.
- (ii) The rate of interest given above are as agreed with the lenders in the respective facility letters.
- (iii) The above includes long-term borrowings disclosed under 'Assets' and the current maturities of long-term borrowings included as other current liabilities.

(a) Term loans from NBFC are secured by:

1. Equitable Mortgage by deposit of title deeds of 25 acres of land held at Plot 771 & 30 Acres of land held at Plot 4 R1, EPF, Sagar Industrial Complex, Chitranpudi.
2. Equitable Mortgage with superannuation investment in LIC and Laxmi Mutual fund.
3. Hypothecation of Plant & Machinery created to be covered as term loans.



**Emerald Tyre Manufacturers Limited**  
(formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
CIN:U25111TN2002PLC048645  
EMERALD HOUSE, Plot No.2, Second Street, Park Gardens, Phase-I, Vengal Rao, Chennai 600 095

4. The Term Loans from IDBI are also collateral secured by:-
5. Hypothecation of movable fixed assets belonging to Mining division
6. Repayable Mortgage by deposit of 10% funds of 1000 sqft land and residential house situated at #9, North Lane, Mount Road, Adyar, Chennai in the name of M.V. Thiagaraj
7. Pledge of 100,000 shares of the face value of Rs.100 each of Emerald Resilient Tyre Manufacturers P Ltd, owned by M.V. Thiagaraj and his family members
8. Hypothecation of movable fixed assets of the company (spare parts & fixtures)
9. Personal Guarantees of M.V. Thiagaraj, Mrs. T. Kanaka, Mr. V. T. Chandrabalan & M.V. Srinivas
10. Bank Borrowings are secured by way of hypothecation of all the Current Assets of the company. The above loans are additionally secured by the collateral securities given to the Term Loans provided by the bank. The loans are also secured by the Personal Guarantees of M.V. Thiagaraj, Mrs. T. Kanaka, Mr. V. T. Chandrabalan & V.T. Srinivas
11. Equipment Finance from Tata Capital Financial Services Limited (TCFSL) are secured by, Hypothecation of Machinery Purchased out of TCFSL. Paid and unconditional & irrevocable personal guarantee of M.V. Thiagaraj, Mrs. T. Kanaka and Mr. V. T. Chandrabalan
12. Subsequent change in all present and future nature and fixed assets of the company. Personal Guarantees: M.V. Thiagaraj, Mr. V. T. Chandrabalan, Mrs. T. Kanaka, M.V. Srinivas
13. Subsequent change in all Stock available at the Bangalore warehouse

Note 4  
The above loan is a bank party but no specific repayment schedule has been provided.

STATEMENT OF DEFERRED TAX LIABILITIES AS RESTATED

ANNEXURE - 9

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Opening Balance (Net)	279.69	141.77	198.54	202.93
Difference in Depreciation as per Companies act, 2013 and as per Income tax act, 1961	14.25	34.78	(10.44)	(14.25)
On account of expense disallowed under income tax act, 1961	(8.42)	0.54	1.89	8.03
<b>Total</b>	<b>285.52</b>	<b>276.89</b>	<b>189.99</b>	<b>196.71</b>

STATEMENT OF OTHER LONG TERM LIABILITIES AS RESTATED

ANNEXURE - 10

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Dividend from Creditors	150.59	141.30	114.09	78.81
<b>Total</b>	<b>150.59</b>	<b>141.30</b>	<b>114.09</b>	<b>78.81</b>

STATEMENT OF LONG-TERM PROVISION AS RESTATED

ANNEXURE - 11

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Provision for Leave encashment	17.80	18.10	16.44	10.00
<b>Total</b>	<b>17.80</b>	<b>18.10</b>	<b>16.44</b>	<b>10.00</b>

STATEMENT OF SHORT-TERM BORROWINGS AS RESTATED

ANNEXURE - 12

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2021	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>				
(i) Current Maturity of Long term borrowings (Note 11)	322.04	323.04	220.75	432.30
<b>Short Term Borrowings - Repayable on Demand</b>				
(i) Cash Credit	55.00	58.44	512.44	432.43
(ii) Export Packing Credit	2,809.47	2,504.18	1,589.70	1,918.59
(iii) Bank By Letter	180.00	180.00	111.14	-
(iv) C/P payable (90 days)	191.11	198.42	488.38	388.93
(v) Trade Discounting Facility	-	-	-	28.27
<b>Unsecured</b>				
(i) Current Maturity of Long term borrowings (Note 1 & 11)	687.79	1,729.96	1,078.63	705.48
(ii) Loan From Share Holders	-	285.38	217.25	421.50
<b>Total</b>	<b>4,089.41</b>	<b>5,790.87</b>	<b>4,908.91</b>	<b>4,344.59</b>



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25101TN002PLC048645  
 EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-I, Vayaparam, Chennai 600 065

**NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS**

Particulars	Terms of Repayment	Rate of Interest	No of OS Installments	Installment Amount (Rs. In Lakhs)	Current Maturity(Rs.)	Nature of Security /Pledge
<b>Secured Term Loans*</b>						
Secured Emergency Credit Line	36 Months	8.25%	60	41,27,770	39,80	Ratio Pledge (A) & B)
Secured Emergency Credit Line	36 Months	8.25%	50	11,69,867	44,00	Ratio Pledge (A) & B)
Auto Capital Finances Services Ltd	48 Months	11.88%	27	11,37,080	101,70	Ratio Pledge (C)
Securam Financial Intermediation & Services Pvt Ltd	24 Months	10.05%	2	11,42,961	48,00	Ratio Pledge (C)
Securam Financial Intermediation & Services Pvt Ltd	24 Months	10.05%	10	20,33,843	66,46	Ratio Pledge (C)
EDF Finance	60 Months	7.00%				
<b>Car Loans</b>						
Emak Mahindra Finance Ltd	60 Months	8.00%	26	1,29,912	4,31	Vehicle
Emak Mahindra Finance Ltd	60 Months	8.00%	17	1,36,854	1,87	Vehicle
Emak Mahindra Finance Ltd	60 Months	8.00%	17	1,36,854	1,36	Vehicle
Katak Mahindra Finance Ltd	60 Months	8.00%	17	1,36,854	1,21	Vehicle
Emak Mahindra Finance Ltd	60 Months	8.00%	17	1,36,854	1,21	Vehicle
<b>Unsecured Loans</b>						
<b>Term Loans</b>						
Emak Mahindra Bank Loan	36 Months	11.88%	18	1,71,087	3,61	Unsecured
Em Bank Loan	36 Months		18	1,82,134	4,47	Unsecured
Emak Small Finance Limited Bank	36 Months				3,38	
<b>SBFCs</b>						
Aditya Birla Finance Ltd	36 Months	10.00%	11	4,08,622	10,10	Unsecured
Em Capital Finance Pvt Ltd	36 Months	11.88%	12	2,08,750	7,03	Unsecured
ACT Finance Limited	24 Months	11.88%	15	1,144,62	3,71	Unsecured
Negevathi	24 Months	10.00%	12	1,38,079	3,30	Unsecured
Emak Financial Services Pvt Ltd	12 Months	10.00%	2	5,62,053	10,39	Unsecured
Super Auto Forge	36 Months	10.00%	3	3,82,110	14,11	Unsecured
Super Auto Forge	36 Months	10.00%	3	2,10,027	38,79	Unsecured
Super Auto Forge	36 Months	10.00%	3	2,10,027	38,79	Unsecured
Super Auto Forge	36 Months	10.00%	4	3,52,221	10,20	Unsecured
Em Capital Finance Limited	36 Months	10.00%	8	1,34,920	3,98	Unsecured
Em Capital Finance Limited	36 Months	11.88%	20	15,81,878	33,33	Unsecured
Em Capital Finance Limited	36 Months	11.88%	20	4,23,759	15,10	Unsecured
Em Capital Finance Limited	36 Months	12.00%	11	7,68,919	21,22	Unsecured
Em Capital Finance Limited	36 Months	12.00%	16	15,48,0	35,56	Unsecured
Securam Financial Services Pvt Ltd	24 Months	10.00%	8	2,54,979	8,14	Unsecured
<b>Current Liabilities from State Bank of India</b>						
Cash Credit	On Demand	11.88%			10,10	Ratio Pledge (A) & B)
Export Packing Credit	On Demand	11.88%			2,20,47	Ratio Pledge (A) & B)
Over Draft Limit	On Demand	11.88%			1,81,00	Ratio Pledge (A) & B)
C.C payable (Overdraft)	On Demand	11.88%			295,11	Ratio Pledge (A) & B)

- Term Loans from SBI are secured by:
  - Equitable Mortgage by deposit of title deeds of 9.29 acres of Landhold Land situated at Plot #79 & 78 (west of Landhold Land at Plot # 86, EPZ, SPOXX Industrial Complex, Vayaparam.
  - Equitable Mortgage over superstructure constructed on Landhold Land mentioned above.
  - Hypothecation of Plant & Machinery present to be secured out of term loans.
- The Term Loans from SBI are also collaterally secured by:
  - Hypothecation of movable fixed assets belonging to Group concerns.
  - Equitable Mortgage by deposit of title deeds of 1780 sqft land and residential house premises situated at St. Mark Lane, Bhandi Nagar, Chennai in the name of M V Therapath.
  - Wedge of 100,000 shares of the face value of Rs. 10/- each of Emerald Resilient Tyre Manufacturers PLC owned by M V Therapath and his family members.
  - Hypothecation of movable fixed assets of the company (present & future).
  - Personal Guarantees of M V Therapath, Mr T Karanik, Mr V T Chandrabudhan & Mr V T Srinivas.
- Fixed Deposits are secured by way of hypothecation of all the Current Assets of the company. The above items are additionally secured by the collateral securities given to the Term Loans provided by the bank. The loans are also secured by the Personal Guarantees of Mr V Therapath, Mr T Karanik, Mr V T Chandrabudhan & V T Srinivas.
- Equipment Finance from Auto Capital Financial Services Limited (ACFSL) are secured by Hypothecation of Machinery Pledged out of ACFSL. Fund and unsecured & personally personal guarantee of Mr V Therapath, Mr T Karanik and Mr V T Chandrabudhan.
- Subservient charge on all present and future current and fixed assets of the company, Personal Guarantees Mr V Therapath, Mr V T Chandrabudhan, Mr T Karanik, Mr V T Srinivas.

**STATEMENT OF TRADE PAYABLES AS REATED**

ANNEXURE -2

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ii) MSME	708.83	371.29	314.70	124.81
iii) Others	909.65	1,377.93	381.88	1,131.43
iv) Disputed dues - MSME	-	-	-	-
v) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>1,618.48</b>	<b>1,749.22</b>	<b>696.58</b>	<b>1,256.24</b>

Disclosures as required by MFRD Act, 2008

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) (i) The principal amount (Interest, remaining unpaid to any supplier as at the end of accounting year)	708.83	371.29	314.70	124.81
(ii) The interest due (Interest remaining unpaid to any supplier as at the end of accounting year)	-	-	-	-
(b) The amount of interest paid by the buyer under MFRD Act, 2008 along with the amount of the payment made to the supplier beyond the agreed due during each accounting year	-	-	-	-
(c) The amount of interest due and payable (or) for (or) against) the principal has been paid but interest under the MFRD Act, 2008 not paid	-	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-	-
(e) The amount of interest due and payable (or) for (or) against) the principal has been paid but interest under the MFRD Act, 2008 not paid	-	-	-	-

Note: Note: The Company has not accounted for interest provisions as per MFRD Act, 2008 as the company has made payments to MSME Vendor within contractual period which is exceeding the contractual term limit as per MFRD Act, 2008 and the amount payable to them are agreed between the company and the vendor considering the contractual credit period and hence, no interest is payable.

\*Trade Payables ageing schedule for the Period ended Nov 30, 2022

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from the date of payment				Total
	< 3 years	1 - 3 Years	3 - 4 Years	> 4 Years	
ii) MSME	371.29	-	-	-	371.29
iii) Others	1,377.93	-	-	-	1,377.93
iv) Disputed dues - MSME	-	-	-	-	-
v) Disputed dues - Others	-	-	-	-	-





**Emerald Tyre Manufacturers Limited**  
(Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
CIN:U25111TN2002PLC048649

EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-I, Vengal Rao, Chennai 600 055

\*Trade Payables aging schedule for the year ended March 31, 2023

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment				Total
		< 1 year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) MSME	267.97	-	-	-	-	267.97
(ii) Others	997.43	331.76	-	-	-	1,298.22
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

\*Trade Payables aging schedule for the year ended March 31, 2022

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment				Total
		< 1 year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) MSME	-	192.46	-	-	-	192.46
(ii) Others	-	1,210.19	7.09	-	-	1,248.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

\*Trade Payables aging schedule for the year ended March 31, 2021

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment				Total
		< 1 year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) MSME	-	127.62	-	-	-	127.62
(ii) Others	-	1,118.28	-	-	-	1,118.28
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

STATEMENT OF OTHER CURRENT LIABILITIES AS RESTATED

ANNEXURE -14

(Amount in ₹ Lakhs)

Particulars	As at Nov. 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Advances from Customers	258.61	92.54	480.99	306.91
(b) Capital Goods Suppliers	-	99.58	75.43	17.08
(c) Expenses payable	299.58	84.35	489.54	30.02
(d) Statutory dues payable	28.77	17.20	69.45	29.04
(e) Others	-	27.80	31.44	17.16
(f) Sundry & Other	182.90	47.50	32.11	26.09
(g) LTA Payable	-	41.05	22.80	11.77
<b>Total</b>	<b>669.86</b>	<b>493.82</b>	<b>1,338.38</b>	<b>362.79</b>

STATEMENT OF SHORT-TERM PROVISIONS AS RESTATED

ANNEXURE -15

(Amount in ₹ Lakhs)

Particulars	As at Nov. 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>I. Provision for Employees Benefits</b>				
Provision for Leave Encashment	2.91	1.10	2.51	1.34
(ii) Provision for expenses	81.44	-	-	-
(c) Provision for Taxation (Net of Subsidy tax, TDS & TCS Recoverable)	918.12	199.21	107.54	42.49
(d) Provision for Proposed Performance Status Dividend	-	-	27.67	31.03
<b>Total</b>	<b>1002.47</b>	<b>200.31</b>	<b>177.12</b>	<b>105.86</b>

STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AND DEPRECIATION AS RESTATED

ANNEXURE -16

(Amount in ₹ Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	April 1, 2022	Additions for the year	Deletions for the year	Nov. 30, 2022	April 1, 2022	Depreciation for the Year	Depreciation on deletion	Nov. 30, 2022	Nov. 30, 2022	March 31, 2023
<b>Property, Plant and Equipment</b>										
Land (Leasehold)	72.96	-	-	72.96	4.22	-	-	5.22	48.74	43.52
Buildings	852.25	22.83	-	869.08	413.91	16.69	-	430.60	436.47	419.78
Plant and Equipment	8,429.48	1,191.93	-	9,621.41	6,235.26	271.71	-	6,506.97	3,114.44	2,906.22
Furniture & Fixtures	95.82	5.88	-	101.70	89.44	3.20	-	92.64	5.16	4.94
Vehicles	18.18	153.47	-	171.65	99.82	13.19	-	113.01	57.64	11.54
Computers	118.27	5.32	-	123.59	99.09	2.18	-	101.27	12.32	9.94
<b>Intangible Assets</b>										
Software	95.04	0.84	-	95.88	86.63	0.79	-	87.42	11.46	12.37
Product development cost	271.90	89.13	-	361.03	144.64	7.49	-	152.13	208.90	12.41
<b>Capital Work In Progress</b>										
Buildings	684.44	609.64	916.43	2,210.51	-	-	-	-	2,210.51	684.44
<b>Total</b>	<b>10,764.84</b>	<b>1,899.72</b>	<b>215.10</b>	<b>12,459.46</b>	<b>5,463.26</b>	<b>264.65</b>	<b>-</b>	<b>5,727.91</b>	<b>8,731.55</b>	<b>3,241.64</b>

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	April 1, 2022	Additions for the year	Deletions for the year	March 31, 2022	April 1, 2022	Depreciation for the Year	Depreciation on deletion	March 31, 2022	March 31, 2022	March 31, 2022
<b>Property, Plant and Equipment</b>										
Land (Leasehold)	78.77	-	0.86	71.06	1.34	0.84	-	9.22	63.74	78.10
Buildings	868.08	12.71	-	881.79	388.99	24.73	-	413.72	439.07	411.07
Plant and Equipment	6,299.27	1,823.76	67.93	8,055.10	6,201.68	352.98	-	6,554.66	1,490.21	2,198.09
Furniture & Fixtures	98.45	4.64	-	103.09	91.32	1.86	4.64	97.54	4.49	4.23
Vehicles	84.90	1.12	-	81.34	31.49	7.15	-	38.64	34.56	77.17
Computers	112.07	8.58	-	120.65	88.51	2.82	63.03	100.00	4.80	8.80
<b>Intangible Assets</b>										
Software	87.19	4.73	1.14	91.44	78.18	1.44	1.14	80.08	13.40	12.37
Product development cost	271.90	-	-	271.90	144.13	8.45	-	148.61	123.28	12.41
<b>Capital Work In Progress</b>										
Buildings	684.44	716.94	1,071.89	2,473.27	-	-	-	-	2,473.27	684.44
<b>Total</b>	<b>8,126.89</b>	<b>2,643.91</b>	<b>1,080.97</b>	<b>10,790.84</b>	<b>5,863.55</b>	<b>485.61</b>	<b>3.61</b>	<b>6,451.39</b>	<b>3,339.44</b>	<b>3,241.64</b>



**Emerald Tyre Manufacturers Limited**  
(formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
CIN:U25111TN002PLC040645

EMERALD HOUSE, Plot No.2, Second Street, Porur Gardens, Phase-I, Vandalur, Chennai 600 055

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	April 1, 2021	Additions for the year	Deletions for the year	March 31, 2022	April 1, 2021	Depreciation for the Year	Depreciation on deletion	March 31, 2022	March 31, 2022	March 31, 2021	
<b>Property, Plant and Equipment</b>											
Land-Leasehold	78.77	-	-	78.77	2.93	0.48	-	2.50	75.29	75.87	
Buildings	817.02	11.40	-	828.42	884.19	21.81	-	906.00	41.99	483.84	
Plant and Equipment	6,215.88	181.89	-	6,397.77	1,812.98	288.87	8.77	1,901.92	1,395.89	2,282.96	
Furniture & Fixtures	96.35	1.97	-	98.32	89.84	2.47	8.28	92.12	6.19	7.68	
Vehicle	89.87	-	-	89.87	41.77	8.83	-	50.60	37.27	46.10	
Computer	106.21	2.86	-	112.87	104.11	2.40	-	106.51	5.94	2.18	
<b>Intangible Assets</b>											
Software	87.65	-	8.38	96.03	76.78	7.50	8.38	84.16	9.11	16.27	
Product development cost	140.11	151.81	-	291.92	127.76	16.88	-	144.64	133.82	108.87	
<b>Capital Work In Progress</b>											
Machine	764.54	1,218.08	764.10	1,218.52	-	-	-	-	1,430.44	164.52	
<b>Total</b>	<b>8,086.90</b>	<b>1,457.58</b>	<b>764.10</b>	<b>9,228.18</b>	<b>4,721.67</b>	<b>326.89</b>	<b>8.33</b>	<b>5,054.58</b>	<b>4,196.87</b>	<b>3,289.30</b>	

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	April 1, 2020	Additions for the year	Deletions for the year	March 31 2021	April 1, 2020	Depreciation for the Year	Depreciation on deletion	March 31 2021	March 31 2021	March 31, 2020	
<b>Property, Plant and Equipment</b>											
Land-Leasehold	78.77	-	-	78.77	2.40	0.48	-	2.50	75.87	46.27	
Buildings	817.02	-	-	817.02	340.43	20.03	-	360.46	442.54	19.08	
Plant and Equipment	6,211.67	81.27	146.36	6,215.88	1,107.70	284.18	88.51	1,912.98	1,382.98	3.44	
Furniture & Fixtures	96.64	0.80	-	96.75	84.27	5.88	10.22	89.84	7.69	76.33	
Vehicle	97.67	-	7.81	89.87	40.00	9.27	5.30	44.73	46.18	2,303.38	
Computer	105.43	0.77	-	106.21	88.77	17.75	-	106.51	2.18	17.08	
<b>Intangible Assets</b>											
Software	86.94	0.71	-	87.65	58.42	18.36	-	76.78	18.87	27.14	
Product development cost	140.11	-	-	140.11	95.78	28.02	-	123.76	16.19	14.37	
<b>Capital Work In Progress</b>											
Machine	269.78	21.36	-	344.34	-	-	-	-	364.94	704.78	
<b>Total</b>	<b>8,033.60</b>	<b>98.11</b>	<b>144.17</b>	<b>8,086.90</b>	<b>1,474.37</b>	<b>387.64</b>	<b>104.15</b>	<b>4,737.67</b>	<b>3,289.30</b>	<b>3,289.30</b>	

STATEMENT OF NON-CURRENT INVESTMENTS AS RESTATED

ANNEXURE -17

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
<b>(Impairment, At Cost)</b>				
(i) Harvey Infrastructure Limited*	-	9.00	9.00	9.00
<b>(Impairment, At Cost Value)</b>				
(i) Investment in Mutual Funds	100.00	-	-	-
(ii) 21844244 Debt of Rs. 39,1344 Debt & 1997376 Debt of Rs.12,1481 Debt	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>

Note:

\* Investment has been written off and share investment details are not available with the company

Investment in Mutual Funds as on 31 Nov 2021

Name of the Fund	Units	Amount
HSI Midcap Median Thematic Fund - Regular Growth	125044.24000	18,5514
HSI Short Term Cash Fund Regular Plan Growth	198129.76000	21,008

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Aggregate Value of Quoted Investments	-	-	-	-
Aggregate Value of Un-Quoted Investments	-	9.00	9.00	9.00
Aggregate Market Value of Quoted Investments	-	-	-	-
Aggregate percentage of discount or Value of Investments	-	-	-	-

STATEMENT OF LONG-TERM LOANS & ADVANCES AS RESTATED

ANNEXURE -18

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
<b>A. Unsecured, Contractual good</b>				
(i) Other Advances given to Supplier	38.24	172.00	344.64	2.71
(ii) Advance to - TDS & TDS Recoverable (Part of Provision for tax)	-	-	-	-
<b>Total</b>	<b>38.24</b>	<b>172.00</b>	<b>344.64</b>	<b>2.71</b>

STATEMENT OF OTHER NON-CURRENT ASSETS AS RESTATED

ANNEXURE -19

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
(i) Group company Scheme	7.77	4.83	1.21	3.77
(ii) Security Deposits	131.85	436.44	370.86	331.25
<b>Total</b>	<b>139.62</b>	<b>441.27</b>	<b>372.07</b>	<b>335.02</b>

STATEMENT OF INVENTORIES AS RESTATED

ANNEXURE -20

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2020	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Raw Materials	879.28	419.78	416.41	502.50
Work-in-Progress	1,147.37	1,229.44	1,234.94	1,218.53
Finished Goods	3,343.13	3,308.11	2,983.84	2,748.51
Trading Goods	-	1.77	-	1.80
Goods in Transit	104.03	254.18	232.50	186.77
Stores and Spares	-	-	-	-
Organising Spares	264.10	248.21	198.52	175.73
<b>Total</b>	<b>5,638.81</b>	<b>5,261.41</b>	<b>5,141.87</b>	<b>4,868.78</b>





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre-Manufacturers Ltd)  
 CINA125111TN2002PLC040605  
 EMERALD HOUSE, Flat No.2, Second Street, Park Garden, Phase-I, Vanagaram, Chennai 600 095

STATEMENT OF TRADE RECEIVABLES AS RESTATED

ANNEXURE -21

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Reserved	-	-	-	-
Trade receivables - Unreserved and Considered Good	4,194.41	3,022.81	2,743.27	2,191.89
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables - credit impaired	-	-	-	-
<b>Total</b>	<b>4,194.41</b>	<b>3,022.81</b>	<b>2,743.27</b>	<b>2,191.89</b>

\*Trade Receivables ageing schedule for Nov 30, 2024

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Unbilled Trade Receivables - Considered good	-	3,305.56	338.25	56.27	48.09	161.35	4,118.43

\*Trade Receivables ageing schedule for the year ended March 31, 2023

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(ii) Unbilled Trade Receivables - Considered good	-	2,355.33	97.81	36.72	194.34	97.9	3,825.84

\*Trade Receivables ageing schedule for the year ended March 31, 2022

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(iii) Unbilled Trade Receivables - Considered good	-	2,298.02	338.24	194.04	97.9	-	3,738.27

\*Trade Receivables ageing schedule for the year ended March 31, 2021

(Amount in ₹ Lakhs)

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(iv) Unbilled Trade Receivables - Considered good	-	1,426.34	97.05	97.9	-	-	3,121.89

STATEMENT OF CASH & BANK BALANCES AS RESTATED

ANNEXURE -22

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Cash & Cash Equivalents				
(i) Balance with banks	186.42	45.71	51.63	191.31
(ii) Cash in hand	1.89	2.32	1.34	4.24
(iii) Other Bank Balances Bank Deposits	108.67	-	-	-
(b) Significant maturity of more than 3 months and T-bill deposit having maturity of more than 3 months and has been given in bank as an asset in respect of Credit facilities from the bank.	-	-	-	-
<b>Total</b>	<b>296.98</b>	<b>48.02</b>	<b>52.97</b>	<b>295.64</b>

STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED

ANNEXURE -23

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Balance with Reserve authorities	64.28	122.73	495.08	439.09
(b) Vendor Advances	6.46	-	59.11	56.11
(c) Deposited Expenses	110.74	99.94	22.13	65.54
(d) Small Loans and Advances	52.97	2.13	25.96	25.19
<b>Total</b>	<b>234.45</b>	<b>224.80</b>	<b>592.28</b>	<b>586.13</b>

STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

ANNEXURE -24

(Amount in ₹ Lakhs)

Particulars	As at Nov 30, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Government Securities - Reserves	275.14	99.04	175.44	136.97
(b) TFR Reserves from MFC	14.71	68.97	31.30	26.30
<b>Total</b>	<b>289.85</b>	<b>168.01</b>	<b>206.74</b>	<b>163.27</b>



**Emerald Tyre Manufacturers Limited**  
(formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
CIN U35117TN002PLC048665  
EMERALD HOUSE, Plot No 2, Second Street, Park Garden, Phase-1, Vayapuran, Chennai 600 095

STATEMENT OF REVENUE FROM OPERATION AS RESTATED

ANNEXURE -26

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of Products</b>				
Domestic	2,704.92	2,780.47	2,714.06	2,779.74
Export	7,755.32	12,292.81	8,030.67	7,716.83
<b>Other Operating Income - As Restated</b>				
Interest Charges	1.02	1.33	5.28	2.18
Finance M/I in Market Benefit	31.44	41.81	58.91	47.44
Dear Debt built on Export	134.26	261.30	187.07	80.48
<b>Total</b>	<b>10,726.96</b>	<b>16,181.91</b>	<b>13,104.18</b>	<b>9,664.36</b>

STATEMENT OF OTHER INCOME AS RESTATED

ANNEXURE -26

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Deposits	7.49	9.79	8.17	13.86
Other Non-Operating Income	17.58	47.15	25.66	6.08
Profit on Sale of Asset	-	-	-	11.21
Net Gain on Foreign Currency Transactions	80.24	147.83	71.58	39.43
<b>Total</b>	<b>105.12</b>	<b>304.87</b>	<b>105.41</b>	<b>102.67</b>

STATEMENT OF COST OF MATERIALS CONSUMED AS RESTATED

ANNEXURE -27

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock of Raw Materials	441.39	191.30	332.52	495.36
Opening Stock of Engineering Spares	289.21	186.32	176.79	327.67
Purchase of Raw Materials	5,084.38	8,077.40	7,728.74	4,225.15
Purchase of Engineering Spares	252.48	411.52	313.68	147.07
Closing Stock of Raw Materials	899.28	443.59	496.42	562.19
Closing Stock of Engineering Spares	304.19	208.21	186.52	190.75
<b>Consumption</b>				
Plant and Rubber and Rubber Products	5,432.54	9,077.96	8,124.29	4,849.11
Engineering Spares	297.38	452.83	341.75	98.93
Trading goods	-	15.34	44.03	54.42
Purchase	203.30	303.72	-11.28	282.65
<b>Total Consumption of Raw Materials</b>	<b>6,036.28</b>	<b>10,050.88</b>	<b>8,698.67</b>	<b>5,994.96</b>

STATEMENT OF CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED-GOODS AS RESTATED

ANNEXURE -28

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Opening Stock</b>				
Finished Goods	2,308.11	2,485.80	2,508.51	2,443.91
Work in Progress	1,210.14	1,214.99	1,219.25	982.36
Finished Goods in Transit	396.48	312.33	184.73	21.83
<b>Closing Stock</b>				
Finished Goods	3,585.15	3,398.11	2,983.94	2,198.53
Work in Progress	1,241.39	1,283.44	1,243.91	1,219.53
Finished Goods in Transit	351.03	596.38	532.39	184.73
<b>Changes in Inventory (Decrease)/Increase</b>	<b>(108.94)</b>	<b>(491.56)</b>	<b>(848.26)</b>	<b>(865.76)</b>

STATEMENT OF EMPLOYEE BENEFITS EXPENSES AS RESTATED

ANNEXURE -29

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries & Wages (Refer Note below)*	1,096.52	1,076.57	1,179.53	1,018.19
Provision for Gratuity	10.62	11.72	41.68	1.46
Provision for Leave Encashment	11.36	2.19	7.45	8.28
Contribution to Provident Fund and PF	62.09	94.79	77.79	81.51
Staff Welfare	(78.84)	(17.17)	(14.14)	(187.33)
<b>Total</b>	<b>1,091.75</b>	<b>1,067.98</b>	<b>1,244.64</b>	<b>9,101.97</b>

\*Salaries & Wages

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
S. Salay	1,086.13	1,061.12	892.47	826.59
S. Director's Remuneration	(17.81)	(24.25)	(212.46)	(141.79)
<b>Total</b>	<b>1,068.32</b>	<b>1,036.87</b>	<b>1,080.01</b>	<b>1,019.38</b>



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U2511(TN)0001PLC08668  
 EMERALD HOUSE, Plot No.2, Second Street, Porur Gardens, Phase-I, Vau Nagarai, Chennai 600 095

STATEMENT OF FINANCE COSTS AS RESTATED

ANNEXURE -38

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>40 Interest Expense</b>				
Term Loan	111.77	53.50	58.48	27.80
Other Interest*	197.50	472.80	235.28	285.34
Interest on late payments of loans	25.81	13.91	20.50	8.29
40 Other Borrowing Costs*	142.32	148.14	128.47	91.26
<b>Total</b>	<b>479.40</b>	<b>688.35</b>	<b>442.73</b>	<b>392.69</b>

Notes:

- \* Other Interest are Interest paid on loans taken other than Term Loans for Machinery
- \* Other Borrowing Costs are Bank Charges and Processing Charges for taking loans

STATEMENT OF DEPRECIATION & AMORTISATION EXPENSES AS RESTATED

ANNEXURE -39

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense	304.96	301.71	128.21	345.04
Amortisation expense	9.24	9.93	19.33	48.38
<b>Total</b>	<b>314.20</b>	<b>311.64</b>	<b>147.54</b>	<b>393.42</b>

STATEMENT OF OTHER EXPENSES AS RESTATED

ANNEXURE -40

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Other Direct Expenses</b>				
Packing Materials	17.43	16.47	8.49	4.37
Electricity Consumption	270.38	472.80	341.71	243.82
Insurance	16.38	32.16	35.06	31.80
Mixing Charges	171.66	133.80	99.49	51.37
Factory Expenses	19.08	15.64	16.65	21.63
Freight Inwards & Cartage	204.86	866.30	690.29	138.32
Import Documentation Charges	17.03	7.68	14.34	41.28
Business Advertisement Expenses	70.17	105.43	80.40	74.13
<b>Other Expenses</b>				
Travelling & Concessions Expenses	80.50	94.90	77.93	54.40
Export freight Charges	0.87	61.80	288.80	17.14
Export Documentation Charges	81.43	220.91	198.90	62.78
Export Commissions	88.75	-	-	-
Maintenance & Sample Tests Expenses	29.48	87.33	145.21	43.65
Discount on Sales	6.81	57.34	3.99	6.86
G.L.C. Expenses	21.71	30.43	27.13	23.84
Export Visa Reimburse from State Bank of India/Reserve Bank	11.11	-	-	-
Advance Visa Reimburse Expenses	-	13.88	-	-
Freight Outwards	31.76	31.73	33.32	37.48
Postages & Telegrams	8.83	6.71	6.44	6.94
Software Licenses/AMC/Cloud Server	13.80	23.93	19.26	-
Telephone Expenses	9.83	11.93	18.23	8.09
USB Expenses	-	6.98	8.93	2.92
Bad Debts	16.91	18.94	1.32	12.49
Dividends Paid & Dividend Expenses	33.44	44.93	8.34	120.31
Tire Compression	3.80	26.73	3.73	11.17
Computer & Software Maintenance Expenses	2.13	3.77	2.93	0.11
Auditors Remuneration	43.12	99.75	111.76	86.70
Loss on Sale of Assets	-	-	-	6.91
Interest Charges	-	-	6.14	3.11
Product Liability Insurance	4.17	8.33	6.82	4.83
Legal/Professional & Consultancy Charges	32.25	112.00	83.31	78.90
Vehicle Repairs & Maintenance	3.86	4.03	2.79	1.39
Printing & Stationery	3.46	28.56	36.46	8.98
Office Rent	30.05	68.75	88.60	64.86
Registration & Licenses fees	11.84	80.36	38.17	26.74
Other non-current Expenses	63.78	76.87	41.87	108.84
<b>Total</b>	<b>1,684.85</b>	<b>3,893.86</b>	<b>2,195.45</b>	<b>1,750.76</b>

PAYMENT TO AUDITORS

(Amount in ₹ Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Statutory Audit Fees	1.00	1.78	1.78	1.41
b. Taxation Matters	0.23	0.33	0.23	0.23
<b>Total</b>	<b>1.23</b>	<b>2.11</b>	<b>2.01</b>	<b>1.64</b>





**Emerald Tyre Manufacturers Limited**  
(formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
CIN:U25107TN0021PLC008645  
EMERALD HOUSE, Flat No.2, Second Street, Peace Gardens, Phase-I, Vanagarum, Chennai 600 095

STATEMENT OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED

ANNEXURE - 31

Annexure 31 (a)

Ratio	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revised PAT as per P&L Account - (A)	798.18	865.63	171.11	-108.28
Add: Interest on Debentures (post tax)	32.66	32.66	32.86	38.93
Revised PAT as per P&L Account for Diluted EPS - (B)	830.84	898.29	203.97	-69.35
Weighted Average Number of Equity Shares at the end of the Year / Period (Pre - Bonus Issue) - (C)				
- Basic	1,30,05,097	63,60,489	63,52,399	66,98,197
- Diluted	1,40,57,907	67,16,738	63,48,948	67,34,469
Weighted Average Number of Equity Shares at the end of the Year / Period (Post - Bonus Issue) - (D)				
- Basic	1,30,05,097	1,31,26,078	1,27,84,797	1,21,86,399
- Diluted	1,40,57,907	1,32,77,228	1,29,41,847	1,28,52,049
No. of equity shares at the end of the year / period - (E)	1,43,16,102	65,60,489	63,60,889	62,87,824
Net Worth - (F)	4,899.86	3,682.94	2,869.08	2,444.88
Current Assets - (G)	8,857.68	9,161.34	8,689.75	7,563.97
Current Liabilities - (H)	6,991.28	8,119.49	7,362.17	6,980.63
Earnings Per Share (EPS) - Bonus Issue				
- Basic	6.48	13.18	3.21	(0.92)
- Diluted	5.98	13.36	3.20	(1.01)
Earnings Per Share (EPS) - Bonus Issue				
- Basic	6.48	6.80	7.72	(2.71)
- Diluted	6.00	7.00	4.18	(8.85)
Return on Net Worth (%)	16.15%	23.36%	16.07%	(12.49%)
Net Asset Value Per Share (NAV)	34.18	30.14	44.34	42.07
Current Ratio	1.12	1.13	1.19	1.26
EBITDA	1,836.74	2,080.74	2,025.67	452.48

Note: Ratios have been calculated as below

Earnings Per Share (EPS) (A) (Basic Pre & post bonus)	Revised Profit after Tax available to equity Shareholders (A) Weighted Average Number of Equity Shares at the end of the year / period (C) & (D)
Diluted Earnings Per Share (EPS) (B) (Post Bonus)	Revised Profit after Tax available to equity Shareholders (B) Weighted Average Number of Equity Shares at the end of the year / period (C) & (D)
Current Asset Ratio	Current Asset (G) Current Liabilities (H)
Return on Net Worth (%)	Revised Profit after Tax available to equity Shareholders (A) Revised Net Worth of Equity Shareholders (F)
Net Asset Value per equity share (NAV)	Revised Net Worth of Equity Shareholders (F) Number of Equity Shares outstanding at the end of the year / period (E)



**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Perar Garden, Phase-I, Vanagaram, Chennai 600 095

STATEMENT OF RELATED PARTIES TRANSACTIONS AS RESTATED

ANNEXURE -III

Sl. No	Name of Related Party	Relation
1	Mr. T. Chandrasekharan	Chairman & Managing Director
2	Mr. D. Eswara Krishnan	Whole Time Director
3	Mr. V. Krishnamoorthy	CEO
4	Mr. S. Shankar Ganesh	COO
5	Mrs. S. M. Sathya Priya (Resigned on 29/03/2024)	Company Secretary (cum Compliance Officer)
6	Mrs. Mani Devika Dhanraj (Resigned on 31/05/2024)	Company Secretary (cum Compliance Officer)
<b>Subsidiaries</b>		
1	Emerald Middle East PVT Ltd	Wholly Owned Subsidiary
2	Emerald Tyre Europe BVBA	Wholly Owned Subsidiary
<b>Entities in which Director/KMP Relatives of KMP (non-executive significant) is/are</b>		
1	Emerald India PVT Ltd	
2	Emerald Res PVT Ltd	
<b>List of Other Related parties</b>		
1	Mr. T. Thiagaraja	Father of Chairman and MD
2	Mr. V. T. Suresh	Brother of Chairman and MD
3	S A Rubber Engineering PVT Ltd	Company Owned by Brother of Chairman and MD

Transactions with Related Parties during the Year

(Amount in ₹ Lakhs)

Sl. No	Nature of Transaction	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A) Sale of Goods</b>					
	Emerald Middle East PVT Ltd	162.80	244.36	408.21	237.21
	Emerald Tyre Europe BVBA	1,973.12	2,716.12	2,426.30	1,683.31
	S A Rubber Engineering PVT Ltd	77.58	232.51	104.14	242.20
<b>B) Remuneration Paid to Director</b>					
	Mr. T. Chandrasekharan	47.96	74.87	61.24	51.43
	Mr. D. Eswara Krishnan	28.29	43.54	36.78	42.09
	Mr. V. Krishnamoorthy (Resigned as Director dated 21/11/2023)	46.90	68.29	38.00	35.44
	Mr. V. Thiagaraja (Resigned as Director dated 26/07/2022)	-	18.76	36.74	54.22
<b>C) Salaries Paid to Other Related Parties and KMP</b>					
	Mr. V. Thiagaraja - (Unremunerated Part)	48.00	77.86	-	-
	Mr. V. T. Suresh - (Salary)	66.48	64.43	77.53	45.00
	Mr. S. Shankar Ganesh (Appointed COO from 21/11/2023)	12.78	16.00	14.31	12.00
	Mrs. S. M. Sathya Priya (Resigned on 29/03/2024)	1.00	2.44	2.43	2.43

Balance with Related Parties at the end of the year

(Amount in ₹ Lakhs)

Sl. No	Nature of Transaction	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A) Director Remuneration Payable</b>					
	Mr. V. T. Chandrasekharan	6.12	6.12	3.91	4.0
	Mr. D. Eswara Krishnan	4.53	7.09	2.76	2.29
	Mr. V. Krishnamoorthy	3.44	5.13	4.75	4.31
	Mr. V. Thiagaraja (Resigned as Director dated 26/07/2022)	-	-	4.33	4.23
<b>B) Salaries Payable to Related Parties and KMP</b>					
	Mrs. S. M. Sathya Priya	6.26	6.37	6.38	6.3
	Mr. S. Shankar Ganesh	1.64	1.20	1.03	6.96
	Mr. V. Thiagaraja (Resigned as Director dated 26/07/2022)	6.08	6.63	-	-
	Mr. V. T. Suresh	4.24	9.28	4.20	4.75
<b>C) Loans and Advances</b>					
	Mr. V. Thiagaraja	-	291.34	287.25	186.3
<b>D) Trade Receivables</b>					
	S A Rubber Engineering PVT Ltd	986.24	471.08	552.05	282.2
<b>F) Salaries Advance</b>					
	Mr. V. Krishnamoorthy	-	1.38	1.28	1.38
<b>G) Travel Advance</b>					
	Mr. V. Krishnamoorthy	-	3.03	3.03	3.03





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN(U28111TN2002PLC48665)  
 EMERALD HOUSE, Plot No.2, Second Street, Ponnar Gardens, Phase-I, Vasugaram, Chennai 600 092

STATEMENT OF EMPLOYEE BENEFIT EXPENSE - GRATUITY AS RESTATED

Annexure -28

1) **Gratuity**

(i) **Definition** - The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. This method considers each period of service as giving rise to an individual unit of benefit entitlement and measures each unit separately to build up the final obligation.  
 (ii) **Current Service Cost** - is the actuarial present value of the benefit from the Plan's benefit formula attributable to the services rendered by employes during the accounting period.  
 (iii) **Interest cost** - is the increase in the Plan liability over the accounting period resulting from the operations of the actuarial assumption of the relevant rate.  
 (iv) **Actuarial Gain or Loss** - occurs when the experience of the Plan differs from that anticipated from the actuarial assumptions. It could also occur where strategy made in the actuarial assumptions.  
 The Company provides for Gratuity, a Defined benefit plan (The Gratuity Plan) covering eligible employees in accordance with provisions of Gratuity Act, 1972. Gratuity liability is a defined benefit obligation and is funded through L.I.C of India. The Company accounts for liability for Gratuity payable based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year. Under the gratuity plan, every employee who has completed at least 7 years of service gets gratuity on retirement or at the time of suppression (or) withdrawal for superannuation to 15 days salary. For each completed year of service attributable to last drawn basic salary.

(ii) **Actuarial assumptions:**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rate of discounting	7.52%	7.53%	7.48%	7.08%
Salary Escalation	3.03%	3.30%	3.00%	3.00%
Mortality Rate	3.03%	3.03%	3.03%	3.03%
Method of valuing employees liability	Indian Annuity Lives Mortality (2012-14) Ultimate	Indian Annuity Lives Mortality (2012-14) Ultimate	Indian Annuity Lives Mortality (2012-14) Ultimate	Indian Annuity Lives Mortality (2012-14) Ultimate

The estimates of rate of escalation in salary considered in actuarial valuation, take into account of inflation, average promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(iii) **Reconciliation of opening and closing balances of gratuity obligations:**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Liability as at the beginning of the period (Funded)	4.80	1.24	5.72	6.74
Net Expenses on P.F. Act	(137.22)	(11.72)	(34.68)	(1.92)
Benefits Paid	-	-	-	-
Employer Contributions	10.37	(2.71)	6.20	7.91
Net Liability as at the end of the period	7.95	4.81	7.24	8.73
Present Value of Gratuity Obligations (Closing) (Funded)	7.89	4.80	7.14	8.71

(iv) **Expenses recognized in Statement of Profit and Loss during the year:**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Cost	4.21	8.39	4.19	4.12
Current Service Cost	6.38	6.74	6.89	5.65
Past Service Cost	-	-	-	-
Unrecognized Income on Plan Assets	13.08	(2.71)	(8.07)	(5.46)
Administrative Cost (Credit)	-	-	-	-
Actuarial Gain (Credit)	-	-	-	-
Net Expenses to be recognized in P&L	3.67	11.41	3.11	(2.85)
Total	18.62	13.72	10.08	1.46

(v) **Changes in Benefit Obligations:**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Defined benefit Obligation at end of	84.05	71.88	67.32	66.73
Current service cost	6.38	6.74	6.90	5.65
Interest cost for the year	4.21	8.39	4.19	4.12
Actuarial losses (gains)	3.81	7.54	4.51	(2.85)
Benefits paid	(10.94)	(4.89)	(6.14)	(3.72)
Total	87.51	84.86	76.88	69.93

2) **Leave Encumbrance Plan**

B. ASSUMPTIONS:	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate	7.52%	7.53%	7.48%	7.08%
Salary Escalation	3.03%	3.30%	3.00%	3.00%
Mortality Rates	3.03%	3.03%	3.03%	3.03%
Mortality Table	Indian Annuity Lives Mortality (2012-14) U.S.	Indian Annuity Lives Mortality (2012-14) U.S.	Indian Annuity Lives Mortality (2012-14) U.S.	Indian Annuity Lives Mortality (2012-14) U.S.
Retirement Age	58 Years	58 Years	58 Years	58 Years

**II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:**

Particulars	(Amount in ₹ Lakhs)			
	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Present Value of Benefit Obligation as at the beginning of the period / year	11.28	11.81	11.81	11.81
Current Service Cost	11.28	11.71	11.81	11.81
Interest cost	-	-	-	-
Actuarial gains/losses	-	-	-	-
Present value of benefit obligation as at the end of the period / year	14.03	14.28	14.08	14.08



**Emerald Tyre Manufacturers Limited**  
 (formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25111TN2002PLC018665  
 EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-I, Vanagarau, Chennai 600 091

*(Amount in ₹ Lakhs)*

III. ACTUARIAL GAINS/LOSSES	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gains/losses on obligations for the year	-	-	-	-
Actuarial gains/losses on assets for the year	-	-	-	-
Actuarial gains/losses recognized in income & expenses	-	-	-	-

*(Amount in ₹ Lakhs)*

IV. EXPENSES RECOGNIZED	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	(1.26)	1.07	1.00	0.20
Interest cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Expense charged to the Statement of Profit and Loss	(0.26)	2.15	1.40	0.20

*(Amount in ₹ Lakhs)*

V. BALANCE SHEET RECONCILIATION	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening net liability	21.20	18.00	11.00	11.40
Expense on above	(1.26)	1.15	1.40	0.20
Change in plan	-	-	-	-
Net liability/(asset) recognized in the balance sheet	19.94	19.15	12.40	11.60

*(Amount in ₹ Lakhs)*

VI. EXPENSE ADJUSTMENTS	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
On Plan Liability (Amount/Expense)	-	-	-	-

**STATEMENT OF CONTINGENT LIABILITY AS RESTATED**

ANNEXURE -10

*(Amount in ₹ Lakhs)*

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Litigation against the company, not acknowledged in 2023	-	-	-	-
2. Guarantors	-	-	-	-
3. Other matters for which the company is contingently liable*	515.67	515.67	515.67	515.27
<b>Total</b>	<b>515.67</b>	<b>515.67</b>	<b>515.67</b>	<b>515.27</b>

\*Note:

- On 19th August 2021, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2020, a notice demanding tax was issued with a tax amount of Rs. 1.40 lakhs, interest of Rs. 0.33 lakhs, totaling Rs. 1.77 lakhs, which is pending.
- On 23rd February 2017, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2014, a notice demanding tax was issued with a tax amount of Rs. 22.75 lakhs, totaling Rs. 21.70 lakhs, which is pending.
- On 12th February 2021, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2018, a notice demanding for Dividend Distribution Tax was issued with a tax amount of Rs. 1.37 lakhs, interest of Rs. 0.15 lakhs, totaling Rs. 1.52 lakhs, which is pending.
- On 20th October 2017, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2017, a notice demanding tax was issued with a tax amount of Rs. 1.13 lakhs, interest of Rs. 0.16 lakhs, totaling Rs. 1.29 lakhs, which is pending.
- On 02nd February 2023, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2020, a notice demanding tax was issued with a tax amount of Rs. 181.00 lakhs, interest of Rs. 08.21 lakhs, totaling Rs. 189.21 lakhs, which is pending.
- On 03rd March 2015, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2012, a notice demanding tax was issued with a tax amount of Rs. 1.30 lakhs, totaling Rs. 1.30 lakhs, which is pending.
- On 20th April 2023, under Section 143(1A) of the Income Tax Act 1961, for the assessment year 2015, an intimation of income was issued with a tax amount of Rs. 7.75 lakhs, interest of Rs. 1.19 lakhs, totaling Rs. 8.94 lakhs, which is pending.
- On 04th June 2017, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2015, a final judgment assessment was issued with a tax amount of Rs. 0.19 lakhs, interest of Rs. 0.08 lakhs, totaling Rs. 0.27 lakhs, which is pending.
- On 08th February 2013, under Section 134 of the Income Tax Act 1961, for the assessment year 2011, a notice demanding for rectification of mistake was issued with a tax amount of Rs. 0.11 lakhs, totaling Rs. 0.11 lakhs, which is pending.
- On 08th June 2017, under Section 143(1) of the Income Tax Act 1961, for the assessment year 2015, a final judgment assessment was issued with a tax amount of Rs. 5.75 lakhs, interest of Rs. 2.70 lakhs, totaling Rs. 8.45 lakhs, which is pending.

*(Amount in ₹ Lakhs)*

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Contractual amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
Contractual liability on orders and other arrangements pending	-	-	-	-
Other commitments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY AS RESTATED**

ANNEXURE -11

The applicability clause (c) of the Companies Act 2013 is not applicable to the company as it is not a company as defined in clause (b) of the Companies Act, 2013.

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Amount required to be spent by the company during the year	12.18	0.07	N/A	N/A
(b) Amount of expenditure incurred*	12.18	-	N/A	N/A
(c) Unutilized at the end of the year	-	-	-	-
(d) Total of previous years identified	-	-	-	-
(e) Reason for shortfall	-	-	-	-
(f) Nature of CSR activities	Healthcare	Healthcare	N/A	N/A
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company or relative to CSR expenditure as per section 135(8) of the Companies Act, 2013	No Related Party Involvement	No Related Party Involvement	N/A	N/A
(h) Where a provision is made with respect to a liability assumed by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil	Nil	Nil



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 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN:U25117ND002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Power Gardens, Phase-C, Vanagararam, Chennai 600 093

STATEMENT OF NET ASSETS AND PROFIT/LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST.

ANNEXURE -III

(As per para 2 of general instructions for the preparation of consolidated financial statements in Division I of Schedule III of Companies Act, 2013)

Particulars	For the Period ended November 30, 2023				For the year ended March 31, 2023			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
<b>I. Parent</b>								
Emerald Tyre Manufacturers Ltd								
a. Equity Share Holders	100.00%	3,229.45	77.63%	413.22	115.00%	4,207.4	93.24%	426.7
b. Preference Share Holders								
<b>II. Subsidiaries</b>								
a. Foreign								
- Emerald TZE	0.10%	(221.28)	(1.67)%	(13.17)	3.00%	(24.58)	(13.07)%	(100.0)
- Emerald EVIDS	17.21%	(283.29)	(28.00)%	(38.33)	(10.21)%	(175.94)	(77.59)%	(426.7)
<b>III. Minority Interest in Subsidiaries</b>								
a. Foreign								
- Emerald TZE								
- Emerald EVIDS								
<b>Total</b>	<b>100.00%</b>	<b>2,098.96</b>	<b>100.00%</b>	<b>798.18</b>	<b>100.00%</b>	<b>3,682.92</b>	<b>100.00%</b>	<b>867.40</b>

Particulars	For the year ended March 31, 2023				For the year ended March 31, 2021			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)
<b>I. Parent</b>								
Emerald Tyre Manufacturers Ltd								
a. Equity Share Holders	118.20%	3,442.14	80.82%	431.4	123.50%	3,337.2	100.00%	215.1
b. Preference Share Holders								
<b>II. Subsidiaries</b>								
a. Foreign								
- Emerald TZE	(2.17)%	(61.52)	(7.30)%	(6.89)	(3.40)%	(80.89)	(8.17)%	(30.4)
- Emerald EVIDS	(15.10)%	(475.44)	(57.52)%	(6.7)	(18.09)%	(161.31)	(166.42)%	(440.27)
<b>III. Minority Interest in Subsidiaries</b>								
a. Foreign								
- Emerald TZE								
- Emerald EVIDS								
<b>Total</b>	<b>100.00%</b>	<b>2,909.80</b>	<b>100.00%</b>	<b>478.11</b>	<b>100.00%</b>	<b>2,644.96</b>	<b>100.00%</b>	<b>(134.26)</b>

ADDITIONAL DISCLOSURES WITH RESPECT TO AMENDMENTS TO SCHEDULE III AS ASSAYED

ANNEXURE -IV

- The company has no immovable property whose title deeds are not held in the name of the company.
- The Company has not created its Property, Plant and Equipment during the reporting period.
- Loans and Advances granted to Parents, Officers, EOP and Related Parties  
There are no loans and Advances in the nature of loans that are granted to parents, Officers, EOP and the related parties either directly or jointly with any other persons that are repayable on demand.
- There are no proceedings initiated or pending against the Parent for selling any immovable property under the Insolvency and Bankruptcy Code, 2016 (IBC) of 1986.
- The company, for borrowing from the banks and financial institutions on the basis of assets of current assets, quarterly submits cash statements of current accounts filed by the Company with respective banks and financial institutions.

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)	Reason for material discrepancies
<b>For the year ended March 31, 2023</b>						
Q1 April 2022	State bank of India	Stock statement	4,547.76	4,465.08	82.69	Insufficiently Matched to book due
		Bank debts	3,000.30	1,140.00	1,860.30	The company Subject bank debts outstanding for services raised in past 6 months basis
Q2 September 2022	State bank of India	Stock statement	4,742.17	4,740.63	1.54	Insufficiently Matched to book due
		Bank debts	1,194.58	1,475.54	1,718.97	The company Subject bank debts Outstanding for services raised in past 6 months basis. Hence Outstanding presented to banks were under stated.
Q3 December 2022	State bank of India	Stock statement	4,594.18	4,594.18	0.00	W.A
		Bank debts	3,345.53	1,326.13	2,119.25	The company Subject bank debts outstanding for services raised in past 6 months basis. Hence Outstanding presented to banks were under stated.
Q4 March 2023	State bank of India	Stock statement	4,712.48	4,712.32	0.16	N.A
		Bank debts	4,099.79	1,793.58	2,415.61	The company Subject bank debts outstanding for services raised in past 6 months basis. Hence Outstanding presented to banks were under stated.
<b>For the period ended November 30, 2023</b>						
Q1 June 2023	State bank of India	Stock statement	4,798.04	4,797.89	0.15	N.A
		Bank debts	4,077.24	1,326.82	2,650.21	The company Subject bank debts outstanding for services raised in past 6 months basis. Hence Outstanding presented to banks were under stated.
Q2 September 2023	State bank of India	Stock statement	4,847.35	4,847.42	1.54	Insufficiently Matched to book due
		Bank debts	4,079.82	1,530.59	2,548.43	The company Subject bank debts outstanding for services raised in past 6 months basis. Hence Outstanding presented to banks were under stated.

- The company is not defined as a BIFIL defaulter by any bank or financial institution or other bodies.
- The Company has not entered into any transactions with company stock off under section 208 of the Companies Act, 2013.
- The Company does not have any charge to be registered with Registrar of Companies beyond the statutory period.
- The Company has five wholly owned subsidiaries namely Emerald Mills Ltd, EZE and Emerald Tyre Europe BV. With are under the scope of parent period under clause 107 of section 2 of the Act and with Companies (Disclosure on number of Layers) Rules, 2017 are not applicable.





**Emerald Tyre Manufacturers Limited**  
 (Formerly known as Emerald Resilient Tyre Manufacturers P Ltd, Emerald Resilient Tyre Manufacturers P Ltd & Emerald Resilient Tyre Manufacturers Ltd)  
 CIN-0251117ND002PLC048665  
 EMERALD HOUSE, Plot No.2, Second Street, Parvati Gardens, Phase-I, Vanagararam, Chennai 600 095

(1) No Scheme of Arrangement has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(2) Utilization of Borrowed Funds and other resources:

- A. The company has not advanced or loaned or created funds (either borrowed funds or other resources or any other sources or kind of funds to any other persons or entity (not including foreign entities) (hereinafter referred to as the understanding) (whether recorded in writing or otherwise) that the understanding shall:
- (i) result or adversely lead or result in other persons or entities identified in any manner whatsoever by or on behalf of the company (if those persons or entities) or
  - (ii) provide any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.
- B. The Company has not contracted or had any contract or arrangement, including foreign contract (if any) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (i) result or adversely lead or result in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (if those Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3)

Capital Work in Progress as on 30 Nov 2021 (Amount in ₹ Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
Projects in progress - Machinery	461.24			286.08	747.32
Projects in Suspended					
<b>Total</b>					<b>747.32</b>

Capital Work in Progress as on 31 March 2022 (Amount in ₹ Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
Projects in progress - Machinery	388.01			275.15	663.16
Projects in Suspended					
<b>Total</b>					<b>663.16</b>

Capital Work in Progress as on 31 March 2022 (Amount in ₹ Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
Projects in progress - Machinery	712.56			286.08	1,038.64
Projects in Suspended					
<b>Total</b>					<b>1,038.64</b>

Capital Work in Progress as on 31 March 2022 (Amount in ₹ Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less Than 1 Year	1-2 Year	2-3 Years	More than 3 Years	
Projects in progress - Machinery	68.00			246.18	314.18
Projects in Suspended					
<b>Total</b>					<b>314.18</b>

STATEMENT OF CAPITALISATION STATEMENT AS RESTATED

ANNEXURE -48

(Amount in ₹ Lakhs)

Particulars	Pre-2020	Post 2020
<b>Borrowings</b>		
Short Term Debt (A)		4,438.41
Long Term Debt (B)		4,507.18
<b>Total Debt (C = A + B)</b>		<b>8,945.59</b>
<b>Shareholders' Funds</b>		
Equity Share Capital (D)		1,403.43
Reserve and Surplus - as notified (E)		3,065.69
<b>Total Shareholders' Funds (F = D + E)</b>		<b>4,469.12</b>
Long Term Debt (Shareholders' Funds) (G = BF)		3.92 (Share)
<b>Total Debt (Shareholders' Funds) (H = CF)</b>		<b>4.83 (Share)</b>

Notes:

- The figures disclosed above are based on consolidated financial statements of Assets and Liabilities of the Company as on 31.12.2022.
- Long term debt represents debt other than short term debt as defined above.
- Short term Debt represents the debt which are expected to be paid / payable within 12 months and also includes installment of term loans repayable within 12 months.



## OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at November 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Restated PAT as per P&amp; L Account - (A)</b>	790.18	865.40	475.11	-330.28
<b>Add : Interest on Debentures (post tax)</b>	28.06	28.06	28.06	88.92
<b>Restated PAT as per P&amp; L Account for Diluted EPS - (B)</b>	855.74	930.96	540.68	-122.52
<b>Weighted Average Number of Equity Shares at the end of the Year / Period (Pre - Bonus Issue) - (C)</b>				
- Basic	1,39,01,657	65,60,489	63,92,399	60,98,199
- Diluted	1,40,57,907	67,16,739	65,48,649	67,54,449
<b>Weighted Average Number of Equity Shares at the end of the Year / Period (Post - Bonus Issue) - (D)</b>				
- Basic	1,39,01,657	1,31,20,978	1,27,84,797	1,21,96,399
- Diluted	1,40,57,907	1,32,77,228	1,29,41,047	1,28,52,649
<b>No. of equity shares at the end of the year / period - (E)</b>	1,43,34,262	65,60,489	65,60,489	62,87,824
<b>Net Worth - (F)</b>	<b>4,899.06</b>	<b>3,682.94</b>	<b>2,909.00</b>	<b>2,644.98</b>
Current Assets - (G)	10,857.68	9,163.34	8,689.70	7,565.97
Current Liabilities - (H)	6,991.20	8,119.40	7,362.27	5,990.65
<b>Earnings Per Share (Pre - Bonus Issue)</b>				
- Basic	5.68	13.19	7.43	(5.42)
- Diluted	6.09	13.86	8.26	(1.81)
<b>Earnings Per Share (Post - Bonus Issue)</b>				
- Basic	5.68	6.60	3.72	(2.71)
- Diluted	6.09	7.01	4.18	(0.95)
<b>Return on Net Worth (%)</b>	16.13%	23.50%	16.33%	-12.49%
<b>Net Asset Value Per Share (Rs.)</b>	34.18	56.14	44.34	42.07
<b>Current Ratio</b>	1.55	1.13	1.18	1.26
<b>EBITDA</b>	<b>1,836.74</b>	<b>2,103.74</b>	<b>1,325.62</b>	<b>432.65</b>

Notes: 1. Net Worth is calculated as the sum of equity share capital and other equity attributable to owners of the Company

2. Return on Net Worth calculated as restated profit for the year divided by Net worth.

3. Net Asset Value per equity share = Net Asset Value per Share represents Net worth attributable to the owners of the company divided by the numbers of shares outstanding as at year end.

4. EBITDA has been calculated as Restated profit before tax + interest expense + depreciation and amortization less other income.



## CAPITALISATION STATEMENT

### STATEMENT OF CAPITALISATION STATEMENT AS RESTATED

Particulars	Pre-Issue	Post Issue
<b>Borrowings</b>		
Short Term Debt (A)	4,439.41	
Long Term Debt (B)	4,567.34	
<b>Total Debts (C = A + B)</b>	<b>9,006.75</b>	
<b>Shareholders' Funds</b>		
Equity Share Capital (D)	1,433.43	
Reserve and Surplus - as restated (E)	3,465.63	
<b>Total Shareholders' Funds (F = D + E)</b>	<b>4,899.06</b>	
<b>Long Term Debt / Shareholders' Funds (G = B/F)</b>	<b>0.93 times</b>	
<b>Total Debt / Shareholders' Funds (H = C/F)</b>	<b>1.83 times</b>	

[•]

**Notes:**

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30.11.2023.
2. Long term debts represent debts other than short term debts as defined above.
3. Short term Debts represents the debts which are expected to be paid / payable within 12 months and also includes instalment of term loans repayable within 12 months.

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### FINANCIAL INDEBTEDNESS

Our Company avails loans and facilities in the ordinary course of its business for meeting our working capital, capital expenditure and other business requirements. For details of the borrowing powers of our Board, please see “Our Management” Page no 153.

The aggregate outstanding borrowings (including fund based and non-fund-based borrowings) of our Company as on period ended November 30, 2023, as certified by our Peer review Auditor, are as follows:

(In Lakhs)

Category of Borrowing	Sum of Account Balance as per Books	Sum of Original Sanction Amount
<b>Fund Based</b>	<b>5333.1</b>	<b>6681.07</b>
<b>Secured</b>	<b>3579.36</b>	<b>3334.76</b>
<i>Bank</i>	2429.78	1190
Cash credit	555	700
Term loan	1874.78	490
<i>NBFC</i>	1149.58	2144.76
Term loan	1014.39	2000
Vehicle Loan	135.19	144.76
<b>Unsecured</b>	<b>1753.74</b>	<b>3346.31</b>
<i>Bank</i>	80.92	139.9
Term loan	80.92	139.9
<i>NBFC</i>	1672.82	3206.41
Term loan	1672.82	3206.41
<b>Non Fund Based</b>	<b>3423.66</b>	<b>3880</b>
<b>Secured</b>	<b>3423.66</b>	<b>3880</b>
<i>Bank</i>	3423.66	3880
Export packing credit	2509.47	2500
Line of Credit	295.11	450
Stan by limit	150	150
Working capital term loan facility	469.08	780
<b>Grand Total</b>	<b>8756.76</b>	<b>10561.07</b>

S. No	Name of Lender	Loan A/c No. (if any)	Type of facility	NBFC/ Bank	Secured/Unsecured	Fund Based/Non Fund Based	Original Sanction Amount	Rate of Interest	Security	Term	Account Balance as per Books	Account Balance as per Lender Schedule
1	GUARANTEED EMERGENCY CREDIT LINE GECL1.0	40677932785	Working capital term loan facility	Bank	Secured	Non-Fund Based	370.00	9.25	Refer Point (a) & (b)	36	370.00	370.00
2	GUARANTEED EMERGENCY CREDIT LINE (GECL)	39599539360	Working capital term loan facility	Bank	Secured	Non-Fund Based	410.00	9.25	Refer Point (a) & (b)	36	99.08	99.08
3	STATE BANK OF INDIA - TERM LOAN	41521412407	Term loan	Bank	Secured	Non-Fund Based	490.00	11.2	Refer Point (a) & (b)	60	490.00	490.00
4	Cash Credit		Cash credit	Bank	Secured	Non-Fund Based	700.00	11.00%	Secured		555.00	555.00
5	Export Packing Credit		Export packing credit	Bank	Secured	Non-Fund Based	2,500.00	5.35%	Secured		2,509.47	2,509.47
6	Stand By Limit		Stan by limit	Bank	Secured	Non-Fund Based	150.00	11.75%	Secured		150.00	150.00
7	LC payable (Not due)		Line of Credit	Bank	Secured	Non-Fund Based	450.00	11.00%	Secured		295.11	295.11
8	BNP Loan		Term loan	Bank	Secured	Fund Based	-	5.05%	Secured		1,384.78	1,384.78
9	TATA CAPITAL FINANCIALS SERVICES LTD (TERM LOAN)	21844554	Term loan	NBFC	Secured	Fund Based	1,100.00	12.8	Refer Point (c)	49	683.40	683.40
10	SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT LTD	100112000000	Term loan	NBFC	Secured	Fund Based	500.00	20	Refer Point (d)	24	48.60	48.60
11	SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PVT LTD	100112000000	Term loan	NBFC	Secured	Fund Based	400.00	20	Refer Point (d)	24	282.39	282.39

S. No	Name of Lender	Loan A/c No. (if any)	Type of facility	NBFC/ Bank	Secured/Unsecured	Fund Based/Non Fund Based	Original Sanction Amount	Rate of Interest	Security	Tenor	Account Balance as per Books	Account Balance as per Lender Schedule
	<b>Car Loans</b>											
12	KOTAK MAHINDRA PRIME LTD CAR LOAN VOLVO	CF-22019891	Vehicle Loan	NBFC	Secured	Fund Based	77.58		Secured	60	73.23	73.23
13	KOTAK MAHINDRA PRIME LTD KIA CAR LOAN	CF-21895530	Vehicle Loan	NBFC	Secured	Fund Based	18.42		Secured	36	16.10	16.10
14	KOTAK MAHINDRA PRIME LTD MG HECTOR CAR LOAN	CF-22166700	Vehicle Loan	NBFC	Secured	Fund Based	24.68		Secured	60	23.62	23.62
15	KOTAK MAHINDRA PRIME LTD TIAGO 1 CAR LOAN	CF-22166688	Vehicle Loan	NBFC	Secured	Fund Based	12.04		Secured	36	11.12	11.12
16	KOTAK MAHINDRA PRIME LTD TIAGO 2 CAR LOAN	CF-22166690	Vehicle Loan	NBFC	Secured	Fund Based	12.04		Secured	36	11.12	11.12
	<b>Unsecured Loans</b>										-	-
17	ADITYA BIRLA FINANCE LTD - ABFLCHNBIL000560370	ABCHNBIL00000560370	Term loan	NBFC	Unsecured	Fund Based	100.00	16	Unsecured	30	44.82	44.82
18	CLIX CAPITAL SERVICES PVT LTD	SCHBUSI000091888	Term loan	NBFC	Unsecured	Fund Based	50.22	17	Unsecured	30	24.38	24.38
19	L&T FINANCE LIMITED	BL230110040100024	Term loan	NBFC	Unsecured	Fund Based	35.29	17	Unsecured	24	23.43	23.43
20	NEOGROWTH	1188286	Term loan	NBFC	Unsecured	Fund Based	30.90		Unsecured	24	17.06	17.06
21	OXYZO FINANCIAL SERVICES PVT LTD- II	OXYTL01M9YJ	Term loan	NBFC	Unsecured	Fund Based	75.00		Unsecured	15	10.99	10.99
22	SUPER AUTO FORGE SHORT TERM LOAN 2	II	Term loan	NBFC	Unsecured	Fund Based	120.00	15	Unsecured	30	14.11	14.11
23	SUPER AUTO FORGE SHORT TERM LOAN 3	III	Term loan	NBFC	Unsecured	Fund Based	500.00	15	Unsecured	30	58.79	58.79
24	SUPER AUTO FORGE SHORT TERM LOAN 4	IV	Term loan	NBFC	Unsecured	Fund Based	500.00	15	Unsecured	30	58.79	58.79
25	SUPER AUTO FORGE SHORT TERM LOAN 5	v	Term loan	NBFC	Unsecured	Fund Based	300.00	12	Unsecured	9	136.66	136.66
26	TATA CAPITAL FINANCE - BL 1	TCFBL0478000011435414	Term loan	NBFC	Unsecured	Fund Based	35.00	17	Unsecured	36	20.66	20.66

S. No	Name of Lender	Loan A/c No. (if any)	Type of facility	NBFC/ Bank	Secured/Unsecured	Fund Based/Non Fund Based	Original Sanction Amount	Rate of Interest	Security	Term	Account Balance as per Books	Account Balance as per Lender Schedule
27	TATA CAPITAL FINANCE - BL 2	21858679	Term loan	NBFC	Unsecured	Fund Based	400.00	12.5	Unsecured	31	253.33	253.33
28	TATA CAPITAL FINANCE - BL 3	21864626	Term loan	NBFC	Unsecured	Fund Based	100.00	12.25	Unsecured	31	73.34	73.34
29	TATA CAPITAL FINANCE BL 4 (21870130)	21870130	Term loan	NBFC	Unsecured	Fund Based	200.00	12	Unsecured	36	172.22	172.22
30	TATA CAPITAL FINANCE BL 5 (21879268)	21879268	Term loan	NBFC	Unsecured	Fund Based	500.00	12	Unsecured	36	500.00	500.00
31	TRICOLOUR FINANCIAL SERVICES PVT LTD	LBLCHE000000150	Term loan	NBFC	Unsecured	Fund Based	50.00	20	Unsecured	24	18.91	18.91
32	KOTAK MAHINDRA BANK LOAN	CSG-153399763	Term loan	Bank	Unsecured	Fund Based	49.90		Unsecured	36	28.11	28.11
33	UNITY SAMLL FINANCE LIMITED BANK	USFBCHNLOAN000005002915	Term loan	Bank	Unsecured	Fund Based	50.00	16	Unsecured	36	29.33	29.33
34	CALIBRE GLOBAL CORPORATION INC	LOAN1	Term loan	NBFC	Unsecured	Fund Based	60.00	19.5	Unsecured	11	23.06	23.06
35	CALIBRE GLOBAL INDUSTRIES PVT LTD	LOAN1	Term loan	NBFC	Unsecured	Fund Based	150.00	19.5	Unsecured	8	222.27	222.27
36	YES BANK LOAN - II	BLN000501202586	Term loan	Bank	Unsecured	Fund Based	40.00		Unsecured	36	23.48	23.48
	Total*										<b>8,756.75</b>	<b>8,756.75</b>

**Notes:**

- (i) The figures disclosed above are based on the Statements of Assets and Liabilities as Restated of the Company
- (ii) The rate of interest given above are as agreed with the lenders in the respective facility letters.
- (iii) The above includes long-term borrowings disclosed under Annexure and the current maturities of long-term borrowings included in other current liabilities



**a) Term Loans from SBI are secured by: -**

1. Equitable Mortgage by deposit of title deeds of 6.25 acres of Leasehold Land situated at Plot #79 & 3.80 acres of Leasehold Land at Plot # 80, EPIP, Sipcot Industrial Complex, Gummidipoondi.
2. Equitable Mortgage over superstructures constructed on Leasehold Land mentioned above.
3. Hypothecation of Plant & Machinery created/ to be created out of term loans.

**A. The Term Loans from SBI are also collaterally secured by:-**

4. Hypothecation of movable fixed assets belonging to Mixing division.
5. Equitable Mortgage by deposit of title deeds of 3380 sqft land and residential house thereon situated at #3, Ninth Lane, Shastri Nagar, Adyar, Chennai in the name of Mr V Thirupathi
6. Pledge of 939,500 shares of the face value of Rs 10/- each of Emerald Resilient Tyre Manufacturers P Ltd, owned by Mr V Thirupathi and his family members.
7. Hypothecation of movable fixed assets of the company (present & future).
8. Personal Guarantee of Mr V Thirupathi, Mrs T Kannaki, Mr V T Chandrashekharan & Mr V T Srinivas.

b) Bank Borrowings are secured by way of hypothecation of all the Current Assets of the company. The above loans are additionally secured by the collateral securities given to the Term Loans provided by the bank. The loans are also secured by the Personal Guarantees of Mr V Thirupathi, Mrs T Kannaki, Mr V T Chandrashekharan & V T Srinivas.

c) Equipment Finance from **Tata Capital Financial Services Limited (TCFSL)** are secured by, Hypothecation of Machinery Purchased out of TCFSL Fund and unconditional & irrevocable personal guarantees of Mr V Thirupathi, Mrs T Kannaki and Mr V T Chandrasekharan.

d) Subservient charge on all present and future current and fixed assets of the company, Personal Guarantee :Mr. V. Thirupathi, Mr. V. T. Chandrashekharan, Mrs. T. Kannaki, Mr. V.T. Srinivas

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our Company was originally incorporated as “Emerald Resilient Tyre Manufactures Private Limited” a private limited company under the Companies Act, 1956 with the Registrar of Companies (“ROC”), Chennai at Tamil Nadu pursuant to Certificate of Incorporation dated March 27, 2002. Thereafter, the name of our Company was changed from “Emerald Resilient Tyre Manufactures Private Limited” to “Emerald Resilient Tyre Manufacturers Private Limited” vide special resolution passed by the members at the Extra-ordinary General Meeting held on July 16, 2018. Subsequently, our Company was converted into Public Limited Company and name of company was changed from “Emerald Resilient Tyre Manufacturers Private Limited” to “Emerald Resilient Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on November 25, 2023. Thereafter, the name of the company was changed from “Emerald Resilient Tyre Manufacturers Limited” to “Emerald Tyre Manufacturers Limited” pursuant to a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on January 11, 2024, and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu dated January 17, 2024. The CIN of the Company is U25111TN2002PLC048665.

We have consistently grown in terms of our revenues over the past years. In the past three (3) years our revenues from operation were Rs.8,664.56 lakhs in F.Y. 2020-21, Rs.13,364.26 lakhs in F.Y.2021-22 and Rs. 16,393.95 lakhs in the FY 2022-23. Our Net Profit after tax for the above-mentioned periods are Rs. (330.28) lakhs, Rs.475.11 lakhs and Rs.865.40 lakhs respectively.

#### Factors contributing to the growth of our Revenue:

1. For FY 2020-21 the following were the factors that contributed to growth of our revenue:
  - **Organic Growth in Existing Product Lines:**
  - **Diversification through New Product Launches:**
2. For FY 2021-22 the following were the factors that contributed to growth of our revenue:
  - **Significant Surge due to expansion of market particularly Europe and United States**
  - **Expansion of Company Product Portfolio**
3. For FY 2022-23 the following were the factors that contributed to growth of our revenue:
  - **Steady Revenue Increase:**
  - **Expansion of Markets**
  - **Expansion Company Product Portfolio**

### FINANCIAL KPIs OF THE COMPANY:

#### Based on Consolidated Financial Statements

Particulars	For the period ended November 30, 2023	For the year ended March 31		
		2023	2022	2021
Revenue from Operations (₹ in Lakhs)	10,726.99	16,393.95	13,364.26	8,664.56
Growth in Revenue from Operations (%)	-	22.67%	54.24%	-
Other Income (₹ in Lakhs)	105.12	404.15	105.41	132.67
Total Income (₹ in Lakhs)	10,832.11	16,798.10	13,469.67	8,797.23
EBITDA (₹ in Lakhs)	1,836.74	2,103.74	1,325.62	432.65

Particulars	For the period ended November 30, 2023	For the year ended March 31		
		2023	2022	2021
EBITDA Margin (%)	16.96%	12.52%	9.84%	4.92%
Profit After Tax (₹ in Lakhs)	790.18	865.40	475.11	(330.28)
PAT Margin (%)*	7.37%	5.28%	3.56%	(3.81%)
ROE (%)	16.13%	23.50%	16.33%	(12.49%)

\* EBITDA margin is calculated as EBITDA as a percentage of total income and PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.

## FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in this Draft Red Herring Prospectus and the Risk Factors given in the Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

### **Regulatory Framework**

We have obtained all regulatory permissions which are necessary to run our business, Further, some of the approvals are granted for fixed periods of time and need renewals, which are obtained in the course of business, however, there may be change in statutory regulations at any time which cannot be predicted by us. There can be no assurance that the change in regulations will not impact our operations in the future.

### **Ability of Management**

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of any member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition.

### **Market & Economic conditions**

India is one of the largest economies and is growing at a rapid pace. But in this globalised economy, all the businesses face an uncertain level of volatility from unexpected global events which ranges from global pandemics to wars, to weather changes to supply chain disruption, which may change the economic dynamics and the purchasing capability of the end customers. At the time of market slowdown, the demand falls which has adverse impact on our business.

### **Competition**

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of products. Our Company may face stiff competition from domestic as well as global market as the dynamic changes. Some of our competitors may have greater resources than those available to us. While service quality, technical ability, performance records, etc. are key factors in client decisions among competitors, however, price & quality are the deciding factor in most cases. Further, this industry is fragmented with many small and medium sized companies and entities, which manufactures some of these products at various levels, which may adversely affect our business operation and financial condition. Further, there are no entry barriers in this industry and any expansion in capacity of existing market players would further intensify competition. Moreover, as we seek to diversify into new geographical areas, new territories, new emerging markets, we may face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. The markets in which we compete and intend to compete are undergoing, and are expected to continue to undergo, rapid and significant change. We expect competition to intensify as technological advances and consolidations continue. These competitive factors may force us to reduce rates, and to pursue new market opportunities. Increased competition could result in reduced demand for our products, increased expenses, reduced margins and loss of market share. Failure to compete successfully against current or future competitors could harm our business, operating cash flows and financial condition.

### **COVID-19 Pandemic**

Since the onset of the COVID-19 pandemic in March 2020, our Company's operations have been affected as our employees faced the threat of getting infected. In 2020, cases of the novel corona virus started rapidly increasing in India, which led the government of India to impose a nationwide lockdown. The spread of Covid-19 and its recent developments have had and might continue to have repercussions across local, national and global economies. To prevent the spread of Covid-19 and to comply with the restrictions, we had to temporarily suspend our operations in order to follow the Government's norms. We continuously monitored the economic conditions and have outlined sufficient measures to combat the pandemic situation at our business premises. Once the lockdown was lifted, our operations restarted in full swing. Initially we did find a little hiccup in finding workers but because of our

enterprising organization, we were able to source quality workforce and we were able to train them and we restarted our operations. After lifting the lockdown and resuming our operations the demand in our industry abruptly increased from the different sectors and we attained the highest production during the partial year 2020-21 and FY 2021-22. The demand after pandemic ultimately nullified the impact of shutdown during COVID 19 pandemic. The future impact of COVID-19 or any other severe communicable disease on our business and results of operations depends on several factors including those discussed in the chapter "Risk Factors" beginning on Page No. 18227. **Error! Bookmark not defined.** We are continuing to closely monitor the economic conditions and the effect of COVID-19 and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business.

#### Significant Developments after November 30<sup>th</sup>, 2023 that may affect our Future Results of Operations

The Directors confirm that there have been no other events or circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus which materially or adversely affect or is likely to affect the business or profitability of our Company or the value of our assets, or our ability to pay liabilities within next twelve months.

### **SIGNIFICANT ACCOUNTING POLICY**

#### **A) Basis of preparation:**

The summary statement of consolidated restated assets and liabilities of the Company as at 30th November 2023, 31st March 2023, 31st March, 2022 and 31st March, 2021 and the related summary statement of consolidated restated profit and loss and cash flows for the period Ended 30th November 2023, year ended 31st March 2023, 31st March, 2022 and 31st March, 2021 (collectively referred to as the "Restated summary financial information") have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The restated summary financial information has been prepared by applying necessary adjustments to the financial statements ('financial statements') of the Company. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2018, as amended (the "Regulations"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistently applied.

#### **B) Use of estimates:**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, income taxes, post - sales customer support and the useful lives of Property Plant and Equipments and intangible assets.

#### **C) Revenue recognition:**

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty, and sales during trail run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Revenue is recognised when the performance obligations are satisfied and when there is no uncertainty as to measurement or collectability of consideration. Revenue is from sales of Tyres and Rims.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured in accordance with AS-9, Revenue Recognition. Sales are recognized on accrual basis, and only after transfer of services to the customer.

Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognized following the proportionate completion method, where revenue is recognized in proportion to the progress of the contract activity. The progress of the contract activity is usually determined as a proportion of efforts incurred up to the balance sheet date, which bears to the total hours / days estimated for the contract.

Revenue on time-and-material contracts are recognized as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognized as unbilled revenues.

Interest Income: Revenue is recognized on the time proportion basis after taking into account the amount outstanding and the rate applicable.

Other Income : Other items of income and expenditure are recognized on accrual basis and as a going concern basis, and the accounting policies are consistent with the generally accepted accounting policies.

#### **D) Property Plant and Equipment including Intangible assets:**

Property Plant and Equipments are stated at cost, less accumulated depreciation. Cost includes cost of acquisition including material cost, freight, installation cost, duties and taxes, and other incidental expenses, incurred up to the installation stage, related to such acquisition. Property Plant and Equipments purchased in India in foreign currency are recorded in Rupees, converted at the exchange rate prevailed on the date of purchase. Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

#### **E) Depreciation & Amortisation:**

The Company has applied the estimated useful lives as specified in Schedule II of the Companies Act 2013 and calculated the depreciation as per the Straight Line Value (SLV) method. Depreciation on new assets acquired during the year is provided at the rates applicable from the date of acquisition to the end of the financial year. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal.

Intangible assets are amortised on a straight-line basis over the estimated useful life as specified in Schedule II of the Companies Act 2013. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. In respect of the assets sold during the year, amortisation is provided from the beginning of the year till the date of its disposal.

#### **F) Impairment of assets:**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Reversal of impairment loss is recognised immediately as income in the profit and loss account.

#### **G) Foreign currency transactions:**

##### **Domestic Operation:**

##### **I. Initial recognition:**

A foreign currency transactions are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **II. Measurement:**

Foreign currency monetary items are reported using the closing rate.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### **III. Treatment of Foreign exchange:**

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss

#### **Employee Benefits:**

##### **I. Short - term employee benefits:**



**Leave encashment:**

The leave encashment liability upon retirement would arise as the accumulated leave and it is reimbursed accordingly .hence liability is recognised and accounted on accrual basis.

**II. Post-Employment benefits:****Defined benefit plan:**

The Company provides for Gratuity, a Defined benefit plan (The Grauity Plan) covering eligible employees in accordance with payment of Gratuity Act, 1972. Gratuity liability is a defined benefit obligation and is funded through LIC of India. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year.

**Defined contribution Plan:**

**Provident Fund:** Eligible employees receive benefit from provident fund covered under the Provident Fund Act. Both the employee and the company make monthly contributions. The employer contribution is charged off to Profit & Loss Account as an expense.

**Taxes on Income:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

**A. Current Tax:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

**B. Deferred Tax:**

Deferred tax is recognised, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carried forward losses, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**Provisions and Contingent Liabilities:**

A provision is recognised if, as a result of past event, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**Earnings Per Share:**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**Operating Leases**

Lease where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating lease. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis.

**Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and cash deposits with banks. The Company considers all highly liquid investments with a original maturity at a date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**Cash Flow Statement:**

Cash flows are reported using indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments

## RESULTS OF OUR OPERATIONS

Based on Consolidated Financial Statement of Profit & Loss as Restated

(Amount ₹ in lakhs)

Particulars	For the year ended 30th November, 2023 (₹ in lakhs)	% of Total**	For the year ended 31st March, 2023 (₹ in lakhs)	% of Total**	For the year ended 31st March, 2022 (₹ in lakhs)	% of Total**	For the year ended 31st March, 2021 (₹ in lakhs)	% of Total**
<b>INCOME</b>								
Revenue from Operations (Gross)	10,726.99	99.03%	16,393.95	97.59%	13,364.26	99.22%	8,664.56	98.49%
Other Income	105.12	0.97%	404.15	2.41%	105.41	0.78%	132.67	1.51%
<b>Total Revenue (A)</b>	<b>10,832.11</b>	<b>100.00%</b>	<b>16,798.10</b>	<b>100.00%</b>	<b>13,469.67</b>	<b>100.00%</b>	<b>8,797.23</b>	<b>100.00%</b>
<b>EXPENDITURE</b>								
Cost of Materials Consumed	5,936.28	54.80%	10,351.85	61.63%	8,899.67	66.07%	5,554.50	63.14%
Changes in Inventories of Work-In-Progress & Finished Goods	(106.94)	-0.99%	(491.56)	-2.93%	(580.38)	-4.31%	(505.70)	-5.75%
Employee Benefits Expenses	1,339.55	12.37%	1,932.36	11.50%	1,344.84	9.98%	1,182.97	13.45%
Finance Costs	676.90	6.25%	886.26	5.28%	681.74	5.06%	700.99	7.97%
Depreciation & Amortisation Expenses	314.16	2.90%	405.62	2.41%	326.35	2.42%	387.07	4.40%
Other Expenses	1,684.35	15.55%	2,555.56	15.21%	2,155.45	16.00%	1,751.56	19.91%
<b>Total Expenses (B)</b>	<b>9,844.30</b>	<b>90.88%</b>	<b>15,640.10</b>	<b>93.11%</b>	<b>12,827.66</b>	<b>95.23%</b>	<b>9,071.38</b>	<b>103.12%</b>
<b>Profit/(Loss) before Tax</b>	<b>987.81</b>	<b>9.12%</b>	<b>1,158.00</b>	<b>6.89%</b>	<b>642.00</b>	<b>4.77%</b>	<b>(274.15)</b>	<b>-3.12%</b>
<b>Tax Expense/ (benefit)</b>								
(a) Current Tax Expense	183.74	1.70%	257.28	1.53%	181.46	1.35%	90.32	1.03%
(c) Deferred Tax	13.89	0.13%	35.32	0.21%	(14.57)	-0.11%	(34.20)	-0.39%
<b>Net tax expense / (benefit)</b>	<b>197.62</b>	<b>1.82%</b>	<b>292.60</b>	<b>1.74%</b>	<b>166.89</b>	<b>1.24%</b>	<b>56.13</b>	<b>0.64%</b>
<b>Profit/(Loss) for the year</b>	<b>790.18</b>	<b>7.29%</b>	<b>865.40</b>	<b>5.15%</b>	<b>475.11</b>	<b>3.53%</b>	<b>(330.28)</b>	<b>-3.75%</b>

\*\*Total refers to Total Revenue

## Components of our Profit and Loss Account

### Income

Our total income comprises of revenue from operations and other income.

### Revenue from Operations

Our revenue from operation as a percentage of our total income was 99.03%, 97.59%, 99.22% and 98.49% for the period ended November 30, 2023 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

(₹ In Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of Products</b>				
Domestic	2,764.52	3,790.43	3,514.66	2,795.54
Export	7,755.32	12,292.81	9,616.67	5,726.83
<b>Other Operating Income - As Restated</b>				
Fitment Charges	1.52	5.59	5.28	3.28
Focus/MEIS Market Benefit	51.35	41.82	39.97	42.44
Duty Drawback on Export	154.28	263.30	187.67	96.48
<b>Total</b>	<b>10,726.99</b>	<b>16,393.95</b>	<b>13,364.26</b>	<b>8,664.56</b>

### Other Income

Our Other Income primarily consists of Interest Income, Net Foreign Exchange Gain, Other non-operating income, etc.

(₹ In Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Deposits	7.49	9.50	8.17	15.86
Other Non - Operating Income	17.38	47.15	25.66	6.08
Profit on Sale of Asset	-	-	-	11.11
Net Gain on Foreign Currency Transactions	80.24	347.50	71.58	99.63
<b>Total</b>	<b>105.12</b>	<b>404.15</b>	<b>105.41</b>	<b>132.67</b>

### Expenditure

Our total expenditure primarily consists of Cost of Materials Consumed, Changes in Inventories of Work-In-Progress & Finished Goods, Employee benefit expenses, Finance costs, Depreciation & Amortization Expenses and Other Expenses.

### Employee Benefit Expenses

Our employee benefits expense comprises of Salaries & Wages, Employer's Contribution to Provident fund and ESI, Provision for Gratuity, Staff Welfare.

### Finance costs

Our Finance cost expenses comprises of Bank Charges and Interest on Borrowings.

### Other Expenses

Other expenses primarily include Electricity Consumption, Mixing Charges, Freight Inwards & Cartage, Machinery Maintenance Expenses, Travelling & Conveyance Expenses, Export Documentation Charges, Legal Professional & Consultancy Charges and Other misc Expenses.

(₹ In Lakhs)

Particulars	For the Period ended Nov 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Other Direct Expenses:</b>				
Packing Materials	17.43	16.57	8.45	4.12
Electricity Consumption	297.58	432.83	341.71	243.82
Insurance	39.35	32.16	36.06	31.50
Mixing Charges	370.46	139.80	99.49	51.57
Factory Expenses	19.09	23.64	38.65	23.63
Freight Inwards & Cartage	204.86	606.30	430.29	158.32
Import Documentation Charges	17.05	2.68	14.54	41.28
Machinery Maintenance Expenses	79.17	103.43	86.49	74.13
<b>Other Expenses</b>				
Travelling & Conveyance Expenses	46.84	54.00	77.70	64.40
Export freight Charges	9.47	61.89	298.00	17.34
Export Documentation Charges	83.10	219.91	138.90	81.78
Export Commission	58.75	-	-	-
Marketing & Sample Tyres Expenses	29.45	67.13	105.21	63.65
Discount on Sales	6.81	15.54	5.39	6.86
ECGC Premium	23.73	30.45	27.12	29.84
Export Non-Realisation Duty Draw Back Return Provision	12.11	-	-	-
Advance Price Ruling Expenses	-	15.00	-	-
Freight Outwards	31.79	35.13	37.92	57.48
Postages & Telegram	0.45	0.71	0.44	0.94
Software Renewal/AMC/Cloud Server	15.60	25.97	29.20	-
Telephone Expenses	5.05	11.95	10.21	8.99
CSR Expenses	-	6.00	0.92	2.92
Bad Debts	16.33	18.94	1.32	22.49
Overseas Travel & Expo Expenses	33.44	44.83	8.34	120.31
Tyre Compensation	3.82	101.73	5.35	11.13
Computer & Software Maintenance Expenses	2.13	1.73	2.53	0.11
Auditors Remuneration	43.12	99.76	135.76	96.70
Loss on Sale of Assets	-	-	-	6.93
Insurance Charges	-	-	6.14	5.11
Product Liability Insurance	4.17	8.33	6.82	4.65
Legal, Professional & Consultancy Charges	72.23	132.00	55.51	39.96
Vehicle Repairs & Maintenance	3.86	4.61	2.79	1.59
Printing & Stationery	5.46	28.56	16.46	5.58
Office Rent	56.05	68.75	58.49	64.86
Registration & Licence fees	11.84	66.36	28.17	20.74
Other misc. Expenses	63.78	78.87	41.07	388.84
<b>Total</b>	<b>1,684.35</b>	<b>2,555.56</b>	<b>2,155.45</b>	<b>1,751.56</b>



### ***Provision for Tax***

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

### **For the period ended November 30<sup>th</sup>, 2023**

#### **Revenue from Operations**

For the period ended November 30<sup>th</sup>, 2023, Revenue from Operations of our company was ₹ 10,726.99 lacs.

#### **Other Income**

For the period ended November 30<sup>th</sup>, 2023, Other Income of our company was ₹ 105.12 lacs.

#### **Total Revenue**

For the period ended November 30<sup>th</sup>, 2023, the total income of our company was ₹ 10,832.11 lacs.

#### **Expenditure**

##### **Cost of Materials Consumed**

For the year ended November 30<sup>th</sup>, 2023, Cost of Materials Consumed was ₹ 5,936.28 lakhs.

##### **Employee Benefit Expenses**

For the period ended November 30<sup>th</sup>, 2023, our Company incurred for employee benefit expenses ₹ 1,339.55 lacs.

##### **Finance Costs**

The finance costs for the period ended November 30<sup>th</sup>, 2023 was ₹ 676.90 lacs.

##### **Depreciation & Amortization Expense**

Depreciation & Amortization Expense for the period ended November 30<sup>th</sup>, 2023 was ₹ 314.16 lacs.

##### **Other Expenses**

For the period ended November 30<sup>th</sup>, 2023, our other expenses were ₹ 1,684.35 lacs.

##### **Profit/ (Loss) before Tax**

Our Company had reported a profit before tax for the period ended November 30<sup>th</sup>, 2023 of ₹ 987.81 lacs

##### **Profit/ (Loss) after Tax**

Profit after tax for the period ended November 30<sup>th</sup>, 2023 was at ₹ 790.18 lacs.

### **Fiscal 2023 compared with fiscal 2022**

#### **Revenue from Operations**

The Revenue from Operations of our company for fiscal year 2023 was ₹ 16,393.95 lacs against ₹ 13,364.26 lacs for Fiscal year 2022. An increase 22.67% in revenue from operations. This increase was due to expansion of markets coupled with expansion of product line.

#### **Other Income**

The other income of our company for fiscal year 2023 was ₹ 404.15 lacs against ₹ 105.41 lacs for Fiscal year 2022. An increase 283.41% in other income. This increase was mainly due to net gain foreign currency transactions.

#### **Total Income**

The total income of our company for fiscal period 2023 was ₹ 16,798.10 lacs against ₹ 13,469.67 lacs for Fiscal period 2022. An increase6

#### **Consumed**

In Fiscal 2023, Cost of Materials Consumed ₹ 10,351.85 lakhs against ₹ 8,899.67 lakhs in fiscal 2022. An increase of 16.32% in Cost of Materials Consumed. The cost of consumption increased primarily because of purchases of materials for manufacturing its Industrial tyres. This is commensurate with increase in sales.

#### **Employee Benefit Expenses**

In Fiscal 2023, our Company incurred for employee benefit expenses ₹ 1,932.36 lacs against ₹ 1,344.84 lacs in fiscal 2022. The increase of 43.69% was due to increasing the manpower strength both quantitatively and qualitatively. This is commensurate with increase in production.

#### **Finance Costs**

The finance costs for the Fiscal 2023 was ₹ 886.26 lacs while it was ₹ 681.74 lacs for Fiscal 2022. The company has taken the borrowings from banks/NBFC for its capex programme and to augment working capital so as to cater the increased sales, which resulted in increase in interest amount paid to banks/NBFC's in the year 2022-23.

#### **Other Expenses**

In fiscal 2023, our other expenses were ₹ 2,555.56 lacs and ₹ 2,155.45 lacs in fiscal 2022. An increase of 18.56% was due to increase in electricity charges, Mixing charges/ Rim processing and Freight inwards under direct cost and other expenses increase is mainly from export documentation charges, Business promotion, Legal and professional and consultancy charges.

#### **Profit/ (Loss) before Tax**

Our Company had reported a profit before tax for the Fiscal 2023 of ₹ 1,158.00 lacs against profit before tax of ₹ 642.00 lacs in Fiscal 2022. An 80.37 % increase. This increase was due to the increase in EBITDA in line with increased sales.

#### **Profit/ (Loss) after Tax**

Profit after tax for the Fiscal 2023 was at ₹ 865.40 lacs against profit after tax of ₹ 475.11 lacs in fiscal 2022, An 82.15% increase. This was due to increase in EBITDA margins in line with increased sales.

#### **Fiscal 2022 compared with fiscal 2021**

##### ***Revenue from Operations***

The Revenue from Operations of our company for fiscal year 2022 was ₹ 13,364.26 lacs against ₹ 8,664.56 lacs for Fiscal year 2021. An increase of 54.24% in revenue from operations. This increase in sales was due to expansion of markets coupled with expansion of product line. Further fiscal 2021 was affected due to COVID 19.

##### ***Other Income***

The other income of our company for fiscal year 2022 was ₹ 105.41 lacs against ₹ 132.67 for Fiscal year 2021. This decrease of 20.55 % in other income was due to reduction of interest income from deposit and reduction in Net Gain on Foreign Currency Transactions.

##### **Total Income**

The total income of our company for fiscal year 2022 was ₹ 13,469.67 lacs against ₹ 8,797.23 lacs for Fiscal year 2021. An increase of 53.11% in total income. This was due to increase in income from operations on account of expansion of markets coupled with expansion of product line.

##### **Expenditure**

##### **Cost of Materials Consumed**

In Fiscal 2022, Cost of Materials Consumed ₹ 8,899.67 lakhs against ₹ 5,554.50 lakhs in fiscal 2021. An increase of 60.22 % in Cost of Materials Consumed. This increase was primarily due to corresponding increase in sales.

##### **Employee Benefit Expenses**

In Fiscal 2022, our Company incurred for employee benefit expenses ₹ 1,344.84 lacs against ₹ 1,182.97 lacs in fiscal 2021. An increase of 13.68 % was due to increase in the manpower strength both quantitatively and qualitatively to cater the increased sales.

##### **Finance Costs**

The finance costs for the fiscal 2022 was ₹ 681.74 lacs while it was ₹ 700.99 lacs for fiscal 2021. This decrease of 2.75 % is due to rationalisation of cost of borrowing.

## Other Expenses

In fiscal 2022, our other expenses were ₹ 2,155.45 lacs and ₹ 1,751.56 lacs in fiscal 2021. An increase of 23.06 % was due to increase in direct expenses on account of increase in electricity charges, Mixing charges/ Rim processing charges, freight inwards and Machinery Maintenance on account of increase in production. Other expenses increase was on account of export freight charges, export documentation charges, business promotion expenses.

## Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the Fiscal 2022 of ₹ 642.00 lacs against profit before tax of ₹ (274.15) lacs in Fiscal 2021. An increase of 334.18%. This increase was due to substantial increase in EBITDA consequent to increase in sales.

## Profit/ (Loss) after Tax

Profit after tax for the Fiscal 2022 was at ₹ 475.11 lacs against profit after tax of ₹ (330.28) lacs in fiscal 2021, An Increase of 243.85% due to increase in sales and corresponding increase in EBITDA levels.

## Cash Flows

(Amount ₹ in lakhs)

Particulars	For the period ended 30th November, 2023	For the year ended March 31,		
		2023	2022	2021
Net Cash from Operating Activities	654.55	1459.85	952.62	(1659.14)
Net Cash from Investing Activities	(866.64)	(1,480.95)	(1,205.63)	(52.11)
Net Cash used in Financing Activities	312.37	75.55	180.94	1,786.69

### Cash Flows from Operating Activities

1. For the period ended November 30, 2023, net cash used in for operating activities was ₹ 654.55 Lakhs. This comprised of the profit before tax of ₹ 987.81 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 314.16 Lakhs, Interest income of ₹ 7.49 Lakhs, Net gain on foreign currency transactions of ₹ 80.24 Lakhs, Finance Cost ₹ 676.90 Lakhs, Bad debts ₹ 16.33 Lakhs, Gratuity Provision and Leave Encashment Provisions of ₹ 9.34 Lakhs and Writeoffs of ₹ 9.00 Lakhs. The resultant operating profit before working capital changes was ₹ 1,925.80 Lakhs, which was primarily adjusted for an increase in inventory of ₹ 225.73 lakhs, increase in trade receivables during the year of ₹ 1,072.67 Lakhs, increase in short term loans and advances of ₹ 48.10 lakhs, decrease in long term loans and advances of ₹ 131.76 lakhs, increase in other current assets of ₹ 87.95 lakhs, decrease in other Non-current assets of ₹ 83.95 lakhs, decrease in trade & other payables during the year of ₹ 88.65 Lakhs, increase in Other current liabilities during the year of ₹ 238.93 Lakhs, increase in Other long term liabilities during the year of ₹ 9.21 Lakhs, increase in Short term provisions during the year of ₹ 81.27 Lakhs, decrease in Long term provisions during the year of ₹ 10.44 Lakhs.

Cash Generated from Operations was ₹ 937.38 Lakhs which was reduced by Direct Tax paid for ₹ (282.83) Lakhs resulting into Net cash flow generated from operating activities of ₹ 654.55 Lakhs.

2. In FY 2023, net cash used in for operating activities was ₹ 1,459.85 Lakhs. This comprised of the profit before tax of ₹ 1,158.00 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 405.62 Lakhs, Interest income of ₹ 9.50 Lakhs, Net gain on foreign currency transactions of ₹ 347.50 Lakhs, Finance Cost ₹ 886.26 Lakhs, Bad debts ₹ 18.94 Lakhs, Gratuity Provision and Leave Encashment Provisions of ₹ 13.87 Lakhs. The resultant operating profit before working capital changes was ₹ 2,125.70 Lakhs, which was primarily adjusted for an increase in inventory of ₹ 587.45 lakhs, increase in trade receivables during the year of ₹ 45.43 Lakhs, decrease in short term loans and advances of ₹ 402.90 lakhs, decrease in long term loans and advances of ₹ 192.61 lakhs, decrease in other current assets of ₹ 47.90 lakhs, increase in other Non-current assets of ₹ 60.05 lakhs, increase in trade & other payables during the year of ₹ 290.55 Lakhs, decrease in Other current liabilities during the year of ₹ 689.38 Lakhs, increase in Other long term liabilities during the year of ₹ 27.29 Lakhs, decrease in Short term provisions during the year of ₹ 26.97 Lakhs, decrease in Long term provisions during the year of ₹ 12.21 Lakhs.

Cash Generated from Operations was ₹ 1,665.46 Lakhs which was reduced by Direct Tax paid for ₹ (205.61) Lakhs resulting into Net cash flow generated from operating activities of ₹ 1,459.85 Lakhs.

3. In FY 2022, net cash used in for operating activities was ₹ 952.62 Lakhs. This comprised of the profit before tax of ₹ 642.00 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 326.35 Lakhs, Interest income of ₹ 8.17 Lakhs, Net gain on foreign currency transactions of ₹ 71.58 Lakhs, Finance Cost ₹ 681.74 Lakhs, Bad debts ₹ 1.32 Lakhs, Gratuity Provision and Leave Encashment Provisions of ₹ 18.13 Lakhs. The resultant operating profit before working capital changes was ₹ 1,589.79 Lakhs, which was primarily adjusted for an increase in inventory of ₹ 658.16 lakhs, increase in trade receivables during the year of ₹ 554.67 Lakhs, decrease in short term loans and advances of ₹ 108.38 lakhs, increase in long term loans and advances of ₹ 342.31

lakhs, increase in other current assets of ₹ 4.64 lakhs, increase in other Non-current assets of ₹ 74.21 lakhs, increase in trade & other payables during the year of ₹ 231.36 Lakhs, increase in Other current liabilities during the year of ₹ 776.41 Lakhs, increase in Other long term liabilities during the year of ₹ 35.28 Lakhs, decrease in Short term provisions during the year of ₹ 46.47 Lakhs, decrease in Long term provisions during the year of ₹ 11.74 Lakhs.

Cash Generated from Operations was ₹ 1,049.02 Lakhs which was reduced by Direct Tax paid for ₹ (96.40) Lakhs resulting into Net cash flow generated from operating activities of ₹ 952.62 Lakhs.

4. In FY 2021, net cash used in for operating activities was ₹ (1,659.14) Lakhs. This comprised of the profit before tax of ₹ (274.15) Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 387.07 Lakhs, Profit on sale of Assets of ₹ 11.11 Lakhs, Interest income of ₹ 15.86 Lakhs, Net gain on foreign currency transactions of ₹ 99.63 Lakhs, Finance Cost ₹ 700.99 Lakhs, Bad debts ₹ 22.49 Lakhs, Gratuity Provision and Leave Encashment Provisions of ₹ 1.66 Lakhs. The resultant operating profit before working capital changes was ₹ 711.47 Lakhs, which was primarily adjusted for decrease in inventory of ₹ 150.54 lakhs, increase in trade receivables during the year of ₹ 466.72 Lakhs, increase in short term loans and advances of ₹ 87.69 lakhs, decrease in long term loans and advances of ₹ 353.39 lakhs, increase in other current assets of ₹ 44.68 lakhs, increase in other Non-current assets of ₹ 307.01 lakhs, decrease in trade & other payables during the year of ₹ 193.32 Lakhs, decrease in Other current liabilities during the year of ₹ 1,592.71 Lakhs, decrease in Short term provisions during the year of ₹ 117.33 Lakhs, decrease in Long term provisions during the year of ₹ 7.22 Lakhs.

Cash Generated from Operations was ₹ (1,601.28) Lakhs which was reduced by Direct Tax paid for ₹ (57.86) Lakhs resulting into Net cash flow generated from operating activities of ₹ (1,659.14) Lakhs.

### ***Cash Flows from Investment Activities***

1. For the period ended November 30, 2023, net cash used in investing activities was ₹ (866.64) Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 774.13 Lakhs, Interest received of ₹ 7.49 Lakhs, Long Term Investments of ₹ 100.00 Lakhs.

2. In FY 2023, net cash used in investing activities was ₹ (1,480.95) Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 1,490.45 Lakhs, Interest received of ₹ 9.50 Lakhs.

3. In FY 2022, net cash used in investing activities was ₹ (1,205.63) Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 1,213.80 Lakhs, Interest received of ₹ 8.17 Lakhs.

4. In FY 2021, net cash used in investing activities was ₹ (52.11) Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 98.11 Lakhs, Proceeds from sale of fixed assets received of ₹ 28.87 Lakhs. Interest received of ₹ 15.86 Lakhs, Sale of Long Term Investments of ₹ 1.28 Lakhs.

### ***Cash Flows from Financing Activities***

1. For the period ended November 30 2023, net cash generated from financing activities was ₹ 312.37 Lakhs, which predominantly comprised of Proceeds from equity Share application money of ₹ 448.92 lakhs, Increase in long term borrowings of ₹ 1,801.01 Lakhs, net decrease in working capital borrowings of ₹ 1,260.66 Lakhs, payment of finance cost of ₹ 676.90 Lakhs.

2. In FY 2023, net cash generated from financing activities was ₹ 75.55 Lakhs, which predominantly comprised of decrease in long term borrowings of ₹ 169.45 Lakhs, net increase in working capital borrowings of ₹ 1,131.26 Lakhs, payment of finance cost of ₹ 886.26 Lakhs.

3. In FY 2022, net cash generated from financing activities was ₹ 180.94 Lakhs, which predominantly comprised of Proceeds from equity Share application money of ₹ 299.93 lakhs, Increase in long term borrowings of ₹ 264.96 Lakhs, net increase in working capital borrowings of ₹ 325.26 Lakhs, payment of finance cost of ₹ 681.74 Lakhs and Dividends paid including tax of ₹ 27.47 lakhs.

4. In FY 2021, net cash generated from financing activities was ₹ 1,786.69 Lakhs, which predominantly comprised of Proceeds from equity Share application money of ₹ 200.20 lakhs, proceeds from issue of share capital of ₹ 200.00 lakhs, Increase in long term borrowings of ₹ 431.03 Lakhs, net increase in working capital borrowings of ₹ 1,731.44 Lakhs, payment of finance cost of ₹ 700.99 Lakhs and Dividends paid including tax of ₹ 75.00 lakhs.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except COVID-19 or any such kind of pandemic and as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "Risk Factors" beginning on page no. 28 of the Draft Red Herring Prospectus. To our knowledge, except as we have described in the Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Known trends or uncertainties that have/had or are expected to have a material adverse impact on revenue or income from continuing operations**

Apart from the risks as disclosed under Chapter titled "Risk Factors" beginning on page no. 28 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Our Company's future costs and revenues will be determined by demand/supply situation, both of the end products/services as well as the raw materials, government policies and other economic factors.

**5. Extent to which material cost increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business and also dependent on the price realization on our products.

**6. The extent to which business is seasonal.**

Our Company's business is not seasonal in nature.

**7. Any significant dependence on a single or few suppliers or customers.**

We are not dependent on any single or few suppliers or customers

**8. Competitive conditions:**

We face competition from existing and potential competitors which is common for any business. We have, over a period, developed certain competitors who have been discussed in chapter titles "Business Overview" beginning on page no. 110 of this Draft Red Herring Prospectus.

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## **SECTION VII: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory and regulatory authorities; (iii) tax proceedings - claims related to direct and indirect taxes in a consolidated manner; and (iv) material civil litigation or arbitration proceeding which are determined to be 'material' as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoter or Directors (collectively, the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Financial Years including any outstanding action.

In terms of the Materiality Policy, any pending/outstanding litigation involving the Relevant Parties which exceeds the amount which is One percent of our profit after tax, as per the Restated Consolidated Financial Statements for the Financial Year 2023 would be considered material for our Company. For the Financial Year 2023, our PAT as per the Restated Consolidated Financial Statements is ₹ 865.40 lakhs. Accordingly, the following types of litigations involving the Relevant Parties have been considered as 'material', and accordingly disclosed in this Draft Red Herring Prospectus, as applicable:

- a) pending civil litigations involving the Relevant Parties which involve an amount of or equal to more than the monetary amount of ₹ 8.654 lakhs:
- b) other than the litigations covered in (a) above, pending litigations where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed ₹8.654 lakhs; or
- c) where the monetary liability in the pending civil litigations is not quantifiable or doesn't meet the monetary threshold as provided in (a) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received/ sent by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, have not and shall not, be considered as material litigation until such time that the Relevant Parties, as the case may be, are impleaded as a party in proceedings before any judicial /arbitral forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹88.36 lakhs, which is 5% of the total outstanding dues (trade payables) as per the latest fiscal in the Restated Financial Statements included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on March 31, 2023, any outstanding dues exceeding ₹ 88.36 lakhs have been considered as 'material outstanding dues' for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

#### **I. LITIGATIONS INVOLVING OUR COMPANY**

##### **A. Outstanding criminal litigations involving our Company**

###### ***Criminal litigation against our Company***

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated against our Company.

###### ***Criminal litigations initiated by our Company***

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated by our Company.

##### **B. Outstanding Material Civil litigations involving our Company**

###### ***Material Civil litigations against our Company***

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Company.

###### ***Material Civil litigations initiated by our Company***

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated by our Company.

##### **C. Outstanding actions by Statutory or Regulatory Authorities against our Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by Statutory or Regulatory Authorities against our Company.

## II. LITIGATIONS INVOLVING OUR PROMOTER

### A. Outstanding criminal litigations involving our Promoter

#### *Criminal litigations against our Promoter*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated against our Promoter except specified below:

Sr. No.	Case No.	Court name	Plaintiff/Petitioner /Complainant	Defendant/Respondent	Case Status
01.	CC No.398/2022	Chief Judicial Magistrate Court, Tiruvallur	M. V. Kartikeyan	V.T. Chandrasekharan	The Hon'ble High Court, Madras in CrI. O.P.No.4997 of 2023 has stayed all the proceedings in CC No. 398/2022

#### *Criminal litigations initiated by our Promoter*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Promoter.

### B. Outstanding material civil litigations involving our Promoter

#### *Material Civil litigations against our Promoter*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Promoter.

#### *Material Civil litigations initiated by our Promoter*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Promoter.

### C. Outstanding actions by Statutory or Regulatory authorities against our Promoter

As on the date of this Draft Red Herring Prospectus, there are no outstanding action initiated by Statutory or Regulatory authorities against our Promoter.

## III. LITIGATIONS INVOLVING OUR DIRECTORS

### A. Outstanding Criminal litigations involving our Directors

#### *Criminal litigations against our Directors*

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal litigations against our Directors.

#### *Criminal litigations initiated by our Directors*

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal litigations initiated by our Directors.

### B. Outstanding Material Criminal litigations involving our Directors/KMP

#### *Material Criminal litigations against our Directors/KMP*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material criminal litigations initiated against our Directors:

Sr. No.	Case No.	Court name	Plantiff/Petitioner/ Complainant	Defendant/Respondent	Case Status
01.	CC No.398/2022	Chief Judicial Magistrate Court, Tiruvallur	M. V. Kartikeyan	Chandhrasekharan Thirupathi Venkatachalam	The Hon'ble High Court, Madras in CrI. O.P.No.4997 of 2023 has stayed all the proceedings in CC No. 398/2022
02.	CC No. 3281/2015	Chief Judicial Magistrate	THE STATE	Rank of Accused 2 <sup>nd</sup> (Varadarajan Krishnaram)	The Hon'ble High Court, Madras in CrI. O.P.No.30548/2022 of 2023 has stayed all the proceedings in CC No. 3281/2022

Sr. No.	Case No.	Court name	Plaintiff/Petitioner/ Complainant	Defendant/Respondent	Case Status
		Court, Egmore			
03.	CC No. 6546/2015	Chief Judicial Magistrate Court, Egmore	THE STATE	Rank of the Accused 2 <sup>nd</sup> -(V. Krishna Ram)	The Hon'ble High Court, Madras in CrI. O.P.No.30548/2022 of 2023 has stayed all the proceedings in CC No. 6546/2015
04.	CC No. 20/2003	Additional Chief Judicial Magistrate, Kumbakonam	Inspector of Police, Economic Offence wing, Tanjavur	Rank of the Accused 2 <sup>nd</sup> -(V. Krishna Ram)	The Hon'ble High Court, Madurai in CrI. O.P(MD) No. 12400 of 2022 and CrI.M.P.(MD) No. 7844 of 2022 has granted interim stay of all the proceedings in CC No. 20/2003

#### ***Material Civil litigations initiated by our Directors***

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Directors.

#### **C. Outstanding actions by Statutory or Regulatory Authorities against any of our Directors**

As on the date of this Draft Red Herring Prospectus there are no outstanding actions initiated by the Statutory or Regulatory Authorities against our Directors.

### **IV. LITIGATIONS INVOLVING OUR SUBSIDIARIES**

#### **A. Outstanding Criminal litigations involving our Subsidiaries**

##### ***Criminal litigations against our Subsidiaries***

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal litigations against our subsidiaries.

##### ***Criminal litigations initiated by our Directors***

As on the date of this Draft Red Herring Prospectus there are no outstanding criminal litigations initiated by our subsidiaries.

#### **B. Outstanding Material Civil litigations involving our Subsidiaries**

##### ***Material Civil litigations against our Subsidiaries***

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Subsidiaries.

##### ***Material Civil litigations initiated by our Subsidiaries***

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Subsidiaries.

#### **C. Outstanding actions by Statutory or Regulatory Authorities against any of our Subsidiaries**

As on the date of this Draft Red Herring Prospectus there are no outstanding actions initiated by the Statutory or Regulatory Authorities against our Subsidiaries.

#### **Tax proceedings**

(₹ in lakhs)

Particulars	Number of cases	Amount involved*
<b><i>Our Company</i></b>		
Direct Tax	10	515.67
Indirect Tax	NIL	NIL
<b><i>Our Promoter</i></b>		
Direct Tax	01	0.11
Indirect Tax	NIL	NIL
<b><i>Our Directors (other than our Promoter)</i></b>		
Direct Tax	03	0.23

Indirect Tax	NIL	NIL
<b>Our Subsidiaries</b>		
Direct Tax	NIL	NIL
Indirect Tax	NIL	NIL

*\*To the extent quantifiable*

## V. Outstanding dues to creditors

Our Board, in its meeting held on March 07<sup>th</sup>, 2024 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company on consolidated basis, to whom an amount exceeding 5% of our total outstanding dues (trade payables) as on the date of the latest Restated Financial Statements was outstanding, were considered 'material' creditors.

As per the latest Restated Financial Statements, our total trade payables as on March 31, 2023 was ₹ 1767.19 lakhs and accordingly, creditors to whom outstanding dues exceed ₹ 88.36 lakhs have been considered as 'material' creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as on November 30, 2023 by our Company on consolidated basis, are set out below:

*(₹ in lakhs)*

Type of creditor	Number of creditors	Amount involved
Micro, small and medium enterprises	17	708.93
Other creditors	122	969.90
<b>Total</b>	<b>139</b>	<b>1678.54</b>

*Certified by Rajani & Co. vide UDIN: 24229881BKBIDM8734 dated March 22, 2024.*

The details pertaining to net outstanding dues towards our material creditors as on November 30, 2023 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at <https://www.emeraldtyres.com/>. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

## VI. Material Developments

Except as otherwise disclosed in "Management's Discussion and Analysis of Financial Conditions and Results of Operations", no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, that could materially and adversely affect or are likely to affect, our trading, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

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## GOVERNMENT AND OTHER APPROVALS

### GOVERNMENT AND OTHER STATUTORY APPROVALS

We are required to obtain consents, licenses, registrations, permissions, and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter “Key Industrial Regulations and Policies” on page 139 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:

#### CORPORATE APPROVALS FOR THIS OFFER

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 03, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 11, 2024 and offer for sale has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 07, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 17, 2024

#### IN-PRINCIPALE APPROVAL

The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this draft offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.

#### AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated November 22, 2023, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Link Intime India Private Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated October 09, 2023, with the National Securities Depository Limited (NSDL), and the Registrar and Transfer Agent, who, in this case, is Link Intime India Private Limited, for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (ISIN) is INEORHD01013.

#### INCORPORATION DETAILS OF OUR COMPANY

S.No.	Authorisation granted	Issuing Authority	CIN/Registration No.	Date of Offer	Valid upto
1.	Certificate of Incorporation in the name of “Emerald Resilient Tyre Manufacturers Private Limited”	ROC, Chennai	U25111TN2002PTC048665	March 27, 2002	Perpetual
2.	Certificate of Incorporation pursuant to change of name to “Emerald Resilient Manufacturers Private Limited”	ROC, Chennai	U25111TN2002PTC048665	August 23, 2018	Perpetual
3.	Certificate of Incorporation for conversion from Private to Public company in the name of “Emerald Resilient Tyre Manufacturers Limited”	ROC, Chennai	U25111TN2002PLC048665	Dec 22, 2023	Perpetual
4.	Certificate of Incorporation for Name change to “Emerald Tyre Manufacturers Limited”	ROC, Chennai	U25111TN2002PLC048665	January 17, 2024	Perpetual

#### TAX RELATED AUTHORISATIONS

S.No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Validity
1.	Permanent Account Number	Income Tax Department, GoI	AAACE9718N	Valid, till Cancelled



2.	Tax Deduction Account Number	Income Tax Department, GoI	CHEE03011B	Valid, till Cancelled
3.	GST Registration Certificate (Tamil Nadu)	Goods and Service Tax for Tamil Nadu State	33AAACE9718N1ZB	Valid, till Cancelled

#### BUSINESS RELATED CERTIFICATIONS


Our Company has received the following significant government and other approvals pertaining to our business:

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Offer	Valid Upto
1.	Importer-Exporter Certificate	Directorate General of Foreign Trade, Ministry of Commerce and Industry	0402020162	13/11/2002	Valid, till Cancelled
2.	Registration under Employees Provident Fund and Miscellaneous Act, 1952	Employees Provident Fund Organisation	TN/AMB/65298	01/08/2002	Valid, till cancelled
3.	Registration under The Tamil Nadu Industrial Establishments (National, Festival and Special Holidays) Act, 1958	Assistant Inspector of Labour, Chennai	CG 08006	11/12/2023	Valid, till cancelled
4.	ESI Act, 1848	Asst. / Deputy Director, Employee State Insurance Corporation, Chennai	51000823460000204	01-08-2002	Valid, till cancelled
5.	Town Panchayats, Municipalities and Municipal Corporations (Collection of Tax on professions, trades, callings and Employments) Rules, 1999	Municipal Commissioner, Chennai	2314	22/11/2023	Valid, till cancelled
6.	MSME Development Act, 2006 (Udyam Registration Certificate)	Ministry of Micro, Small and Medium Enterprises	UDYAM-TN-02-0005108	24/08/2020	Valid, till cancelled
7.	Factory License	Directorate of Industrial safety and Health-Tamil nadu	TVR08006	04/01/2024	31/12/2024
8.	Factory License	Directorate of Industrial safety and Health-Tamil Nadu	TVR07964	04/01/2024	31/12/2024
9.	Consent given for Air ( Prevention and Control of Pollution)	Tamil Nadu Pollution Control Board	Consent order 2308251160416	16/05/2023	31/03/2024
10.	Consent given for Water ( Prevention and control of Pollution)	Tamil Nadu Pollution Control Board	Consent order 2308251160416	16/05/2023	31/03/2024

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Date of Offer	Valid Upto
11.	ISO Certifications	DNV-Business Assurance	ISO 14001:2015	05/02/2024	04/02/2027
12.	Fire Safety	Fire and Rescue Services	2754/A/2023, 2753/A/2023	10/04/2023	09/04/2024

#### INTELLECTUAL PROPERTY

Our Company has the following registered trademarks:

Sr No.	Original Trademark Name	Filed Trademark Name	Date of Application	Application No.	Classes	Current Status
1	EMERALD		31/10/2014	2835881	12	Under Process
2	GRECKSTER	GRECKSTER	31/10/2014	2835885	12	Under Process
3	SOLIDPLUS	SOLIDPLUS	31/10/2014	2835884	12	Under Process

The Details of Domain Names Registered in the Name of the Company:

Sr. No.	Domain Name	Registrant Name and Registrant Organization	Registration Expiry Date
1.	www.emeraldtyres.com	Lets Encrypt	July 14, 2024

**Material licenses/approvals for which our Company is yet to apply / Statutory Approvals/Licenses required for the proposed expansion.**

NIL

**IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.**

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 03, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 11, 2024 and offer for sale has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 07, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 17, 2024

This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution passed on 4<sup>th</sup> April 2024.

Our Company has received in-principle approvals from NSE Emerge for the listing of the Equity Shares pursuant to its letter dated [●].

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, members of the Promoter group and our Directors have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/ court.

Our Promoter and Directors are not Directors or Promoter of any other company which is debarred from accessing the capital market under any order or direction passed by SEBI or any other authorities.

Our Company, Promoter or Directors have neither been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Promoter and our Directors have not been declared as Fugitive Economic Offenders under Section 12 of Fugitive Economic Offenders Act, 2018.

### Association with Securities Market

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoter or directors.

### Prohibition by RBI

Neither our Company, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter have been identified as a wilful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “*Outstanding Litigations and Material Development*” beginning on page 196 of the Draft Red Herring Prospectus.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Directors, our Promoter and members of Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Offer as:

- Neither our Company, nor our Promoter, Promoter group or Directors are debarred from accessing the capital market by the Board.
- Neither our Promoter, nor any Directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoter nor any of our directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoter, Promoter Group nor our directors, are Wilful Defaulters or a fraudulent borrower.
- Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an issuer whose post Offer face value capital is more than 10 crores rupees and

upto 25 crore rupees and can Offer Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

We further confirm that:

- i. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Offer is 100% underwritten and that the Book Running Lead Manager to the Offer shall underwrite minimum 15% of the Total Offer Size.
- ii. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- iii. In terms of Regulation 246(1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Book Running Lead Manager immediately upon filing of the Offer document with the Registrar of Companies.

However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not Offer any observation on the Offer document.

Further, in terms of Regulation 246(3) of the SEBI (ICDR) Regulations, 2018 the Book Running Lead Manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246(4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Book Running Lead Manager and the EMERGE Platform of NSE. Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of prospectus shall also be furnished to the SEBI in a soft copy.

- iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated [●] with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the EMERGE Platform of NSE.

**In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, we confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under**

- ***Incorporation: The issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.***

Our Company is incorporated under the Companies Act, 1956 in India.

- **Track Record**

The Company should have a track record of at least 3 years

Our Company was incorporated on March 27, 2002 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, Tamil Nadu. Therefore, we are in compliance with criteria of having track record of 3 years.

- ***Post Offer Paid up Capital: The post Offer paid up capital of our Company (face value) shall not be more than Rs. 25 crores***

The present paid up capital of our company is ₹ 1449.05 lakhs and we are proposing IPO Upto 52,00,000 Equity shares of ₹ 10/- each at Offer price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] lakhs comprising of upto 50,00,000 Equity Shares and upto 2,00,000 Equity shares in Offer for Sale. Hence our post Offer Paid up capital will be upto ₹ [●] lakhs (i.e. [●] Crores) So, our Company has fulfilled the criteria of post Offer paid up capital shall not be more than ₹ 25 Crores.

- ***Net-worth: Positive Net-worth***

As per Restated Consolidated Financial Statement, the net-worth of our Company is ₹ 3682.94 lakhs as on March 31, 2023.

- ***Operating Profit (earnings before interest, depreciation and tax) from operations for atleast 2 (two) out of 3(three) financial years:***

Our Company is having operating profit, details are mentioned as below:

(₹ in Lakhs)

Particulars	For the period ended November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	10,832.11	16,798.10	13,469.67	8,797.23
Operating Profit (earnings before interest, depreciation and tax)	1,836.74	2,103.74	1,325.62	432.65

- Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the Issuer and Promoting companies.
- Our Company has not received any winding up petition admitted by a NCLT/Court.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our Company
- Our Company has a website: <https://www.emeraldtyres.com/>

#### Other Disclosures:

We further confirm that:

- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of our Promoter.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company and Promoter during the past three years.
- There are no litigations record against our Company, Promoter except disclosed on page 196 in section “*Outstanding Litigation and Other Material Developments*”.
- There are no criminal cases/investigation/offences filed against the director of our Company except specified disclosed on page 196 in section “*Outstanding Litigation and Other Material Developments*”.

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MERCHANT BANKER, GYR CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN ON FORMITY WITH SEBI (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MERCHANT BANKER, GYR CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 09<sup>TH</sup> FEBRUARY, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES**



## **AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company, our Promoter, our Directors and the Book Running Lead Manager accepts 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 instance and anyone placing reliance on any other source of information, including our website, <https://www.emeraldtyres.com/> would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement entered between the Book Running Lead Manager and our Company on March 07<sup>th</sup>, 2024, and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

### **Disclaimer in respect of jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This 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. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Chennai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no

change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

Applicants are advised to ensure that any Applications from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Applicant where required must agree in the Allotment Advice that such Applicants will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

#### **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this 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 Prospectus prior to the filing with the RoC.

#### **Filing**

This Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, at Exchange Plaza, Plot no.C/1, G Block, Bandra – Kurla Complex, Bandra I, Mumbai – 400051.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not Offer any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://sipportal.sebi.gov.in/intermediary/index.html>

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar Of Companies, Block No.6,B Wing 2<sup>nd</sup> Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600034, Tamilnadu.

#### **Listing**

Application will be made to the NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of NSE has given its in-principle approval for using its name in our Offer documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within Four days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of fourth days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within six Working Days from the Offer Closing Date.

#### **Consents**

Consents in writing of (a) Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Offer\*, Legal Advisor to the Offer, Underwriter(s) to the Offer\*and Market Maker to the Offer\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, Chennai as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

\* The consents will be taken while registering the Prospectus with RoC.

## **Experts**

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

Our Company has received written consent dated January 03, 2024 from the Statutory Auditors 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 as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated March 22, 2024 on our restated financial information; and (ii) its report dated March 22, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

## **Particulars regarding Public or Rights Offers during the last five (5) years and performance vis-à-vis objects**

Our Company has not made any previous public during the last five (5) years preceding the date of this Draft Red Herring Prospectus, Further, for details in relation to right Offer made by our Company during the five years preceding the date of this Draft Red Herring Prospectus, please refer to section titled “*Capital Structure*” on page 57 of this Draft Red Herring Prospectus.

## **Previous Offers of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus.

## **Underwriting Commission, brokerage and selling commission on Previous Offers**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

## **Performance vis-à-vis objects –Public/ rights Offer of the listed subsidiaries/listed Promoter of our Company**

Our Promoter, Promoter Group, Group Company or any subsidiary company has not undertaken any previous public or right Offer during the period of last five years.

## **Outstanding Debentures or Bond Offers or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

## **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

## **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

## Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

### 1. Price information of past Offers handled by GYR Capital Advisors Private Limited

Sr. No.	Offer Name	Offer size (₹ In Cr.)	Offer Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing*	
1.	Naapbooks Limited	3.99	74	15.09.2021	77.00	-16.21%	4.40%	-29.73%	-1.03%	-18.905%	-3.809%
2.	Ascensive Educare Limited	2.25	26	12.01.2022	27.60	0.00%	-4.90%	-30.00%	-3.57%	14.61%-	-11.05%
3.	Achyut Health Care Limited	3.60	20	30.03.2022	21.15	0.00%	-1.98%	4.75%-	-9.41%	-9.75%-	-2.62%
4.	Dhyaani Tile and Marblez Limited	2.45	51	12.04.2022	52.25	19.61%	-7.66%	82.35%-	-7.13%	11.76%-	-0.99%
5.	Veekayem Fashion and Apparels Limited	4.43	28	22.08.2022	49.00	56.96%	1.86%	22.67%	3.82%	0.17%	5.25%
6.	JFL Life Sciences Limited	18.16	61	08.09.2022	70.00	-29.01%	-2.72%	-38.52%	4.74%	-40.98%	-1.17%
7.	Sabar Flex India Limited	4.47	11	21.09.2022	21.00	56.81%	-0.87%	44.55%	3.56%	32.27%	-0.72%
8.	Mafia Trends Limited	3.59	28	06.10.2022	32.65	-8.57%	5.78%	-26.78%	4.01%	-52.82%	2.51%
9.	Pritika Engineering Components Limited	9.42	29	08.12.2022	42.20	35.69%	-2.14%	-4.59%	8.62%	8.62%	0.55%
10.	Uma Converter Limited	18.414	33	29.12.2022	34.25	21.21%	-0.40%	-6.10%	-10.30%	-12.88%	3.44%
11.	Anlon Technology Solutions Limited	15	100	10.01.2023	251.1	84.40%	-0.12%	-1.61%	75.02%	163.95%	7.91%
12.	Agarwal Float Glass India Limited	9.2	42	23.02.2023	44.00	-9.52%	-3.00%	-14.29%	4.42%	-13.09%	10.74%
13.	Mcon Rasayan India Limited	6.84	40	20.03.2023	48.00	87.5%	-3.70%	157.13%	10.76%	230.25%	19.63%
14.	Essen Specility Films Limited	66.33	107	06.07.2023	140.00	37.38%	1.37%	21%	0.31%	94.85%	11.12%
15.	Srivari Spices and Foods Limited	8.99	42	18.08.2023	101.50	199.17%	4.38%	291.78%	2.35%	591.90%	11.23%

Sr. No.	Offer Name	Offer size (₹ In Cr.)	Offer Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing*	
16.	Basilic Fly Studio Limited	66.35	97	11.09.2023	271.00	194.07%	-1.53%	194.07%	-1.53%	294.79%	11.68%
17.	Maitreya Medicare Limited	14.89	82	07.11.2023	162.55	65.36%	7.70%	-	-	-	-
18.	Trident Techlabs Limited	16.03	35	29.12.2023	98.15	469.71%	0.02%	-	-	-	-
19.	Kay Cee energy & Infra Limited	15.93	54	05.01.2024	252.00	608.24%	0.28%	-	-	-	-
20.	Maxposure Limited	20.26	33	23.01.2024	145.00	170.64%	4.60%	-	-	-	-
21.	Thaai Casting Limited	47.20	77	23.02.2024	185.90	-	-	-	-	-	-
22.	Koura Fine Diamonds	5.50	55	14.03.2024	75.00	-	-	-	-	-	-
23.	Naman In-Store (India) Limited	25.34	89	02.04.2024	125.00	-	-	-	-	-	-

\* Companies have been listed on November 07, 2023, December 29, 2023, January 05, 2024 January 23, 2024, February 23, 2024, March 14, 2024 and April 02, 2024 hence not applicable.



### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day*			Nos. of IPOs trading at premium – 180 <sup>th</sup> calendar day from listing day*		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	03	9.84	-	1	3	-	-	-	-	-	2	-	-	1
2022-23	10	124.78	-	1	2	4	1	2	1	1	-	-	1	2
2023-24	10	286.52	-	-	-	6	2	-	-	-	--	-	-	-

\* Companies have been listed on November 07, 2023, December 29, 2023, January 05, 2024, January 23, 2024, February 23, 2024, March 14, 2024 and April 02, 2024 hence not applicable.

### Break -up of past Offers handled by GYR Capital Advisors Private Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2021-2022	3	0
2022-2023	10	0
2023-2024	10	0

### Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

2. Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1	GYR Capital Advisors Private Limited	<a href="http://www.gyrcapitaladvisors.com">www.gyrcapitaladvisors.com</a>

### Track record of past Offers handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager to the Offer as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer the website of Book Running Lead Manager at [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)

### Track record of past Offers handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1.	GYR Capital Advisors Private Limited	<a href="http://www.gyrcapitaladvisors.com">www.gyrcapitaladvisors.com</a>

### Stock market data of the Equity Shares

As the Offer is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

### Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on December 13<sup>th</sup>, 2023. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 153 of this Draft Red Herring Prospectus.

**Our Company has appointed Ms. Raja Devika Dhivya, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:**

#### Ms. Raja Devika Dhivya

Company Secretary & Compliance officer

**EMERALD TYRE MANUFACTURERS LIMITED**

Emerald House, Plot No.2, Second Street Porur Gardens,

Phase-I, Vanagaram, Tiruvallur,

Poonamallee, Tamil Nadu-600095, India

**Tel:** +91 9043063194

**Email:** cosec@emeraldtyres.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 08, 2011, SEBI has launched a centralized web-based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

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## SECTION VIII: OFFER RELATED INFORMATION

### TERMS OF THE OFFER

*The Equity Shares being issued pursuant to this Offer shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the Offer of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Offer and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Offers by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Authority for the Offer**

The present Public Offer of upto 52,00,000 Equity Shares comprising of upto 50,00,000 Equity shares under Fresh Offer and upto 200,000 Equity shares under Offer for sale.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 03, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 11, 2024 and offer for sale has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 07, 2024, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on March 17, 2024.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled "Description of Equity Shares and terms of the Articles of Association" beginning on Page No. 252 of the Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled "Dividend Policy" beginning on Page 173 of the Draft Red Herring Prospectus.

#### **Face Value, Offer Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 10/- and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price").

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper, all editions of Tamil newspaper, Tamil being the regional language where the company's registered office is situated i.e. Chennai, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its 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 on the website of the Stock Exchange. The Offer Price shall be determined by our Company in consultation with the BRLM, 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 of Equity Shares.

The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “*Basis for Offer Price*” beginning on page 91 of this Draft Red Herring Prospectus.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated October 09, 2023.
- Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated November 22, 2023.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

The minimum number of allottees in the Offer shall be 50 shareholders. In case, the number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Offer is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, —U.S. personal (as defined in Regulation 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 U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-



shore transactions in reliance on 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Offer capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 57 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 252 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Withdrawal of the Offer**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an Offer/Offer for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

### **Offer Program**

Event	Indicative Date
Bid/Offer Opened Date	[●] <sup>1</sup>
Bid/Offer Closed Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about [●]

**The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE is taken within Three Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

*Note <sup>1</sup>Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI (ICDR) Regulations<sup>7</sup>*

*<sup>2</sup>Our Company, in consultation with the Book Running Lead Manager, 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 delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 02, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Bid/ Offer Closing Date maybe extended in consultation with the Book Running Lead Manager, RTA and NSE taking into account the total number of applications received up to the closure of timings.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Manager and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, 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.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 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 Bid-Cum- Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Bidders, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/ Offer Period. 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 shall not be less than the face value of the Equity Shares.

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

### **Minimum Subscription**

This Offer is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In terms of Regulation 272(2) of SEBI (ICDR) Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

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

### Migration to Main Board

Parameter	Migration policy from NSE SME Platform to NSE Main Board
Paid up Capital & Market Capitalisation	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post Offer number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	<ul style="list-style-type: none"> <li>The applicant Company has not referred to the Board of Industrial &amp; Financial Reconstruction (BIFR) &amp;/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li> <li>The company has not received any winding up petition admitted by a NCLT.</li> <li>The net worth* of the company should be at least 50 crores</li> </ul> *Net Worth – as defined under SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.
The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:	<ul style="list-style-type: none"> <li>The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.</li> <li>Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.</li> <li>Redressal mechanism of Investor grievance</li> <li>PAN and DIN no. of Director(s) of the Company</li> <li>Change in Control of a Company/Utilization of funds raised from public</li> </ul>

### Market Making

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 47 of this Draft Red Herring Prospectus.

### Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

### Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting

Except for lock-in of the pre-Offer Equity Shares and Promoter’s minimum contribution in the Offer as detailed in the chapter “Capital Structure” beginning on page 57 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are

no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

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## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Offer face value capital is more than ten crore rupee and upto twenty-five crore rupees shall Offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an Offer, please refer chapter titled “*Terms of Offer*” and “*Offer Procedure*” on page no. 214 and 224 respectively of this Draft Red Herring Prospectus.

This public Offer comprises of upto 52,00,000 Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●]/- per equity share (the “Offer price”) aggregating to ₹ [●]/- Lakhs (“the Offer”) comprising of upto 50,00,000 Equity Shares under Fresh Offer and upto 2,00,000 Equity Shares under Offer for sale by our company. The Offer and the Net Offer will constitute [●] % and [●] % respectively of the post Offer paid up Equity Share Capital of the Company.

This Offer is being made by way of Book Building Process <sup>(1)</sup>:

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to [●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than Equity Shares [●]
Percentage of Offer size available for allocation	[●]% of the Offer size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may 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 QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion  Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.”	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
Basis of Allotment(3)	Firm Allotment	Proportionate as follows:	Proportionate	Proportionate
		a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and		
		b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above		
Mode of Bid	Only through the ASBA Process	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity	Such number of Equity Shares and	Such number of Equity	[●] Equity Shares in

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
	Shares in multiple of [●] Equity shares	in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Shares in multiples of [●] Equity Shares that Bid size exceeds ₹ 200,000	multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process			

- (1) This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an Offer for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the 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 at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- (4) Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. 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 Price.
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details please refer to the section titled "Offer Procedure" beginning on page 224 of the Draft Red Herring Prospectus

### Withdrawal of the Offer

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Offer at any time before the Bid/Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/ Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation, a Tamil daily newspaper, all editions of [●], a Tamil daily newspaper each with wide circulation.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities at Chennai.

## BID/ OFFER PROGRAMME:

Events	Indicative Dates
Anchor Portion Offer Opens/Closes On	[●]
Bid/Offer Opening Date <sup>1</sup>	[●]
Bid/Offer Closing Date <sup>2</sup>	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or Before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or Before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or Before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or Before [●]

*Manager, may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI (ICDR) Regulations*

<sup>2</sup> *Our Company in consultation with the Book Running Lead Manager, 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.*

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Offer closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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## OFFER PROCEDURE

All Applicants should review the General Information Document for Investing in Public Offer, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public Offers in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Offer size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form;

(x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public Offers, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public Offer from existing 6 working days to 3 working days from the date of the closure of the Offer. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public Offers opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public Offer to three Working Days. Accordingly, the Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Offer and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) to act as intermediaries for submitting Application Forms are provided on [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge) For details on their designated branches for submitting Application Forms, please see the above mentioned website of Platform of National Stock Exchange of India Limited (“NSE EMERGE”).

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their application do not exceed the

investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Offer.

#### **BOOK BUILDING PROCEDURE:**

This Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the 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 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using 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 their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Offer, subject to applicable laws.**

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### **Phased implementation of Unified Payments Interface**

SEBI has issued UPI Circulars in relation to streamlining the process of public Offer of equity shares and convertibles. 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 ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Offer closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Offer closure to listing continued to be six Working Days.
- b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public Offers, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public Offer closure to listing continues to be six Working Days during this phase. 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: Subsequently, the time duration from public Offer closure to listing would be reduced to be three Working Days.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB



and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public Offers shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

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

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

All Bidders shall mandatorily participate in the Offer only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form*</b>
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII’s, FVCIs etc. applying on a repatriation basis	Blue

*Note: Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).*

*\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.**

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

**Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.**

**Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. 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 12:00 pm on the first Working Day after the Bid/ Offer Closing Date (“Cut- Off Time”). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to

compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an Offer) 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 Banks and the bankers to an Offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

#### **WHO CAN BID?**

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY:**

1. Minors (except through their Guardians)

2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3,2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### MAXIMUM AND MINIMUM APPLICATION SIZE

##### 1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### 2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation and in Tamil editions of [●], each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, 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, will be published in all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation and in Tamil editions of [●] each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.

- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band 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 disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

**The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Offer**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation and in Tamil editions of

[●] with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% 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 Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non- repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 250. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

## **BIDS BY FPIs**

In terms of the SEBI FPI Regulations, the Offer of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In 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 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 terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may Offer, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi- investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids,

FPIs making MIM Bids using the same PAN and with 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.

#### **BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM 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 BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, 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, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see "*Key Regulations and*

Policies” beginning on page 139.

### **BIDS BY SCSBS**

SCSBS participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public Offers and clear demarcated funds should be available in such account for such applications.

### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a 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 BRLM, reserves the right to reject any Bid without assigning any reason thereof.

### **BIDS BY ANCHOR INVESTORS**

Our Company and the Selling Shareholders in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid 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 200.00 lakhs

- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company and the Selling Shareholders in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will 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 is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) 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 Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoter, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, 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, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, 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 the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any

amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of In case of resident Anchor Investors: — “[●] – Anchor Account- R”
- b) In case of Non-Resident Anchor Investors: — “[●] – Anchor Account- NR”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or

- iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
- (i) The applications accepted by any Designated Intermediaries
- (ii) The applications uploaded by any Designated Intermediaries or
- (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
- Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch wherethe ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor,



by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO 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 Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Offer Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for**

illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

## GENERAL INSTRUCTIONS

### 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. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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 Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market,

- (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the 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;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
  16. Ensure that the Demographic Details are updated, true and correct in all respects;
  17. 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;
  18. Ensure that the category and the investor status is indicated;
  19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
  20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
  21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
  22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
  23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
  24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
  25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
  26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
  27. 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

- 1) Do not Bid for lower than the minimum Bid size;
- 2) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
- 3) Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
- 4) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- 6) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

- 7) Do not submit the Bid for an amount more than funds available in your ASBA account.
- 8) 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 a Bidder;
- 9) In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
- 10) If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
- 11) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- 12) Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- 13) Do not submit the General Index Register (GIR) number instead of the PAN;
- 14) Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 15) 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;
- 16) 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);
- 17) Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
- 18) Do not submit a Bid using UPI ID, if you are not a RIB;
- 19) Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- 20) Do not Bid for Equity Shares in excess of what is specified for each category;
- 21) Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
- 22) 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 Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
- 23) Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
- 24) If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
- 25) Do not Bid if you are an OCB; and
- 26) If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Offer or post-Offer related Offers regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our Management*” beginning on page 47 and 153.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” beginning on page 47.

#### **GROUNDINGS FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may 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 RIBs 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 RIBs 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);
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. 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;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Offer or post Offer related Offers regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 47.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM 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.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

**The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.**

#### **BASIS OF ALLOTMENT**

**a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. Allotment To Anchor Investor (If Applicable)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the issuer and the Selling Shareholders, in consultation with the BRLM, subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- b) allocation to Anchor Investors shall be on a discretionary basis and subject to:
- c) maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
- d) in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

**d. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- i. In the first instance, allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- ii. In the second instance, allotment to all QIBs shall be determined as follows:
  - In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in



multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:

In the event of the Offer being Over-Subscribed, the issuer may finalise the Basis of Allotment in consultation with the National Stock Exchange of India Limited (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.**

**The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the Issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public Offers using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of Bombay Stock Exchange Limited i.e. [www.bse.com](http://www.bse.com) and National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com)

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- issue or post issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted [●] equity shares; and
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Offer, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Offer size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Offer. There is no reservation for Non- Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on October 09, 2023.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on November 22, 2023.
- c) The Company's Equity shares bear ISIN No. INE0RHD01013.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## **PRE-OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation and [●], Tamil Regional where the registered Office is situated.

In the Pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The 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.

## **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or before the filing of Red Herring Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*"Any person who:*

- I. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- II. 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*
- III. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% 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 ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such

other time as may be prescribed by the SEBI or under any applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire Bid 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;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within 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;
- no further Offer of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Offer, in whole or in part thereof, to the extent of the issued Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an Offer of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

#### **UNDERTAKING BY SELLING SHAREHOLDER**

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholder in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholder”. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder. The Selling Shareholder severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

- The portion of the offered Shares shall be transferred in the offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Issue.
- The portion of the offered Shares have been held by such Selling Shareholder for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.

- It is the Legal and Beneficial owner and has full title of its respective portion of the offered Shares.
- That it shall provide all reasonable co-operation as requested by our Company and the BRLM in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the offered Shares.
- It will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
- It will deposit its respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.
- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes an application in the Offer.
- That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer, except as permitted under applicable law.
- The Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of the Offer for Sale.

#### **UTILIZATION OF OFFER PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer 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 Offer, 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.

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## ***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 foreign direct investment (“**FDI**”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT Offers 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, please see section titled “Key Regulations and Policies in India” on page 250.

As per the current FDI policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

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. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, please see section titled “Bids by Eligible Non-Resident Individuals” and “Bids by Foreign Portfolio Investors” of Chapter Offer Procedure beginning at page no. 224.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, please see section titled “Offer Procedure” on page 224.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. 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 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 Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations.

In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

**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 Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.**

**The Equity Shares have not been and will not be registered, 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 was given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders were advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the applicable limits under laws or regulations.

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## **SECTION IX - DESCRIPTION OF EQUITY SHARES AND TERMS OF 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. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/ defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

### **1. CONSTITUTION OF THE COMPANY**

(a) The regulations contained in table “F” of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles.

(b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

### **2. DEFINITIONS AND INTERPRETATION**

#### **A. Definitions**

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. “Act” means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, and applicable and subsisting provisions of the Companies Act, 1956, if any, along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

b. “Annual General Meeting” shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

c. “Articles” shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

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**#2 The name of the Company has been changed from “EMERALD RESILIENT TYRE MANUFACTURERS LIMITED” to “EMERALD TYRE MANUFACTURERS LIMITED” vide Special Resolution passed at the Extra Ordinary General meeting of the Company held on 11/01/2024.**

**#1[Conversion of the Company from Private to Public Company. This Articles of Association is adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company, vide Special Resolution passed by the Shareholders Extra Ordinary General Meeting held on 25/11/2023].**

- d. "Auditors" shall mean and include those persons appointed as such for the time being by the Company.
- e. "Board" or "Board of Directors" shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.
- f. "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- g. "Business Day" shall mean a day on which scheduled commercial banks are open for normal banking business;
- h. "Capital" or "Share Capital" shall mean the authorized share capital of the Company.
- i. "Chairman" shall mean such person as is nominated or appointed in accordance with Article 35 herein below.
- j. "Companies Act, 2013" shall mean the Companies Act, 2013 (Act 18 of 2013), as amended, including any statutory modification or re-enactment thereof, for the time being in force
- \*3 k. "Company" or "this Company" shall mean Emerald Tyre Manufacturers Limited.
- l. "Committees" shall have the meaning ascribed to such term in Article 66.
- m. "Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- n. "Director" shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.
- o. "Dividend" shall include interim dividends.
- p. "Encumbrance" shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;
- q. "Equity Share Capital" shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.
- r. "Equity Shares" shall mean fully paid-up equity shares of the Company having a par value of INR 10 (Rupees Ten) per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.
- s. "Executor" or "Administrator" shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- #3 The name of the Company has been changed from "EMERALD RESILIENT TYRE MANUFACTURERS LIMITED" to "EMERALD TYRE MANUFACTURERS LIMITED" vide Special Resolution passed at the Extra Ordinary General meeting of the Company held on 11/01/2024.**
- t. "Extraordinary General Meeting" shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.
- u. "Financial Year" shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- v. "Law/Laws" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.
- w. "Memorandum" shall mean the memorandum of association of the Company, as amended from time to time.
- x. "Office" shall mean the registered office for the time being of the Company.

y. "Paid-up" shall include the amount credited as paid up.

z. "Person" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

aa. "Register of Members" shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act. (bb) "Registrar" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company. (cc) "Rules" shall mean the rules made under the Act and as notified from time to time.

ab. "Seal" shall mean the common seal(s) for the time being of the Company, if any.

ac. "SEBI" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992. "SEBI Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

ad. "Securities" or "securities" shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

ae. "Shares" or "shares" shall mean any share issued in the Share Capital of the Company, including Equity Shares and Preference Shares.

af. "Shareholder" or "shareholder" or "member" shall mean any shareholder of the Company, from time to time.

ag. "Shareholders' Meeting" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

ah. "Stock Exchanges" shall mean Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

## B. Interpretation

In these Articles (unless the context requires otherwise):

a. References to a person shall, where the context permits, include such person's respective successors, legal heirs and permitted assigns.

b. The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

c. References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.

d. Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

e. Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

f. The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

g. Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

h. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

## 3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall if not inconsistent with the subject or context, bear the same meaning in these Articles.

#### **4. SHARE CAPITAL**

a. The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be from time to time and the Company may sub- divide, consolidate and increase the Share Capital from time to time and upon the sub-division of Shares, apportion the right to participate in profits in any manner as between the Shares resulting from the sub-division.

b. The Company has power, from time to time, to increase or reduce its authorised or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and these Articles.

c. The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

d. The Board may, subject to the relevant provisions of the Act and these Articles, allot and Offer Shares as payment or part payment for any property 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 or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly Paid-up Shares and if so issued shall be deemed as fully/partly Paid-up Shares.

e. Except so far as otherwise provided by the conditions of Offer or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

f. 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 purposes of these Articles, be a Shareholder.

g. 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 insertion of the name of the allottee, in the Register of Members 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.

#### **5. PREFERENCE SHARES**

##### **a. Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act, shall have the power to Offer 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 Offer on a cumulative or non-cumulative basis convertible preference shares liable to be converted 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 conversion at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

#### **6. PROVISIONS IN CASE OF PREFERENCE SHARES**

Upon the Offer of preference shares pursuant to Article 5 above, the following provisions shall apply:

a. No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh Offer of shares made for the purposes of the redemption;

b. No such shares shall be redeemed unless they are fully paid;

c. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;



d. Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

e. The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

f. The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un- issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

g. Whenever the Company shall redeem any redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act.

## **7. COMPANY'S LIEN**

A. On shares :

a. The Company shall have a first and paramount lien :

(I) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

(II) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

b. The Company's lien, if any, on the shares, (not being a fully paid share), shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

c. For the purpose of enforcing such lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares;

Provided that no sale of such shares shall be made :

(I) unless a sum in respect of which the lien exists is presently payable; or

(II) until the expiration of 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 the person entitled thereto by reason of his death or insolvency.

The net 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. 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.

d. No Shareholder shall exercise any voting right in respect of any shares or Debentures 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.

e. Subject to the Act and these Articles, the right of lien under this Article 7 shall extend to other Securities.

## **8. CALLS**

a. Subject to the provisions of Section 49 of the Act, the terms on which any shares may have been issued and allotted, the Board may, from time to time, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

b. 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same.

c. The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board.

d. The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

e. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

f. If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof, he shall be liable to pay interest on the same from the day appointed for the payment to the time of actual payment at 10 (ten) per cent per annum or such 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 Shareholder and the Board shall be at liberty to waive payment of such interest either wholly or in part.

g. Any sum, which by the terms of Offer of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time 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 Offer or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

h. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid.

i. The Company may enforce a forfeiture of shares under Article 11 below notwithstanding the following : (i) a judgment or a decree in favour of the Company for calls or other money due in respect of any share; (ii) part payment or satisfaction of any calls or money due in respect of any such judgement or decree; (iii) the receipt by the Company of a portion of any money which shall be due from any Shareholder to the Company in respect of his shares; and (iv) any indulgence granted by the Company in respect of the payment of any such money.

j. The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board may agree upon; provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on instalments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act.

k. No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

## 9. TRANSFER AND TRANSMISSION OF SHARES

a. The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.

b. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

c. I. An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

II. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

d. Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee have been entered in the Register of Members in respect thereof.

e. Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in Article 72(g) be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.

f. The Board shall have power on giving not less than 7 (seven) days ' previous notice or such lesser period as may be specified by SEBI, 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 by publishing a notice 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.

g. Subject to the provisions of Sections 58 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 to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

h. Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transfer / 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.

i. Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/ transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the listing requirements of the relevant Stock Exchanges on the ground that the number of shares to be transferred is less than any specified number.

j. 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(s) 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.

k. 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) or his nominee(s), 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 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

9 (a) 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.

l. (I) Subject to the provisions of Articles and the Act, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, 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.

m. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder 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 Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

(I) Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to register 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.

(II) Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a unpaid dividend account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

(III) In case of transfer and transmission of shares or other securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

n. 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 a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

o. No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration or other similar documents.

p. 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.

q. The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

## **10. DEMATERIALIZATION OF SECURITIES**

a. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

b. Subject to the applicable provisions of the Act, the Company may exercise an option to Offer, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

c. If a Person opts to hold his Securities with a Depository, 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.

d. 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.

e. Rights of Depositories & Beneficial Owners :

(I) 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.

(II) 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.

(III) 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 Shareholder of the Company.

(IV) 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.

f. 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, subject to Article 17(I).

g. Register and Index of Beneficial Owners :

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

h. Cancellation of Certificates upon surrender by Person :

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

i. Service of Documents :

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

j. Transfer of Securities :

(I) 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.

(II) In the case of transfer or transmission of shares or other 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.

k. 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.

l. Certificate Number and other details of Securities in Depository :

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

m. 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.

n. Depository to furnish information :

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

o. Option to opt out in respect of any such Security :

Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, Offer the certificate of securities to the Beneficial Owner or the transferee as the case may be.

p. Overriding effect of this Article :

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

## **11. FORFEITURE OF SHARES**

a. If any Shareholder fails to pay any call or instalment of a call or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

b. The notice shall name a day, (not being less than 14 (fourteen) days from the date of service of notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

c. If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.

d. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

e. Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

f. Any Shareholder whose shares have been forfeited shall, cease to be a shareholder of the Company and notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other



money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

g. The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

h. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.

i. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of 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 the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

j. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to Offer a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

k. The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

l. The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

## **12. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by an Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

a. increase its Share Capital by such amount as it thinks expedient;

b. consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares :

c. Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

d. convert all or any of its fully Paid up shares into stock, and reconvert that stock into fully Paid up shares of any denomination;

e. sub-divide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

f. cancel its Shares which, at the date of the passing of the resolution in that behalf, 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. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

## **13. REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act, from time to time by a Special Resolution, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

## **14. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to

time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

## **15. POWER TO MODIFY RIGHTS**

a. Where, the Capital, is divided (unless otherwise provided by the terms of Offer of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 48 of the Act and applicable Laws, and whether or not the Company is being wound up, be varied provided the same is affected with consent in writing of the holders of not less than three-fourths of the issued shares of that class or by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.

b. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

c. 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 Offer of the shares of that class, be deemed to be varied by the creation or Offer of further shares ranking paripassu therewith.

## **16. REGISTERS TO BE MAINTAINED BY THE COMPANY**

a. The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act

(I) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(II) A register of Debenture holders; and

(III) A register of any other security holders.

b. The Company may keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

c. The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

## **17. SHARES AND SHARE CERTIFICATES**

a. The Company shall Offer, re-Offer and Offer duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

b. A duplicate certificate of shares may be issued, if such certificate :

(I) is proved to have been lost or destroyed; or

(II) has been defaced, mutilated or torn; and is surrendered to the Company.

c. The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.

d. If any 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 certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding rupees fifty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for Offer of a new certificate 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 the applicable provisions of the Act and Law.

e. The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

f. When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

g. All blank forms to be used for Offer of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

h. The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the Offer of share certificates including the blank forms of the share certificate referred to in sub- article (g) of this Article.

i. All books referred to in sub-article (h) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

j. The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

k. If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

l. Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

## **18. SHARES AT THE DISPOSAL OF THE DIRECTORS**

a. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may Offer, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

b. Subject to applicable Law, the Directors are hereby authorised to Offer Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

c. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

d. Every Shareholder, 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 the Articles require or fix for the payment thereof.

e. In accordance with Section 56 and other applicable provisions of the Act and the Rules:

(I) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of Offer of share certificates against letters of acceptance or of renunciation, or

in cases of Offer of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such 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 Offer. A certificate issued under the Seal of the Company, if any, or signed by two Directors or by a Director and the Secretary, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

(II) Every Shareholder shall be entitled, without payment, to one or more 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 may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment in case of Shares and 6 (six) months from the date of allotment in case of Debentures, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 17 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to Offer more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rs. 20 (Rupees 20).

(III) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot. Where share certificates are issued in either more or less than marketable lots, sub-division or consolidation of share certificates into marketable lots shall be done free of charge.

(IV) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

## **19. UNDERWRITING AND BROKERAGE**

a. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

b. The Company may also, on any Offer of shares or Debentures, pay such reasonable brokerage as may be lawful.

## **20. FURTHER OFFER OF SHARE CAPITAL**

a. Where at any time, the Company proposes to increase its subscribed capital by the Offer of further shares, such shares shall be offered—

(I) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:

A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

B. 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 Article 20(a)(i)A above shall contain a statement of this right;

C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.

(II) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(III) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) 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 the Rules and such other conditions, as may be prescribed under Law.

b. The notice referred to in sub-clause A of Article 20(a)(i)(A) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the Offer.

c. Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company.

Provided that the terms of Offer of such Debentures or loan containing such an option have been approved before the Offer of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

d. The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act and the Rules.

## **21. NOMINATION BY SECURITIES HOLDERS**

a. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

b. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

c. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

d. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

e. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **22. NOMINATION FOR DEPOSITS**

A security holder may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

## **23. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, 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 such title as the Board thinks sufficient, either be registered himself as the holder of the Securities 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 Securities.

## **24. BORROWING POWERS**

a. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(I) accept or renew deposits from Shareholders;

(II) borrow money by way of issuance of Debentures ;

(III) borrow money otherwise than on Debentures;

(IV) accept deposits from Shareholders either in advance of calls or otherwise; and

(V) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

b. Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the Offer of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future. and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

c. Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in 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, 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.

d. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country.

e. Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

f. The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

## **25. SHARE WARRANTS**

a. Share warrants may be issued as per the provisions of applicable Law.

b. Power to Offer share warrants

The Company may Offer share warrants subject to, and in accordance with the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the persons 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 on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, Offer a share warrant.

c. Deposit of share warrant

(I) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(II) Not more than one person shall be recognised as depositor of the share warrant.

(III) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

d. Privileges and disabilities of the holders of share warrant



(I) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(II) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company.

e. Offer of new Share Warrant or Coupon

The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruct.

## **26. CONVERSION OF SHARES INTO STOCK AND RE-CONVERSION**

a. The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account 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 privileges or advantages, (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. Where the shares are converted into stock, such of the Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock -holder" respectively.

## **27. CAPITALISATION OF PROFITS**

The Company in General Meeting may, upon the recommendation of the Board, resolve :

a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

b. that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

c. The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(I) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(II) paying up in full, un- issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(III) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

d. A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of un issued shares to be issued to Shareholders of the Company as fully paid bonus shares.

## **28. RESOLUTION FOR CAPITALISATION OF RESERVES AND OFFER OF FRACTIONAL CERTIFICATE**

a. The Board shall give effect to a Resolution passed by the Company in pursuance of this Article 28.

b. Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(I) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and Offers of fully paid shares or Securities, if any; and

(II) generally, do all acts and things required to give effect thereto.

c. The Board shall have full power:

(I) to make such provisions, by the Offer of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

(II) to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

d. Any agreement made under such authority shall be effective and binding on all such shareholders.

## **29. ANNUAL GENERAL MEETING**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

## **30. WHEN ANNUAL GENERAL MEETING TO BE HELD**

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

## **31. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

a. Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

b. Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

## **32. NOTICE OF GENERAL MEETINGS**

a. Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(I) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company;

(II) Auditor or Auditors of the Company; and

(III) All Directors.

The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

b. Notice of meeting to specify place, etc., and to contain statement of business : Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

c. Contents and manner of service of notice and Persons on whom it is to be served : Every notice may be served by the Company on any Shareholder thereof either in writing or through electronic mode as prescribed in the Act and relevant Rules thereunder personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

d. Special Business : Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special. In case of an Annual General Meeting of the Company, all business to be transacted thereat shall be deemed to be special with the exception of the business specified in Section 102 of the Act.

e. Resolution requiring Special Notice : With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

f. Notice of Adjourned Meeting when necessary : When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

g. Notice when not necessary : Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

h. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

### **33. REQUISITION OF EXTRAORDINARY GENERAL MEETING**

a. The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

b. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

c. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

d. Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

e. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

f. The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

### **34. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the meeting if convened by or upon the requisition of Members, shall stand dissolved but in case of any other Shareholders' Meeting shall be adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public

holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

### **35. CHAIRMAN**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

### **36. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate 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.

### **37. DEMAND FOR POLL**

a. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded in accordance with the Act, be decided in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

b. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

c. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

d. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutiners as prescribed under the Act and Rules to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutiner from office and fill vacancies in the office of scrutiner arising from such removal or from any other cause.

e. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.

f. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

g. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

h. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

### **38. 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 Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting

of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

b. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

### **39. VOTES OF MEMBERS**

a. No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which 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.

b. Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

c. On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

d. A Shareholder 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

e. If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint - holders shall be entitled to be present at the meeting. Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

f. Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

g. Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

h. Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

i. An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

j. A Shareholder present by proxy shall be entitled to vote only on a poll.

k. Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.

l. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

m. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

n. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(I) The Company shall cause minutes of the proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(II) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(III) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(IV) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(V) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(VI) Any such Minutes shall be evidence of the proceedings recorded therein.

(VII) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(VIII) The Company shall cause minutes to be duly entered in books provided for the purpose of:

A. the names of the Directors and Alternate Directors present at each General Meeting;

B. all Resolutions and proceedings of General Meeting.

o. All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

p. Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised 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 Shareholder in the Company (including the right to vote by proxy).

q. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, SEBI Listing Regulations or any other Law, if applicable to the Company.

#### **40. DIRECTORS**

a. Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.



b. Subject to Article 41(a), Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.

c. The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

#### **41. CHAIRMAN OF THE BOARD OF DIRECTORS**

a. The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

b. If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

#### **42. APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the Company during such director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director appointed under this Article 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 office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

#### **43. CASUAL VACANCY AND ADDITIONAL DIRECTORS**

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 40. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

#### **44. DEBENTURE DIRECTORS**

If it is provided by a trust deed, securing or otherwise, in connection with any Offer of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such Offer of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

#### **45. INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.

#### **46. NOMINEE DIRECTORS**

a. The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any Law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.

b. So long as any moneys remain owing by the Company to Industrial Finance Corporation of India, The Industrial Reconstruction Corporation of India Limited, Life Insurance Corporation of India, General Insurance Corporation of India, National Insurance Company Limited, The Oriental Fire & General Insurance Company Limited, The New India Assurance Company Limited, United India Insurance Company Ltd., or any State Financial Corporation or any Financial Institution owned or controlled by the Central

Government or any State Government or the Reserve Bank of India or by two or more of them by Central Government themselves (each of the above and Unit Trust of India are hereinafter referred to as the Corporation) out of any loans/debentures, assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of any guarantee furnished by the Corporation on behalf of the Company and remaining outstanding, the Corporation shall have a right to appoint from time to time, any person as Director, Wholtime or non-Wholtime (which Director or Directors, is/are hereinafter referred to as 'Nominee Director/s') on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their places. The Board shall have no power to remove from the office of the Nominee Directors. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.

#### **47. PERIOD OF HOLDING OF OFFICE BY NOMINEE DIRECTORS**

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/ shares in the Company or on the satisfaction of liability of the Company arising out of any guarantee furnished by the Corporation.

#### **48. APPOINTMENT OF SPECIAL DIRECTORS**

On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any Bank or Financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

#### **49. NO QUALIFICATION SHARES FOR DIRECTORS**

A Director shall not be required to hold any qualification shares of the Company.

#### **50. REMUNERATION OF DIRECTORS**

a. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

b. Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive 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 or any Committee thereof attended by him.

c. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

d. All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

#### **51. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the

Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

## **52. MISCELLANEOUS EXPENSES OF DIRECTORS**

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them : (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

## **53. CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 40 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

## **54. DISQUALIFICATION AND VACATION OF OFFICE BY A DIRECTOR**

a. A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.

b. Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

## **55. RELATED PARTY TRANSACTIONS AND DISCLOSURE OF INTEREST**

The Company shall comply with the applicable provisions of the Act, Rules framed thereunder and other relevant provisions of Law in respect of related party transactions and the Directors shall comply with the disclosure of interest provisions under the Act.

## **56. RETIREMENT OF DIRECTORS BY ROTATION**

a. At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election.

b. The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Provided that and to the extent permissible under the Act, the Managing Director, joint managing director, deputy managing director, manager or whole-time Director(s) appointed or such other directors nominated pursuant to Articles 44 and 46 hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

## **57. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

a. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

b. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless :

(I) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(II) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(III) he is not qualified or is disqualified for appointment;

(IV) a resolution whether Special or Ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or

(V) Section 162 of the Act is applicable to the case.

## **58. MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may appoint from time to time one or more of their Directors to be the Managing Director or joint managing director or whole time director or deputy managing director or manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) partly as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder. Subject to the provisions of the Act, the Managing Director or Joint Managing Director or Whole-time Director or Deputy Managing Director or Manager of the Company so appointed by the Board shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Whole-time Director or Deputy Managing Director or Manager be determined.

## **59. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT**

a. Unless permitted under the Act, the Company however, shall not appoint or employ at the same time more than one of the following categories of management personnel namely, a managing director and manager.

b. The remuneration of a Managing Director/ whole time director or executive director or manager shall (subject to Sections 196, 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles and of any contract between him and the Company) be paid in the manner permitted under the Act.

## **60. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary all or any of such powers.

## **61. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

- a. to make calls on Shareholders in respect of money unpaid on their shares;
- b. to authorise buy-back of securities under Section 68 of the Act;
- c. to Offer securities, including debentures, whether in or outside India;
- d. to borrow money(ies);
- e. to invest the funds of the Company;
- f. to grant loans or give guarantee or provide security in respect of loans; and
- g. any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.

## **62. PROCEEDINGS OF THE BOARD OF DIRECTORS**

a. At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.

b. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed under the Act, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

c. The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

d. The Board may meet either at the Office of the Company, or at any other location in India or outside India, as the Chairman may determine.

e. At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any urgent matters as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

f. At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

### **63. QUORUM FOR BOARD MEETING**

a. Quorum for Board Meetings

(I) Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

(II) If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman.

### **64. CASTING VOTE**

Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

### **65. POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

a. The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company.

b. The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

(I) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking'

and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

(II) Remit, or give time for repayment of, any debt due by a Director;

(III) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

(IV) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

Provided further that prior permission of the Company in a General Meeting shall be required for making a contribution, in any Financial Year, to bonafide charitable and other funds in excess of an aggregate amount equivalent to 5 (five) % of the Company's average net profits for the 3 (three) immediately preceding Financial Years.

#### c. Certain Powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article and other provisions of the Act, it is hereby declared that the Directors shall have the following powers, that is to say, power:

(I) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.

(II) Payment out of Capital: To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of Sections 40(6) of the Act,

(III) To acquire property: Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory,

(IV) To pay for property, etc. : At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(V) To secure contracts : To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

(VI) To accept surrender of shares : To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(VII) To appoint Trustees : To appoint any person to accept and to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(VIII) To bring and defend actions : To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.

(IX) To act in insolvency matters : To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(X) To give receipts : To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.

(XI) To invest moneys: Subject to the provisions of Sections 179, 180 (1) (c), 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.



(XII) To provide for Personal Liabilities : To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.

(XIII) To authorise acceptances: To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give necessary authority for such purpose.

(XIV) To distribute bonus : To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

(XV) To provide for welfare of employees : To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.

(XVI) To create reserve fund : Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture- stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

(XVII) To appoint managers etc. : To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, or emoluments or remuneration, and to require security insuch instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit.

(XVIII) To comply with local Laws: To comply with requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

(XIX) To delegate powers : Subject to Section 179 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any persons so appointed and may annul any such delegation.

(XX) To authorise by power of attorney : At any time and from time to time by Power of Attorney (if so resolved by the Board under the Seal of the Company), to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in the limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the shareholders, directors, nominees or managers of any company

or firm or otherwise in favour of any fluctuating body of persons whether nominated directly, or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain Powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the Powers, authorities and discretions for the time- being vested in them.

(XXI) To negotiate: Subject to Section 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.

(XXII) To make and vary Regulations : From time to time make, vary or repeal bye- laws for the regulation of the business of the Company, its officers and servants.

(XXIII) Amendments to Accounts: Subject to Section 130, the directors shall, if they consider it to be necessary and in the interest of the company, be entitled to amend the Audited Accounts of the company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the directors in pursuance of this Article shall be placed before the members in General Meeting for their consideration and approval.

(XXIV) To formulate schemes, etc. : Subject to provisions of Law, the directors may formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the company, including without limiting the generality of the foregoing, formulation of schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the company.

## **66. COMMITTEES AND DELEGATION BY THE BOARD**

a. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

b. Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

c. The meetings and proceedings of any such Committee of the Board consisting of more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

## **67. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

a. All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

b. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

## **68. PASSING OF RESOLUTION BY CIRCULATION**

a. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of

the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

b. A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

## **69. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD**

a. The Company shall prepare, circulate and maintain minutes of each Board Meeting in accordance with the Act and Rules and such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

b. The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

## **70. THE SECRETARY**

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

## **71. SEAL**

a. The Board may provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and if the Seal is provided for, the Board shall provide for the safe custody of the Seal for the time being.

b. Subject to Article 72 (a), the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (two) Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

## **72. DIVIDEND POLICY**

a. The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

b. Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

c. No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both, and provided that the declaration of the Board as to the amount of the net profits shall be conclusive.

d. Subject to Section 123, the Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

e. Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

f. (I) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(II) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this Article as paid on shares.

(III) 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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

g. Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

h. Any one of several Persons who are registered as the joint holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

i. Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

j. Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

k. Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint holders of any Share(s) any one of them can give effectual receipts for any money (ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands, shall for the purposes of this Article be deemed to be joint holders thereof.

l. No unpaid Dividend shall bear interest as against the Company.

m. Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set -off against such calls.

n. Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

### **73. UNPAID OR UNCLAIMED DIVIDEND**

a. Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.

b. Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

c. Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

### **74. ACCOUNTS AND BOARD'S REPORT**

a. The Company shall prepare and keep the books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under applicable Law.

b. In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends should be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report and by the company secretary in practice in his secretarial audit report.

c. The Company shall comply with the requirements of Section 136 of the Act.

## **75. DOCUMENTS AND NOTICES**

a. A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier, to him to his registered address.

b. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

c. A document or notice may be given or served by the Company to or on the joint - holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share.

d. Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

e. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, Photostat or lithographed.

f. All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

g. Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

## **76. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Shareholder does not have 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 neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

## **77. NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, 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.

## **78. WINDING UP**

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 Shareholders, 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 Shareholders or different classes of Shareholders.

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.

#### **79. INDEMNITY**

Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **80. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the provision of the Act, no Director, Manager or Officer of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager or Officer or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of duty or breach of trust of the relevant Director, Manager or Officer.

#### **81. SIGNING OF CHEQUES**

Subject to applicable Law and Section 64 of the Act, all cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid by the company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the Directors shall from time to time by resolution determine.

#### **82. INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, Register of Members, books of accounts and the minutes of the meeting of the shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

#### **83. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Company may amend its Memorandum of Association and Articles of Association subject to Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time.

#### **84. SECRECY OF WORKS OR INFORMATION**

No shareholder shall be entitled to visit or inspect the Company's work without permission of the Directors or to require discovery of any information respectively any details of 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 Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

#### **85. DUTIES OF THE OFFICER TO OBSERVE SECRECY**

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Directors before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company with its customers and the state of accounts with individuals and all manufacturing, technical and business information of the company and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law a except so far as may be necessary in order to comply with any of the provision of these Articles or Law.



## 86. AUTHORIZATIONS

a. Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein).

b. If pursuant to the approval of these Articles, if the Act requires any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.

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## SECTION X - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Draft Red Herring Prospectus until the Offer Closing Date and it shall also made available for inspection on website of the company i.e. [www.emeraldtyres.com](http://www.emeraldtyres.com)

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **A. Material Contracts for the Offer**

- (a) Offer Agreement dated March 07, 2024 entered between our Company and the Book Running Lead Manager.
- (b) Registrar Agreement dated March 28, 2024 entered into amongst our Company and the Registrar to the Issue.
- (c) Banker to the Offer Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Offer and the Registrar to the Issue.
- (d) Tripartite Agreement dated October 09, 2023 between our Company, NSDL and the Registrar to the Issue. Tripartite Agreement dated November 22, 2023 between our Company, CDSL and the Registrar to the Issue.
- (e) Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
- (f) Underwriting Agreement dated [●] between our Company and the Underwriters.

#### **B. Material Documents**

- (a) Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended from time to time;
- (b) Certificate of incorporation dated March 27, 2002, issued by the Registrar of Companies, Chennai.
- (c) Fresh Certificate of incorporation dated August 23, 2018, issued by the Registrar of Companies, Chennai, issued pursuant to name change of the Company.
- (d) Fresh certificate of incorporation dated December 22, 2023, issued by the Registrar of Companies, Chennai, issued pursuant to name change of the Company at the time of conversion from a private company into a public company.
- (e) Fresh Certificate of incorporation dated January 17, 2024, issued by the Registrar of Companies, Chennai, issued pursuant to name change of the Company.
- (f) Resolutions of our Board of Directors dated January 03, 2024, in relation to the Issue and other related matters;
- (g) Shareholders' resolution dated January 11, 2024, in relation to this Offer and other related matters;
- (h) Resolutions of our Board of Directors dated March 07, 2024, in relation to the offer for sale and other related matters;
- (i) Shareholders' resolution dated March 17, 2024, in relation to this offer for sale and other related matters;
- (j) Resolution of the Board of Directors of the Company dated April 04, 2024 taking on record and approving this Draft Red Herring Prospectus.
- (k) The examination report dated March 22, 2024 of our Statutory Auditors on our Restated Financial Statements, included in this Draft Red Herring Prospectus;
- (l) Copies of the consolidated and standalone annual reports of the Company for the Fiscals 2023, 2022, 2021 and period of eight months ended on November 30, 2023;
- (m) Statement of Tax Benefits dated March 22, 2024 from the Statutory Auditor included in this Draft Red Herring Prospectus;
- (n) Consent of the Promoter, Directors, the Book Running Lead Manager, the Legal Advisor to our Offer, the Registrar to the Issue, the Company Secretary and Compliance Officer, Chief Executive Officer and the Chief Financial Officer, to act in their respective capacities;
- (o) Consent of the Statutory Auditors, Rajani & Co., Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013, read with Section 26 of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated March 22, 2024 and the statement of special tax benefits dated March 22, 2024 included in this Draft Red Herring Prospectus;

(p) Due diligence certificate dated April 04, 2024 issued by Book Running Lead Manager;

(q) In principle listing approval dated [●] issued by NSE;

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 statutes.

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## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY**



**CHANDHRASEKHARAN THIRUPATHI VENKATACHALAM**  
Managing Director  
(DIN: 00628816)

**Date:** 04/04/2024

**Place:** Chennai

## DECLARATION

The undersigned Selling Shareholder, hereby confirms, certifies, and declares that all statements, disclosures, and undertakings specifically made or confirmed by her in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement, and undertakings, including statements made by, or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder



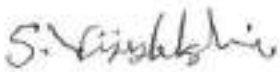
**Karthikeyan Swarnam**  
(Selling Shareholder)

Date: 3/28/24.  
Place: AURORA, IL.

## DECLARATION

The undersigned Selling Shareholder, hereby confirms, certifies, and declares that all statements, disclosures, and undertakings specifically made or confirmed by her in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by her pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement, and undertakings, including statements made by, or relating to, the Company, or any other Selling Shareholders, or any expert, or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder



**S Vijayalakshmi**  
**(Selling Shareholder)**

**Date:** 04/04/2024

**Place:** Chennai



## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE WHOLE-TIME DIRECTOR OF OUR COMPANY**



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**ESWARA KRISHNAND**  
Whole-time director  
(DIN: 01739106)

Date: 04/04/2024  
Place: Chennai

## DECLARATION

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**SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY**



**KRISHNA MOORTHY SUBRAMONIA IYER**  
Independent Director  
(DIN: 10366029)

**Date:** 04/04/2024

**Place:** Chennai

## DECLARATION

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**SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY**



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**NARASIMHAN**  
Independent Director  
(DIN: 10366032)

**Date:** 04/04/2024

**Place:** Chennai

## DECLARATION

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### SIGNED BY THE DIRECTOR OF OUR COMPANY



**KRISHNARAM PRIYA VEDAVALI**  
Non-Executive Director  
(DIN: 10366109)

**Date:** 04/04/2024

**Place:** Chennai

## DECLARATION

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**SIGNED BY THE CHIEF EXECUTIVE OFFICER OF OUR COMPANY**



**Varadarajan Krishnam**  
**Chief Executive Officer**

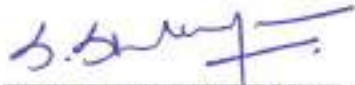
**Date:** 04/04/2024

**Place:** Chennai

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**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**



**SHANKAR GANESH SUBRAMANIAN**  
Chief Financial Officer

**Date:** 04/04/2024

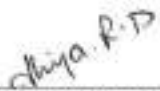
**Place:** Chennai



## DECLARATION

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## SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

  
\_\_\_\_\_  
Raja Devika Dhivya  
Company Secretary and Compliance Officer

**Date:** 04/04/2024

**Place:** Chennai