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PREMIUM PLAST LIMITED

Premium Plast Limited (the “Company” or the “Issuer”) was incorporated under the name and style of ‘Premium Plast Private Limited’, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 14, 1995 issued by the Additional Registrar of Companies, Maharashtra. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders in an Extraordinary General Meeting held on June 24, 2019 and consequently the name of our Company was changed to ‘Premium Plast Limited’ and a fresh certificate of incorporation dated December 10, 2019 was issued by the Registrar of Companies, Maharashtra at Mumbai. For details of change in Registered Office of our Company, please refer to the chapter titled “History and Certain Corporate Matters” on page 159 of this Draft Red Herring Prospectus.

Registered Office: Gala No 3, Shiv Shankar Indl Est No 1, Virar City (M Corp), Valiv, Thane, Vasai - 401 208, Maharashtra, India;

Telephone: +91 025 0660 1160; **Facsimile:** N.A.

E-mail: info@premiumplast.in; **Website:** www.premiumplast.in; **Contact Person:** Rohit Shyamsunder Sharma, Company Secretary & Compliance Officer; **Corporate**

Identity Number: U25209MH1995PLC094431

PROMOTERS OF OUR COMPANY: CHETAN NAGENDRA DAVE AND DR. LOPA CHETAN DAVE

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JULY 19, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 53,47,650 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF OUR COMPANY AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LACS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND MARATHI EDITIONS OF [●] (A MARATHI LANGUAGE NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

Potential Bidders may note the following: “RISK FACTORS”, “CAPITAL STRUCTURE”, “OBJECTS OF THE ISSUE”, “OUR BUSINESS”, “OUR MANAGEMENT”, “OUR PROMOTERS AND PROMOTER GROUP”, AND “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS” have been updated in accordance with the suggestions made by NSE.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus and Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Mumbai, India

Date: September 17, 2024

On behalf of Premium Plast Limited

Sd/-
Chetan Nagendra Dave
Managing Director

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Khandwala Securities Limited
Vikas Building, Ground Floor, Green Street, Fort,
Mumbai – 400 023, Maharashtra, India.
Telephone : +91 224 076 7373;
Facsimile: +91 224 076 7377 / 78;
Email: ipo@kslindia.com;
Investor grievance email: investorgrievances@kslindia.com
Website: www.kslindia.com;
Contact Person: Parika Shah/ Abhishek Joshi
CIN No.: L67120MH1993PLC070709
SEBI Registration Number: INM000001899

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited
S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai- 400 093,
Maharashtra, India.
Telephone: +91 226 263 8200
Facsimile: +91 226 263 8299
E-mail: ipo@bigshareonline.com
Website: www.bigshareonline.com
Investor grievance: investor@bigshareonline.com
SEBI Registration No.: INR000001385
Contact Person: Vinayak Morbale

BID/ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]

BID/ISSUE OPENS ON: [●]

BID/ISSUE CLOSES ON: [●]

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SECTION III – RISK FACTORS

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- 5. As on date we have not obtained any of the approvals, clearances and permissions as may be required from the relevant authorities for the proposed expansion at our manufacturing units. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.**

Our Company is a manufacturer of automotive parts, plastic industrial components and packaging components. Our Company is proposing to expand the existing capacity of its manufacturing facility situated at Pithampur, Madhya Pradesh by installation of additional machinery. Further, we propose to fund capital expenditure towards setting up of rooftop on grid solar power plant at our existing manufacturing facility situated at Pithampur Madhya Pradesh. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 80 of this Draft Red Herring Prospectus.

We have not applied for the required licenses and approvals for increasing the manufacturing capacity and setting up of the grid solar power plant at our existing manufacturing facility situated at Pithampur Madhya Pradesh. In relation to the capital expenditure, we shall be required to amend various approvals such as licenses under the Factories Act, 1948, no-objection certificates from fire safety authorities, and rules and regulations issued by, Ministry of Commerce and Industry. Further, for installation of solar grid, we shall be requiring sanction and an agreement for connectivity with local electricity providers. We shall be applying for such approvals prior to installation of machinery and solar grids in the said manufacturing unit. We cannot assure you that we will be able to receive the approvals in a timely manner. If we are not able to receive the required approvals at all or if there is a delay in receiving the same, all other operations, which are to be undertaken towards undertaking capacity expansion at the manufacturing unit might also be delayed. This may cause the actual cost of purchase of machinery and solar grids to exceed the budgeted amounts due to a variety of factors such as cost escalation, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. The quotations for plant and machinery received by us from various suppliers might expire and we may be compelled to purchase the same at a higher cost. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled — “*Objects of the Issue*” and “*Government and other Approvals*” on pages 80 and 234, respectively of this Draft Red Herring Prospectus.

- 6. There have been instances of delays in payment of statutory dues, i.e. ESIC and EPF by the Company. In case of any delay in payment of statutory due in future by our Company, the Regulatory Authorities may impose monetary penalties on us or take certain punitive actions against our Company in relation to the same which may have adverse impact on our business, financial condition and results of operations.**

In the past, there have been certain instances of delays in payment of statutory dues, i.e. ESIC and EPF, by the Company. The details of the delay caused in payment of statutory dues have been provided below:

Month	Nature of fund	Due date for payment	The actual date of payment to the concerned authorities	Delay time	Reason For Delay
Sep-18	Provident Fund	15/10/18	16/10/18	1 day	Administrative and technical issues on the portal
Sep-18	Any Fund set up under the provisions of ESI Act,1948	15/10/18	16/10/18	1 day	Administrative and technical issues on the portal
Nov-18	Any Fund set up under the provisions of ESI Act,1948	15/12/18	14/01/19	29 days	Administrative and technical issues on the portal
Jan-19	Any Fund set up under the provisions of ESI Act,1948	15/02/19	18/02/19	3 days	Administrative and technical issues on the portal
Mar-19	Any Fund set up under the provisions of ESI Act,1948	15/04/19	22/04/19	7 days	Administrative and technical issues on the portal
Mar-20	Provident Fund	15/04/20	17/06/20	61 days	Administrative and technical issues on the portal
Aug-19	Any Fund set up under the provisions of ESI Act,1948	15/09/19	21/09/20	6 days	Administrative and technical issues on the portal
Jan-20	Any Fund set up under the provisions of ESI Act,1948	15/02/20	18/02/20	3 days	Administrative and technical issues on the portal
Feb-20	Any Fund set up under the provisions of ESI Act,1948	15/03/20	18/03/20	3 days	Administrative and technical issues on the portal
Mar-20	Any Fund set up under the provisions of ESI Act,1948	15/04/20	17/06/20	62 days	Administrative and technical issues on the portal

Month	Nature of fund	Due date for payment	The actual date of payment to the concerned authorities	Delay time	Reason For Delay
Mar-21	Provident Fund	15/04/21	17/06/20	62 days	Administrative and technical issues on the portal
Sep-20	Any Fund set up under the provisions of ESI Act,1948	15/10/20	12/12/20	57 days	Administrative and technical issues on the portal
Oct-20	Any Fund set up under the provisions of ESI Act,1948	15/11/20	12/12/20	27 days	Administrative and technical issues on the portal
Jan-21	Any Fund set up under the provisions of ESI Act,1948	15/02/21	16/03/21	31 days	Administrative and technical issues on the portal
Feb-21	Any Fund set up under the provisions of ESI Act,1948	15/03/21	16/03/21	1 day	Administrative and technical issues on the portal
Mar-21	Any Fund set up under the provisions of ESI Act,1948	15/04/21	16/06/21	61 days	Administrative and technical issues on the portal
Aug-21	Provident Fund	15/09/21	11/10/21	26 days	Administrative and technical issues on the portal
Apr-21	Any Fund set up under the provisions of ESI Act,1948	15/05/21	16/06/21	31 days	Administrative and technical issues on the portal
May-21	Any Fund set up under the provisions of ESI Act,1948	15/06/21	16/06/21	1 day	Administrative and technical issues on the portal
Jul-21	Any Fund set up under the provisions of ESI Act,1948	15/08/21	17/08/21	2 days	Administrative and technical issues on the portal
Aug-21	Any Fund set up under the provisions of ESI Act,1948	15/09/21	22/09/21	7 days	Administrative and technical issues on the portal
Dec-21	Any Fund set up under the provisions of ESI Act,1948	15/01/22	07/02/22	22 days	Administrative and technical issues on the portal
Jan-22	Any Fund set up under the provisions of ESI Act,1948	15/02/22	02/03/22	15 days	Administrative and technical issues on the portal
Feb-22	Any Fund set up under the provisions of ESI Act,1948	15/03/22	14/04/22	29 days	Administrative and technical issues on the portal
Apr-22	Provident Fund	15/05/22	26/05/22	11 days	Administrative and technical issues on the portal
Nov-22	Provident Fund	15/12/22	01/03/23	74 days	Administrative and technical issues on the portal
Feb-23	Provident Fund	15/03/23	18/03/23	3 days	Administrative and technical issues on the portal
Apr-22	Any Fund set up under the provisions of ESI Act,1948	15/05/22	30/05/22	15 days	Administrative and technical issues on the portal
Apr-23	Any Fund set up under the provisions of ESI Act,1948	15/05/23	03/06/23	19 days	Administrative and technical issues on the portal
Aug-23	Any Fund set up under the provisions of ESI Act,1948	15/09/23	20/09/23	5 days	Administrative and technical issues on the portal
Sep-23	Any Fund set up under the provisions of ESI Act,1948	15/10/23	19/10/23	4 days	Administrative and technical issues on the portal
Oct-23	Any Fund set up under the provisions of ESI Act,1948	15/11/23	20/11/23	5 days	Administrative and technical issues on the portal
Nov-23	Any Fund set up under the provisions of ESI Act,1948	15/12/23	15/01/24	30 days	Administrative and technical issues on the portal
Dec-23	Any Fund set up under the provisions of ESI Act,1948	15/01/24	17/01/24	2 days	Administrative and technical issues on the portal
Jan-24	Any Fund set up under the provisions of ESI Act,1948	15/02/24	23/02/24	8 days	Administrative and technical issues on the portal
Feb-24	Any Fund set up under the provisions of ESI Act,1948	15/03/24	22/03/24	7 days	Administrative and technical issues on the portal
Mar-24	Any Fund set up under the provisions of ESI Act,1948	15/04/24	18/06/24	63 days	Administrative and technical issues on the portal

Our Company through its sales and accounts teams has set internal deadlines to ensure that delays in payment of statutory dues, i.e. ESIC and EPF are not made by the Company. Our Company has already made provisions in the financials of the Company for such delay payments. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to payment of statutory dues. The happening of such event may cause imposition of fine / penalty which may have adverse effect on the results of our operations and financial position.

7. Our failure to compete effectively in the highly competitive automotive components industry and retaining qualified staff, could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects.

We compete with several competitors to retain our existing business as well as to acquire new business. Our failure to obtain new

business or to retain or increase our existing business could adversely affect our financial results. In addition, we may incur significant expense in preparing to meet anticipated customer requests that may not be recovered. We face increasing competition across our product portfolio. There is no assurance that we will remain competitive with respect to technology, design and quality. Some of our competitors may have certain advantages, including greater financial resources, technology, R&D capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business, results of operations, financial condition and future prospects.

In addition, our success in expanding our business will also depend on hiring and retaining dedicated personnel for our quality team, and maintaining the ability to attract, retain and motivate qualified engineers. If one or more members of our team are unable or unwilling to continue in their present positions, such persons would be difficult to replace in a timely and cost-effective manner, and our business, prospects and results of operations could be materially adversely affected. Our failure to successfully manage our personnel needs could have a similar adverse impact. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. While such events have not materially occurred in the past, however if these risks materialise our business, results of operations and financial condition could be materially adversely affected.

8. *We depend on third parties for the supply of raw materials and delivery of products and such third parties could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.*

We are dependent on third party suppliers for the supply of our raw materials. Discontinuation of production by these suppliers, a failure of these suppliers to adhere to any delivery schedule or a failure to provide materials of the requisite quality could hamper our production schedule and therefore affect our business and results of operations. We are dependent upon the following suppliers for procuring our raw materials:

Sr No.	Acronym	Raw Material	RM Supplier
1	ABS	Acrylonitrile Butadiene Styrene	INEOS Styrolution Ltd. / Bhansali Polymers
2	HDPE	High Density Poly Ethylene	Reliance Industries Ltd-RIL / Indial Oil Corporation-IOCL
3	Nylon 6 & 66	Poly Amide	GSFC / Du Pont
4	PC	Poly Carbonate	SABIC / Covestro / Lotte
5	POM	Poly Oxi Methalate	Celanese - Celcon / Du Pont - Delrin
6	PP	Poly Propylene	Reliance Industries Ltd-RIL / Indian Oil Corporation-IOCL
7	PPTF	Filled Poly Propylene	JJ Polymers - JJPPL / Kingfa Polymers / Autotech Sirmax
8	TPO	Thermo Plastic Olefins	JJ Polymers - JJPPL / J & K Industries
9	TPE	Thermo Plastic Elastomers	JJ Polymers - JJPPL / J & K Industries
10	PU	Poly Urathene	Covestro - Desmopan / Lubrizol - Estane
11	PVC	Poly Vinyl Chloride	Reliance Industries Ltd-RIL / J & K Industries
12	PF	Phenol Formaldehyde	Nova Thermostat

This dependence may also adversely affect the availability of key materials at reasonable prices, thus affecting our margins, and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that high demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for some of our key products and deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits. Interruption of, or a shortage in the supply of, raw material may result in our inability to operate our production facilities at optimal capacities or at all, leading to a decline in production and sales. An inability to procure sufficient quality raw material at reasonable cost, or an inability to pass on any additional cost incurred on purchase of raw materials to our customers/ intermediaries, may adversely affect our operations and financial conditions.

Further, the automotive industry has experienced significant volatility with respect to the price of raw materials in the recent past, primarily with respect to ferrous and non-ferrous metals. Historically, as a practice, we have passed the increase in the cost of metals, especially aluminium and steel, onto our customers. However, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and the date on which we can reset the component prices for our customers, so as to account for the increase in the prices of such raw materials. The inability to pass fluctuations in raw material prices on to our customers may materially and adversely affect our profits and profit margins. Our need to maintain a continued supply of raw materials may make it difficult to resist price increases and surcharges imposed by our suppliers, which may have an adverse effect on our business and results of operations.

To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing unit and transportation of our products from our unit to our customers, which may be subject to various uncertainties and risks. While, we maintain a fleet of vehicles for transportation of raw materials and finished products, however, we are also dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our intermediaries. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long term agreements with our transporters for our manufacturing unit and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfill their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not be able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition.

10. Our Company is yet to place orders for 100% of the plant and machinery and solar rooftops. Any delay in placing orders or procurement of such plant and machinery and rooftops, may further delay the schedule of implementation and increase the cost of commissioning the manufacturing unit.

Our Company has received third party quotations for the plant and machinery and solar rooftops required to be installed in the manufacturing unit at Pitampura at Madhya Pradesh. For details please refer to the chapter titled “*Objects of the Issue*” on page 80 of this Draft Red Herring Prospectus. Although, we have identified the type of plant and machinery and solar rooftops to be purchased for the manufacturing unit, we are yet to place order for 100% of the plant and machinery and solar rooftops. Further, the cost of the plant and machinery and solar rooftops is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulation and policies, change in management’s view of desirability of the current plans, possible cost overruns, etc. Since, we have not yet placed orders for the said plant and machinery and solar rooftops we cannot assure that we will be able to procure the same in a timely manner and at the same price at which the quotations have been received. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed project and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

12. There have been instances of delays in filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to RoC. There have also been instances wherein incorrect details were filed in certain forms filed by our Company.

In the past, there have been certain instances of delays in filing statutory forms which have been subsequently filed by payment of an additional fee as specified by RoC. Further, our Company had inadvertently also filed incorrect information in the forms filed with the Registrar of Companies. Our Company has rectified such filings by re-filing such erroneous forms with the RoC. No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

The details of the delay caused in ROC filings have been provided below:

ROC Forms	Due Date	Actual Date of payment	Delay time	Reason for delay
Form DIR 12 (Shailesh Rane)	13/06/2019	14/06/2016	1 day	Due to technical glitch
Form INC 27 (Conversion)	23/07/2019	04/12/2019	134 days	Several attempts were made to upload INC-27, but the attempts were unsuccessful, as a site reflected an error, on making enquiry with the e-governance cell of the Ministry, they were informed that the same occurred on account of technical glitch.
Form AOC 4	30/01/2021	14/06/2021	135 days	Due to unavailability of Director DSC
Form MGT 7	02/03/2021	11/06/2021	101 days	Due to unavailability of Director DSC
Form MGT 14	04/01/2021	07/06/2021	154 days	Due to unavailability of Director DSC
Form ADT 1	15/12/2021	28/04/2022	134 days	Due to Unavailability of professional
Form AOC 4	29/12/2021	28/04/2022	120 days	Due to Unavailability of professional
Form MGT 7	28/01/2021	28/04/2022	90 days	Due to Unavailability of professional
Form MGT 14	29/12/2021	28/04/2022	120 days	Due to Unavailability of professional
Form ADT 1	15/10/2022	16/10/2022	1 day	Due to migration of V2 to V3 portal there were technical glitches
Form AOC 4	29/10/2022	29/03/2023	148 days	Due to migration of V2 to V3 portal there were technical glitches
Form MGT 7	28/11/2022	01/03/2023	93 days	Due to migration of V2 to V3 portal there were technical glitches
Form MGT 14	04/10/2022	03/11/2022	30 days	Due to migration of V2 to V3 portal there were technical glitches
Form PAS 6	29/10/2023	23/01/2024	86 days	The payment for the SRN generated were paid successfully on MCA website from our side but the challan was not generated. later the payment was cancelled without any intimation and credited to back to account. On identification we submitted the form again.
Form MGT 14	09/10/2023	23/01/2024	106 days	Due to Presrutiny Error

Form MGT 14	24/09/2024	05/02/2024	134 days	Due to Presrutiny Error
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15. Our continued operations are critical to our business and any shutdown of our manufacturing units may adversely affect our business, results of operations and financial condition.

Our manufacturing units are located in Maharashtra and Madhya Pradesh. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. Our current manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

While there have not been any instances in the past, however in the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around our unit may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness.

In addition to the above if our manufacturing units suffer losses as a result of any industrial accident, we may be forced to shut down our manufacturing units which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing units may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing units, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

16. We are subject to strict quality requirements and any product defect issues or failure by us or our component suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or warranty and liability claims.

We face an inherent business risk of exposure to product defects and subsequent liability claims in the event that the use of any of our products results in personal injury or property damage. We and our component suppliers may not meet regulatory quality standards, or the high quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, and results of operations.

In the event that any of our products do not meet regulatory standards or are defective, we may be, *inter alia*, (a) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims.

We cannot assure you that we or our component suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. Because of the longer useful life of some our products, it is possible that latent defects might not appear for several years. The failure by us or one of our component suppliers to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, with a component supplier, until a new supplier has been identified and evaluated. Our or our component supplier's failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. We cannot assure you that if we need to engage new suppliers to satisfy our business requirement we can locate new suppliers in compliance with regulatory requirements, in a timely manner, or at all. Our failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

Vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Although we have product liability and product recall insurance, we may not be covered for all situations that may arise with regards to any defects in our products. Vehicle manufacturers are also increasingly requiring their outside suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. Since, the OEMs we supply our products to provide warranty on their products, we are also bound to offer warranty to the OEMs for the products manufactured by us. In the event, there occurs a defect or an accident which leads to trigger of the warranty, we may be required to supply our products to the OEMs free of cost, on account of our arrangements with them. There have been instances in the past, wherein the products manufactured by us were retuned by the OEMs, the amount of orders which were returned by our customers, during the

preceding three years have been provided below:

Period	Invoice details	Taxable value (₹ in lakhs)
	Invoice value (₹ in lakhs)	
2021-2022	19.31	16.02
2022-2023	33.20	26.69
2023-2024	5.13	4.29

While, there have not been any instances in the past, wherein we had to supply our products to our OEMs which were covered under warranty and therefore were not able to charge them for such products, however a successful warranty or product liability claim, or costs incurred for a product recall, could result in adverse publicity against us and would have an adverse effect on our business, results of operations and financial condition.

18. We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.

Our business is capital intensive as we have expanded and upgraded our existing production facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes, additional market developments and new opportunities in the automotive components industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders. In many cases, a significant amount of our working capital is required to finance the purchase of materials and the designing and manufacturing of the product before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements or purchase orders include reduced advance payments or longer payment schedules. These factors may result, and have in the past resulted, in increases in the amount of our receivables and short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

The details with respect to past and estimated working Capital requirements have been provided below:

S. No.	Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	Rs in Lakhs As at March 31, 2025
		(Actual)	(Actual)	(Actual)	(Provisional)	(Estimated)
1	Current Assets					
a)	Inventories	703.57	871.72	992.67	1,526.88	1,788.38
b)	Trade Receivables	524.41	274.50	617.00	470.69	788.78
c)	Loans & Advances	133.49	223.00	119.99	520.39	289.89
d)	Cash and Cash Equivalent	4.34	23.12	9.74	23.09	20.00
	Total Current Assets (A)	1,365.82	1,392.33	1,739.40	2,541.05	2,887.04
2	Current Liabilities					
a)	Trade Payables	708.54	713.74	996.46	578.95	876.55
b)	Other Current Liabilities	-	167.92	151.44	561.57	345.67
	Total Current Liabilities (B)	708.54	881.66	1,147.90	1,140.52	1,222.22
3	Net Working Capital Requirements (A-B)	657.28	510.67	591.50	1,400.54	1,664.82
4	Funding Pattern			-		
	Current Borrowings from Banks, Financial Institutions and Internal Accruals	657.28	510.67	591.50	1,400.54	1,664.82
	Total	-	-	-	-	-

20. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the

implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 80 of this Draft Red Herring Prospectus.

25. The requirement of funds in relation to the objects of the Issue has not been appraised.

We intend to use the proceeds of the Issue for the purposes described in the section titled “Objects of the Issue” on page 80. The objects of the Issue have not been appraised by any bank or financial institution. These are based on management estimates and current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

26. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. The details of the insurance policies availed by our Company to insure its plant, machinery, vehicles and other stocks and fixtures have been provided below:

S. No.	Insurer	Description of Property Insured	Policy No.	Expiry date	Insured Amount (₹ in Lakhs)
1.	The New India Assurance Company Limited	Commercial Vehicle Certificate cum Policy - Eicher	31090031240350000360	April 5, 2025	13.12
2.	Kotak Mahindra General Insurance Company Limited	Kotak Bharat Laghu Udyam Suraksha for plant located at Plot No. 36, Industrial Growth Centre, Pithampur Sector-1, Dist. Dhar, Madhya Pradesh, India.	3228203501	April 12, 2025	1,500.00
3.	Kotak Mahindra General Insurance Company Limited	Kotak Bharat Laghu Udyam Suraksha for plant located at Gala No. 2, Building-1, Survey No. 65, Hissa No. 4, Village-Waliv, Tal. Vasai, Dist. Thane, Maharashtra, India.	2223829002	April 18, 2025	425.00
4.	MAGMA HDI General Insurance Co. Limited	Commercial Comprehensive Package Policy for Mahindra & Mahindra maxi truck	P0024200001/4103/523780	March 14, 2025	6.09
5.	Tata AIG General Insurance Company Limited	Auto Secure - Commercial Vehicle Package Policy for Mahindra Bolero	0159777938 05 00	May 13, 2025	3.43
6.	Tata AIG General Insurance Company Limited	Auto Secure - Standalone Own Damage Private Car Policy	6202951408 00 00	June 1, 2025	10.52

While there have not been any instances in the past, however there are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position

30. Delay in raising funds from the IPO could adversely impact the implementation schedule.

The proposed fund requirement, for purchasing plant and machinery, primarily, as detailed in the chapter titled “Objects of the Issue”

beginning on page 80 is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We, therefore, cannot assure that we would be able to execute our future plans/strategy within the estimated time frame.

43. Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements and shall be in accordance with SEBI regulations and other applicable laws, including prior shareholders' approval.

Our Company intends to use the Net Proceeds towards purchase of machineries and repayment of secured loan. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads, as disclosed in the section titled “Objects of the Issue” on page 80, and in accordance with SEBI regulations and other applicable laws.

In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure or fund which expenditure cannot be determined with certainty as on the date of this Draft Red Herring Prospectus. In terms of Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in the Draft Red Herring Prospectus, we cannot assure that we will be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

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

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

EXTERNAL RISK FACTORS

56. You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the Emerge Platform of National Stock Exchange of India Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within three (3) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI.

We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all.

57. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

Our listed Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

58. The price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue.

The market price of the Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic factors.

These fluctuations may be exaggerated if the trading volume of the Equity Shares is low. Volatility in the price of the Equity Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

Indian stock exchanges, including the Stock Exchanges, have experienced substantial fluctuations in the prices of listed securities and problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of Indian stock exchanges have also, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. If such or similar problems were to continue or recur, they could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares.

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

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

SECTION IV – INTRODUCTION

CAPITAL STRUCTURE

NOTES TO THE CAPITAL STRUCTURE

Our Company is in compliance with minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957.

12) The details of the Shareholding of the Promoters and 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-Issue		Post – Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
Promoters					
1.	Chetan Nagendra Dave	1,08,71,582	79.06	1,08,71,582	[●]
2.	Dr. Lopa Chetan Dave	21,93,518	15.95	21,93,518	[●]
Total		1,30,65,100	95.01	1,30,65,100	[●]
Promoter Group					
3.	Alpa Bhagirath Desai	10,000	0.07	10,000	[●]
4.	Bindu N Dave	10,000	0.07	10,000	[●]
5.	Dolly Kiran Shah	10,000	0.07	10,000	[●]
6.	Kinnari Yatin Oza	10,000	0.07	10,000	[●]
7.	Krina Vipin Mahajan	10,000	0.07	10,000	[●]
8.	Purvi Mehul Surkatha	10,000	0.07	10,000	[●]
Total		60,000	0.44	60,000	[●]
Total		1,31,25,100	95.45	1,31,25,100	[●]

OBJECTS OF THE ISSUE

Requirement of Funds and Utilisation of Net Proceeds

The amount to be utilised for general corporate purposes alone or for pursuing inorganic initiatives alone shall not exceed 25% of the Gross Proceeds.

A) Quotation for “Expansion of the Existing Manufacturing Facility”:

Rationale for utilisation of issue proceeds:

Following developments necessitate significant capacity expansions to meet growing demands:

- i. In the **auto ancillary industry**, maintaining a 20-25% production capacity reserve is a standard practice to handle potential fluctuations in customer demand, allowing companies to quickly scale up operations to meet revised requirements without delay.
- ii. Our company's **track record** shows a direct correlation between capacity enhancement and increased turnover:

To sustain growth and meet rising customer demand, continuous expansion of plant capacity and product offerings is crucial, otherwise, stagnation may occur.

iii. Existing customers' increasing demands and new partnerships require capacity expansion:

- **VE Commercial Vehicles Limited (VECVL)::**
 - Exceeding 100,000 vehicles in FY24-25, needing a 15-20% capacity increase.
 - New Bhopal plant will double capacity to 200,000 vehicles/annum in three years.
 - Phasing out existing vendor, adding Rs 6 crore turnover, requiring an 8-10% capacity increase.
 - Project Titan: 70-80% capacity increase for 75,000-100,000 units over two years.
 - New heavy truck projects: additional capacity needed by July 2025

- **Hettick:**

Development of new parts for Innotech covers requires additional capacity by October **2024**

iv. New projects/customers:

- Premium Plast Limited's solar connector venture: Additional 20-25% capacity increase over 18 months.
- Partnership with M/s CVG (MNC): Potential Rs 25 crore turnover increase over two years, thus needing extra capacity.

The quotations for civil construction obtained from “Rainbow Metal Building Systems” has been duly certified by a Chartered Engineer, M/s. Nafees Khalfay, Structural and P.E.B Consultant, Mumbai.

Government approvals:

In relation to the Capital Expenditure, we are required to amend various approvals such as licenses under the Factories Act, 1948, no-objection certificates from fire safety authorities, and rules and regulations issued by, Ministry of Commerce and Industry as this will be set up at the existing Manufacturing Facility at Pithampur, Madhya Pradesh.

Our Company has filed necessary applications with the relevant authorities for obtaining all approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed deployment of the Net Proceeds may be extended or may vary accordingly.

The details of the licenses / approvals required for the proposed expansion in the manufacturing facility of our Company is provided on page 239 of the DRHP under “**Government and Other Statutory Approval**” Chapter.

2. Funding of capital expenditure requirement of our Company towards Set up of Rooftop on Grid Solar Power Plant at our existing Manufacturing facility:

Our Board in its meeting dated June 20, 2024 took note that an amount of ₹ 104.40 Lakhs is proposed to be utilised for funding of capital expenditure requirements of our Company towards of Set up of rooftop on grid Solar Power Plant from the Net Proceeds. Our Company has received quotations from supplier for such solar power plant and is yet to place orders or enter into definitive agreements towards Set up of such solar power plant. Our Company intends to utilise ₹ 104.40 Lakhs from the Net Proceeds for funding of capital expenditure

requirements towards set up of rooftop on grid solar power plant.

Adequate and cost-effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power. The shortage or non-availability of electrical power may adversely affect our manufacturing process and have an adverse impact on our results of operations and financial condition. Currently, we source our power requirements from the state electricity board and different distributors. Installation and set-up of rooftop on grid solar power plant, results in huge reduction in the cost of electricity, which consequently results in increase in cash flow and better financial conditions.

Installation of on grid solar power plant would result into substantial reduction in the overall electricity cost borne by the Company and also the dependency on State Electricity supply shall be curtailed. The Power generated from solar power plant will be used for running the manufacturing facilities as the company is currently dependent on electricity from electricity department and the overall electricity expenses will be reduced upto 50% of the present expenditure, which will in turn impact the profitability of Company.

Presumptive savings for last 4 (four) financial years considering 50% of electricity cost being saved through rooftop solar plant:

Plot 36 Pithampur				
Particulars	2021	2022	2023	2024
Electricity unit consumption	4,21,152	5,90,143.5	9,86,034	10,50,124.5
Electricity Cost (in Rs)	35,17,286	47,37,856	76,68,795	79,76,358
Total Savings from Rooftop Solar Plant (upto 50% of the present expenditure)	17,58,643	23,68,928	38,34,397.5	39,88,179.00

Plot 3/5 Pithampur				
Particulars	2021	2022	2023	2024
Electricity unit consumption	3,82,179	350661	113,886.6	174,987
Electricity Cost (in Rs)	33,50,254	26,75,823	12,74,171	24,20,579
Total Savings from Rooftop Solar Plant (upto 50% of the present expenditure)	16,75,127	13,37,911.5	637,085.5	12,10,289.5

Our company intends to utilise ₹ 104.4 lakhs towards Development of Solar Power Plant having Capacity of 232 KWP and 116 KWP, at Pithampur Madhya Pradesh.

The break-down of such quotation received from *Vendor - “Avco Energy Private Limited”* are set forth below:

Sr. No.	Module	Total Amount(in lakhs) excluding Tax	Quantity	Date of Quotation	Validity of Quotation
1.	232 KWP Rooftop On- Grid Solar Power Plant	69.6	1	16 th May 2024	90 days from the date of this offer
2.	116 KWP Rooftop On- Grid Solar Power Plant	34.8	1	16 th May 2024	90 days from the date of this offer
Total		104.4			

*All the machineries are newly purchased including roof top solar grid.

The above price includes services like Design, Engineering, Installation and Commissioning.

Schedule of implementation of the aforesaid objects:

Activity Description	Expected Commencement Date	Expected Completion Date
Solar installation	August 31, 2024	October 15, 2024

Detailed steps involved in registration and connectivity for the proposed solar grid before local electricity authority including tentative date/time line:

Sr. No.	Procedure	Tentative Timeline (in days)
1.	Online application of rooftop solar panels on MPEB Portal (Madhya Pradesh Electricity Board Portal)	T
2.	Physical submission of documents (Land Agreement, GST Registration, Udyam Certificate, PAN, Electricity Bill, Photos, etc)	T+2

3.	Application to Electrical Safety Board for Charging Permission	T+9
4.	Procurement of Meter/Current Transformer from MPEB Board Approved Vendor	T+23
5.	Testing and Approval of Meter and Current Transformer by Electricity Safety Board	T+30
6.	Installation of rooftop Solar Panels along with tested meter and Current Transformer on site at Premium Plast Limited	T+86
7.	Testing and Work Compliance Approval Report by MPEB	T+93
8.	Net meter Power Agreement sign off with MPEB	T+100
9.	Commencement of Solar Power Generation	T+102

*T is the day of online application of rooftop solar panels on MPEB Portal.

Tentative timeline is 3 to 4 months.

3. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company:

Our Company has entered into various financing arrangements from time to time, with banks. The financing arrangements availed by our Company include, inter alia, term loans and working capital facilities. For further details, please refer “Financial Indebtedness” on page 217.

As on July 16, 2024, our total outstanding borrowings amounted to ₹ 263.13 lakhs. Our Company proposes to utilize an estimated amount of up to ₹ 263.50 lakhs from the Net Proceeds towards pre- payment or scheduled repayment of all or a portion of certain loans availed by our Company. The Net Proceeds shall be utilised towards prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company during Fiscal 2024.

We believe that the pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion and decrease in cost.

The following table provides details of loans and facilities which are proposed to be pre-paid or partly or fully repaid by our Company from the Net Proceeds:

S. No.	Name of the entity	Date of Sanction / Disbursement of loan	Principle Amount (in Rs. Lakhs)	Outstanding loans as at July 16 th , 2024 (in Rs. Lakhs)	Purpose of availing loans	Interest rate (%) P. A	Whether repayable on demand	Prepayment penalties, if any
Secured Loan								
1	Kotak Mahindra Bank-GECL	25 th May 2024	13.04	7.48	Working Capital term loan	7.25 %	No	No prepayment charges
2	Kotak Mahindra Bank- TL 1	25 th May 2024	50.26	42.89	Plant & Machinery	9.75 % p.a. consisting of applicable EBLR rate (RPRR) @ 6.50% p.a. and the spread @ 3.25% p.a.	No	No prepayment charges
3	Kotak Mahindra Bank- TL 2	25 th May 2024	17.21	13.37	Plant & Machinery	9.75 % p.a. consisting of applicable EBLR rate (RPRR) @ 6.50% p.a. and the spread @ 3.25% p.a.	No	No prepayment charges
4	Kotak Mahindra Bank- TL 4	25 th May 2024	9.17	8.65	Plant & Machinery	9.75 % p.a. consisting of applicable EBLR rate (RPRR) @ 6.50% p.a.	No	No prepayment charges

S. No.	Name of the entity	Date of Sanction / Disbursement of loan	Principle Amount (in Rs. Lakhs)	Outstanding loans as at July 16 th , 2024 (in Rs. Lakhs)	Purpose of availing loans	Interest rate (%) P. A	Whether repayable on demand	Prepayment penalties, if any
Secured Loan								
						and the spread @ 3.25% p.a.		
5	Kotak Mahindra Bank- TL 5	25 th May 2024	96.85	90.74	Plant & Machinery	9.75 % p.a. consisting of applicable EBLR rate (RPRR) @ 6.50% p.a. and the spread @ 3.25% p.a.	No	No prepayment charges
6	Kotak Mahindra Bank- TL 0036	25 th May 2024	100	100	Immovable industrial property	9.75 % p.a. consisting of applicable EBLR rate (RPRR) @ 6.50% p.a. and the spread @ 3.25% p.a.	No	No prepayment charges
	Total		286.53	263.13				

10.13% of the total loans to be repaid out of the IPO proceeds as on date of DRHP.

Interim Use of Fund

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

SECTION V – ABOUT THE COMPANY

OUR BUSINESS

OVERVIEW

We are a tier-1 (tier-1 companies are companies that directly supply to original equipment manufacturers (“OEMs”)) automotive component group. We design, manufacture and supply, exterior plastic components, interior cabin components, under the hood components to commercial vehicle OEMs directly. We are an IATF-16949, ISO 9001:2015, and ISO 14001:2004 specialised plastic injection and blow mould components manufacturer. We manufacture a wide variety of injection and blow moulded plastic articles for a broad group of industries and applications. Our products broadly include automotive parts, plastic industrial components and packaging components, which cater to a diverse range of industries. We specialise in manufacturing of automotive parts and have manufactured over 600 components across three manufacturing units strategically located in India. We use blow moulding and injection moulding technologies for manufacturing our products. Our product verticals include the following:

REVENUE BREAK-UP

- b) The following is the revenue breakup of the top ten customers of our Company during the ten month period ended January 31, 2024 and Fiscals 2023, 2022 and 2021:

Our business is dependent on certain major customers, with whom we do not have firm commitment agreements. For further details see “Risk Factor – Risk Factor 1 - Our business is dependent on certain major customers, with whom we do not have firm commitment agreements. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular vehicle model of which we are a significant supplier could adversely affect our business, results of operations and financial condition.”

The details with respect to the export sales and % Contribution of export sales to total revenue have been provided below:

Details of Exports				
Year	Income from Export (Rs in Lakhs)	Country of Export	Total Income (Rs in Lakhs)	Percentage of Total Income
2020-21	11.89	France	2797.95	0.42%
2021-22	38.62	France	3104.78	1.24%
2022-23	No Export			
2023-24				

The details with respect to employee and related costs/ expenses, and its % of revenue have been provided below:

(₹ in Lakhs)

Year	Employee Expense	Total Revenue	Percentage of Total Revenue
2020-21	134.69	2,797.95	4.81
2021-22	180.11	3,104.78	5.80
2022-23	222.02	4,404.83	5.04
2023-24	206.86	3,940.1	5.25

HUMAN RESOURCE

Details of total number of employees (including the workers on the payroll of the company) has been provided below:

Number of department-wise employees:

Sr. No.	Division / Department	Number of Employee
1.	Top Management	7
2.	Operations	2
3.	Quality Assurance	5
4.	New product development	5
5.	Production	5
6.	Assembly	2
7.	Fabrication	2
8.	Maintenance	2
9.	Sales and marketing	3
10.	Stores	2
11.	Production planning and control	1
12.	Purchase	1
13.	Accounts	2
	Total	39

Number of Unit-wise and process-wise workers:

Sr. No.	Unit	No. of Workers
	Pithampur	50
1.	Assembly	31
2.	Dispatch	2
3.	Moulding	12
4.	Store	5
	Vasai	6
5.	Assembly	2
6.	Moulding	4
	Total	56

The rate of attrition is very low in our Company, since of company is having a history of employees working with the organisation for a longer period of time.

OUR MANAGEMENT

Our Key Managerial Personnel

Vijay Kripashankar Vishwakarma, aged 38 years, is the Chief Financial Officer of our Company. He attended University of Mumbai to pursue bachelor's degree in commerce. In the past, he was associated Arin Infrastructure Private Limited in the capacity of a senior accountant; with Sukh Sagor Institute Limited in the capacity of accountant; with Riel Infrastructure Private Limited in the capacity of accountant and with Cash Fire Services in the capacity of accountant. He has experience of more than 12 years in the field of accounting and finance. He has been associated with our Company since April 1, 2024, and therefore has not received any remuneration in the preceding Fiscal.

OUR PROMOTERS AND PROMOTER GROUP

Other Confirmations

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 this Draft Red Herring Prospectus against our Promoters. Except as mentioned under – “*Litigation involving our Promoter - Cases filed against our Promoters – Criminal Proceedings*” in the chapter titled “*Outstanding Litigation and Material Developments*” on page 225.

SECTION VI – FINANCIAL INFORMATION

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

RATIONALE FOR INCREASED PAT MARGIN IN THE STUB PERIOD ENDED 31ST JANUARY 2024

Following are the head points for “increase in PAT Margin” -

1. Acquisition of new plant at Pithampur and consequent increase in production capacity
2. Shift towards High-Value Part Orders
3. Reduction in Rejection Levels
4. Systematic Procurement and Cash Purchases
5. Post-Pandemic Recovery and Demand Surge

FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

Income:

Total Income has increased by 41.87% from Rs.3,104.78 Lakhs in Fiscal Year 2022 to Rs.4,404.83 Lakhs for the Fiscal Year Ended 2023. The Increase in Revenue is due to gradual increase in the number of parts and high value parts from 425 in the year 2022 to 500 in the year 2023.

Net Profit after Tax and Extraordinary items:

Net Profit after tax, extraordinary items and Minority interest has increased by 105.03% from Rs 77.70 Lakhs for the fiscal Year 2022 to Rs.159.32 Lakhs for the Fiscal year 2023, due to -

- Reducing the process costs which were earlier processed by Third Party Vendors which results into purchased at higher price.
- Company is purchasing its raw material purely on cash Basis and not credit thereby trying to avail maximum discounts and offers from the suppliers which consecutively benefits the Company.
- Procurement costs have reduced due to systematic procurement of Raw material resulting in the increase in the Net Profit after Tax (NPAT).