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

DRAFT RED HERRING PROSPECTUS
Dated January 21, 2025
Please read Section 32 of the Companies Act 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

KENT R O SYSTEMS LIMITED

CORPORATE IDENTITY NUMBER: U41000DL2007PLC161952

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
H-35, South Extension – Part 1, Kidwai Nagar, New Delhi, Delhi 110 049, India	E-6, 7 and 8, Sector 59, Noida 201 309, Uttar Pradesh, India	Punit Kumar Trivedi *Company Secretary and Compliance Officer*	**E-mail:** investors@kent.co.in **Tel:** +91 120 307 5000	www.kent.co.in

OUR PROMOTERS: MAHESH GUPTA, SUNITA GUPTA, VARUN GUPTA, MAHESH VARUN PRIVATE FAMILY TRUST, SUNITA SURBHI PRIVATE FAMILY TRUST AND SUNITA VARUN PRIVATE FAMILY TRUST

DETAILS OF THE OFFER TO PUBLIC

Type	Fresh Issue size	Offer for Sale size	Total Offer size	Eligibility and share reservation
Offer for Sale	Not applicable	Up to 10,094,568 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	Up to 10,094,568 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" on page 354. For details of share reservation among QIBs, RIIs, NIIs and Eligible Employees, see "***Offer Structure***" on page 372.

DETAILS OF THE PROMOTER SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholder	Type	Number of Equity Shares offered/ amount (₹ in million)	Weighted average cost of acquisition per Equity Share (in ₹)(1)
Mahesh Gupta	Promoter Selling Shareholder	Up to 5,635,088 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.09
Sunita Gupta	Promoter Selling Shareholder	Up to 3,360,910 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.09
Varun Gupta	Promoter Selling Shareholder	Up to 1,098,570 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.09

(1) *As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025. For details of the Promoter Selling Shareholders and their average cost of acquisition per Equity Share of face value of ₹1 each, see "**Offer Document Summary - Average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders**" on page 19.*

RISKS IN RELATION TO THE OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The current face value of our Equity Shares is ₹1 each. The Floor Price, Cap Price and the Offer Price (as determined by our Company in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares of face value of ₹1 each by way of the Book Building Process, in accordance with SEBI ICDR Regulations, as stated in "***Basis for Offer Price***" on page 98, should not be taken to be indicative of the market price of the Equity Shares of face value of ₹1 each after the Equity Shares of face value of ₹1 each are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of face value of ₹1 each or regarding the price at which the Equity Shares of face value of ₹1 each will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares of face value of ₹1 each have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 26.

ISSUER'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of face value of ₹1 each that will be offered through the Red Herring Prospectus are proposed to be listed on the stock exchanges being BSE Limited (the "**BSE**") and National Stock Exchange of India Limited (the "**NSE**", and together with the BSE, the "**Stock Exchanges**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS			
NAME AND LOGO OF THE BOOK RUNNING LEAD MANAGERS		**CONTACT PERSON**	**TELEPHONE AND E-MAIL**
	Motilal Oswal Investment Advisors Limited	Ronak Shah	**Tel:** +91 22 7193 4380 **E-mail:** kent.ipo@motilaloswal.com
	JM Financial Limited	Prachee Dhuri	**Tel:** +91 22 6630 3030 **E-mail:** kentro.ipo@jmfl.com

REGISTRAR TO THE OFFER		
NAME OF REGISTRAR	**CONTACT PERSON**	**TELEPHONE AND E-MAIL**
KFin Technologies Limited	Murali Krishna	**Tel:** +91 40 6716 2222 **E-mail:** einward.ris@kfintech.com

BID/OFFER PERIOD					
ANCHOR INVESTOR BIDDING DATE[1]	[●]	**BID/OFFER OPENS ON**	[●]	**BID/OFFER CLOSES ON[2][3]**	[●]

[1] Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
[2] Our Company, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
[3] UPI mandate end time and date shall be at 5:00 PM on Bid/Offer Closing Date.

KENT R O SYSTEMS LIMITED

Our Company was incorporated as "Kent R O Systems Private Limited", a private limited company under the Companies Act, 1956 on April 12, 2007, pursuant to a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Upon the conversion of our Company from a private limited company to a public limited company, pursuant to Board and Shareholders' resolutions each dated April 27, 2007, the name of our Company was changed to "Kent R O Systems Limited" and a fresh certificate of incorporation dated May 22, 2007 was granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. For details in relation to the changes in the registered office of our Company, see "***History and Certain Corporate Matters - Changes in the registered office of our Company***" on page 214.

Corporate Identity Number: U41000DL2007PLC161952

Registered Office: H-35, South Extension – Part 1, Kidwai Nagar, New Delhi, Delhi 110 049, India; **Corporate Office**: E-6, 7 and 8, Sector 59, Noida 201 309, Uttar Pradesh, India
Contact Person: Punit Kumar Trivedi, Company Secretary and Compliance Officer; **Tel**: +91 120 307 5000; **E-mail**: investors@kent.co.in; **Website**: www.kent.co.in

OUR PROMOTERS: MAHESH GUPTA, SUNITA GUPTA, VARUN GUPTA, MAHESH VARUN PRIVATE FAMILY TRUST, SUNITA SURBHI PRIVATE FAMILY TRUST AND SUNITA VARUN PRIVATE FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO 10,094,568 EQUITY SHARES OF FACE VALUE OF ₹1 EACH (THE "EQUITY SHARES") OF KENT R O SYSTEMS LIMITED ("OUR COMPANY" OR "THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER", AND SUCH EQUITY SHARES BEING OFFERED IN THE OFFER, THE "OFFERED SHARES") THROUGH AN OFFER FOR SALE OF UP TO 5,635,088 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹[●] MILLION BY MAHESH GUPTA, UP TO 3,360,910 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹[●] MILLION BY SUNITA GUPTA, AND UP TO 1,098,570 EQUITY SHARES OF FACE VALUE ₹1 EACH AGGREGATING UP TO ₹[●] MILLION BY VARUN GUPTA (THE "OFFER FOR SALE", AND SUCH SHAREHOLDERS OFFERING THEIR RESPECTIVE PORTION OF THE OFFERED SHARES ARE TOGETHER REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDERS" OR THE "SELLING SHAREHOLDERS").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹1 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), 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 price at which Equity Shares of face value of ₹1 each are allocated to Anchor Investors (the "**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares of face value of ₹1 each shall be added to the QIB Category (other than Anchor Investor Portion) ("**Net QIB Category**"). Further, 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Category 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. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Category, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Category for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors ("**NIIs**") (the "**Non-Institutional Category**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with a Bid size of more than ₹1,000,000 provided that under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors ("**RIIs**") (the "**Retail Category**"), 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) shall mandatorily participate in this Offer through the Application Supported by Block Amount ("**ASBA**") process, and shall provide details of their respective bank account, including UPI ID (defined hereinafter) for UPI Investors (defined hereinafter) in which the Bid Amount will be blocked by the SCSBs or the Sponsor Banks, as the case may be. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, specific attention is invited to "***Offer Procedure***" on page 377.

RISKS IN RELATION TO THE OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹1 each. The Floor Price, the Cap Price and the Offer Price, as determined and justified by our Company in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares of face value of ₹1 each by way of the Book Building Process, in accordance with SEBI ICDR Regulations, as stated in "***Basis for Offer Price***" on page 98, should not be taken to be indicative of the market price of the Equity Shares of face value of ₹1 each after the Equity Shares of face value of ₹1 each are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of face value of ₹1 each or regarding the price at which the Equity Shares of face value of ₹1 each will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares of face value of ₹1 each have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 26.

ISSUER'S AND PROMOTER SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of face value of ₹1 each that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares of face value of ₹1 each pursuant to letters dated [●] and [●], respectively. For the purpose of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the Registrar of Companies, Delhi and Haryana, at New Delhi ("**RoC**") in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 422.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
MOTILAL OSWAL INVESTMENT BANKING	JM FINANCIAL	KFINTECH EXPERIENCE TRANSFORMATION
Motilal Oswal Investment Advisors Limited 10th Floor, Motilal Oswal Tower Rahimtullah Sayani Road Opposite Parel ST Depot, Prabhadevi Mumbai 400 025 Maharashtra, India **Telephone**: +91 22 7193 4380 **E-mail**: kent.ipo@motilaloswal.com **Investor grievance e-mail**: moiaplredressal@motilaloswal.com **Website**: www.motilaloswalgroup.com **Contact person**: Ronak Shah **SEBI Registration No.**: INM000011005	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025, Maharashtra, India **Telephone**: +91 22 6630 3030 **E-mail**: kentro.ipo@jmfl.com **Investor Grievance email**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.**: INM000010361	**KFin Technologies Limited** Selenium, Tower B, Plot 31-32, Financial District Nanakramguda, Serilingampally Mandal Hyderabad 500 032 Telangana, India **Tel**: +91 40 6716 2222 / 18003094001 **E-mail**: einward.ris@kfintech.com **Investor Grievance E-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: Murali Krishna **SEBI Registration No**: INR000000221

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE [1]	[●]	BID/OFFER OPENS ON	[●]	BID/OFFER CLOSES ON [2][3]	[●]

(1) Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
(2) Our Company, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
(3) UPI mandate end time and date shall be at 5:00 PM on Bid/Offer Closing Date.

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies or unless otherwise specified, the following terms and abbreviations have the following meanings in this Draft Red Herring Prospectus, and references to any statute or rules or guidelines or regulations or circulars or notifications or policies will include any amendments, clarifications, modifications, replacements or re-enactments notified thereto, from time to time.

*Unless the context otherwise indicates, all references to "**the Company**", or "**our Company**" or "**the Issuer**", are references to Kent R O Systems Limited, a company incorporated in India under the Companies Act 1956 with its registered office at H-35, South Extension – Part 1, Kidwai Nagar, New Delhi, Delhi 110 049, India. Furthermore, unless the context otherwise indicates, all references to the terms "**we**", "**us**" and "**our**" are to our Company (including our erstwhile subsidiary Dreamland Exim Private Limited, on a consolidated basis, where applicable).*

*The words and expressions used but not defined in this Draft Red Herring Prospectus will (to the extent applicable) have the same meaning as assigned to such terms under the SEBI ICDR Regulations, Companies Act 2013, the Securities and Exchange Board of India Act, 1992, as amended (the "**SEBI Act**"), the Securities Contracts (Regulation) Act, 1956, as amended (the "**SCRA**"), the Depositories Act, 1996, as amended (the "**Depositories Act**") and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in "**Capital Structure**, "**Objects of the Offer**", "**Basis for Offer Price**", "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**History and Certain Corporate Matters**", "**Restated Consolidated Financial Information**", "**Financial Indebtedness**", "**Outstanding Litigation and Material Developments**", "**Government and Other Approvals**", "**Offer Procedure**" and "**Main Provisions of the Articles of Association**" on pages 79, 95, 98, 110, 119, 206, 214, 245, 313, 343, 347, 377, and 398, respectively, will have the meaning ascribed to such terms in these respective sections.*

Company and Selling Shareholder Related Terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board, constituted in accordance with the Companies Act, 2013, and the SEBI Listing Regulations, and as described in "***Our Management – Corporate Governance – Committees of the Board***" on page 226
Auditors/Statutory Auditors	The current statutory auditors of our Company, being Walker Chandiok & Co LLP
Board/Board of Directors	The board of directors of our Company, as described in "***Our Management – Board of Directors***" on page 221
Chairman and Managing Director	The chairman and managing director of our Company, namely Mahesh Gupta
Chief Financial Officer/CFO	Chief financial officer of our Company, namely Sanjay Johri
Compliance Officer and Company Secretary	The compliance officer and company secretary of our Company, namely Punit Kumar Trivedi
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Companies Act, 2013, and as described in "***Our Management – Corporate Governance – Committees of the Board***" on page 226
Corporate Office	The corporate office of our Company situated at E-6, 7 and 8, Sector 59, Noida 201 309, Uttar Pradesh, India
Director(s)	The director(s) on our Board of Directors and as described in "***Our Management – Board of Directors***" on page 221
Dreamland	The erstwhile subsidiary of our Company, namely Dreamland Exim Private Limited
Equity Shares	The equity shares of our Company having a face value of ₹1 each
ESOP Scheme	Kent Employee Stock Option Scheme
Executive Director(s)	The executive director(s) on our Board of Directors and as described in "***Our Management – Board of Directors***" on page 221
Group Companies	Our group companies identified in accordance with SEBI ICDR Regulations, whereunder the term 'group company' includes (i) companies (other than our corporate Promoters) with which

Term	Description
	there were related party transactions during the six months ended September 30, 2024 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2021 in accordance with Ind AS 24, and (ii) any other companies as considered material by our Board, in accordance with our Materiality Policy, as described in "***Our Group Companies***" on page 351
Independent Director(s)	Independent director(s) on our Board who are eligible to be appointed as independent directors under the provisions of the Companies Act 2013 and the SEBI Listing Regulations and as described in "***Our Management – Board of Directors***" on page 221
Industry Report/ Technopak Report	Report titled "*Industry Report on Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India*" dated January 9, 2025 prepared by Technopak, commissioned and paid for by our Company pursuant to an engagement letter dated October 7, 2024 executed amongst our Company and Technopak
IPO Committee	The IPO committee of our Board constituted to facilitate the process of the Offer, comprising Mahesh Gupta and Varun Gupta
Joint CFO(s)	The joint chief financial officers of our Company, namely Navin Kumar Rajvanshi and Ratan Kumar Srivastava
Joint Managing Director	The joint managing director of our Company, namely Varun Gupta
Key Managerial Personnel/KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "***Our Management – Key Managerial Personnel of our Company***" on page 235
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated January 8, 2025 for identification of companies to be disclosed as Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the requirements under the SEBI ICDR Regulations
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Noida Facility I	Manufacturing facility of our Company situated at A6, Sector 87, Phase II, Noida, Uttar Pradesh, India
Noida Facility II	Manufacturing facility of our Company situated at A7, Sector 87, Phase II, Noida, Uttar Pradesh, India
Noida Facility III	Manufacturing facility and warehouse of our Company situated at Plot No. 3, Sector 155, Noida, Uttar Pradesh, India
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "***Our Management – Corporate Governance – Committees of the Board***" on page 226
Non-Executive Non-Independent Director	The non-executive non-independent director on our Board of Directors and as described in "***Our Management – Board of Directors***" on page 221
Previous Statutory Auditors	The previous statutory auditors of our Company, being SNR & Company, Chartered Accountants
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Our Promoter and Promoter Group***" on page 238
Promoter Licensing Agreement	Agreement entered into between our Promoter, Mahesh Gupta and our Company dated April 1, 2023, as amended by addendum to the agreement dated January 1, 2025
Promoter Selling Shareholder(s)/Selling Shareholder(s)	The promoter selling shareholders, together Mahesh Gupta, Sunita Gupta and Varun Gupta
Promoter(s)	The promoters of our Company, namely Mahesh Gupta, Sunita Gupta, Varun Gupta, Mahesh Varun Private Family Trust, Sunita Surbhi Private Family Trust and Sunita Varun Private Family Trust
Registered Office	The registered office of our Company, situated at H-35, South Extension – Part 1, Kidwai Nagar, New Delhi, Delhi 110 049, India
Repair Shop I	Repair shop of our Company located at Plot No. 4B, Toycity, Ecotech-III, Greater Noida, Uttar Pradesh, India
Repair Shop II	Repair Shop of our Company located at A – 3, Block B – 1, Mohan Cooperative Industrial Estate Mathura Road, New Delhi 110 044, India
Research and Development Lab	The research and development lab of our Company located at our Corporate Office.
Restated Consolidated Financial Information	Restated consolidated financial information of our Company and erstwhile subsidiary Dreamland (the Company and its subsidiary together referred to as the "**Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flow for the six months period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Material Accounting Policies and Other Explanatory

Term	Description
	Information (collectively, the "**Restated Consolidated Financial Information**"), prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time and included in "***Restated Consolidated Financial Information***" on page 245
Risk Management Committee	The risk management committee of our Board, constituted in accordance with the SEBI Listing Regulations, and as described in "***Our Management – Corporate Governance – Committees of the Board***" on page 226
RoC/Registrar of Companies	Registrar of Companies, Delhi and Haryana, at New Delhi
Roorkee Facility	Manufacturing facility of our Company situated at Khasra No. 93, Village Bantakhedi, Roorkee District, Haridwar, Uttarakhand, India
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as described in "***Our Management – Senior Management of our Company***" on page 235
Shareholders	The equity shareholders of our Company from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, constituted in accordance with Companies Act, 2013, and the SEBI Listing Regulations, and as described in "***Our Management – Corporate Governance – Committees of the Board***" on page 226
Technopak	Technopak Advisors Private Limited

Offer Related Terms

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

Term	Description
	and includes a bank account maintained by a UPI Investor linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Investors using the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank(s)
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" on page 377
Bid(s)	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to the submission of an ASBA form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible 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 Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable In the case of Retail Individual Investors Bidding at the Cut-off Price, the Bid Amount is the Cap Price multiplied by the number of Equity Shares Bid for by such RII and mentioned in the Bid cum Application Form. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid Amount shall be Cap Price, multiplied by the number of Equity Shares Bid by such Eligible Employee and mentioned in the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bid, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located). In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks. Our Company in consultation with the BRLMs may consider closing the Bid/ Offer Period for the QIB Category one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located)
Bid/ Offer Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Our Company in consultation with the BRLMs, may consider closing the Bid/ Offer Period for the QIB Category one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bidder/Applicant/ Investor	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, and includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs

Term	Description
Book Building Process	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer, in this case being Motilal Oswal and JM Financial
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms (in case of UPI Investors only ASBA Forms under UPI) to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges and updated from time to time
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% and not greater than 120% of the Floor Price
Client ID	Client identification number of the Bidder's beneficiary account
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time
Collecting Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where ASBA Bidders can submit the ASBA Forms (in case of UPI Investors only ASBA Forms under UPI). The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and /or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where ASBA Bidders can submit the ASBA Forms (in case of UPI Investors only ASBA Forms under UPI). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
DP/ Depository Participant	A depository participant as defined under the Depositories Act
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated January 21, 2025 filed with SEBI and Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, and includes any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares

Term	Description
Eligible Employee	Permanent employees of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is working and present in India or abroad as on the date of submission of the ASBA Form; or Directors of our Company, whether whole-time or otherwise, not holding either himself/herself or through their relatives or through any body corporate, directly or indirectly, more than 10% of the outstanding Equity Shares (excluding Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until submission of the ASBA Form and is working and present in India or abroad as on the date of submission of the ASBA Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an undersubscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating up to ₹[●] million which shall not exceed 5% of the post Offer Equity share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	Account(s) opened with the Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS or NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the BRLMs, and Banker(s) to the Offer for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account, and where applicable remitting refunds, if any, to such Bidders, on the terms and conditions thereof
Escrow Bank/Escrow Collection Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
General Information Document/GID	The general information document for investing in public issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
JM Financial	JM Financial Limited
Motilal Oswal	Motilal Oswal Investment Advisors Limited
Mutual Fund Portion	Up to 5% of the Net QIB Category 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
Net Offer	The Offer, less the Employee Reservation Portion
Net QIB Category	The QIB Category less the Anchor Investor Portion
Non-Institutional Category	The portion of the Offer being not less than 15% of the Net Offer, or [●] Equity Shares, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds shall be available for allocation to Bidders with a Bid size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/ NIIs	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors or the Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Offer	The initial public offer of up to 10,094,568 Equity Shares of face value of ₹1 each for cash at a price of ₹[●] per Equity Share aggregating up to ₹[●] million through an Offer for Sale by the Promoter Selling Shareholders

Term	Description
Offer Agreement	The agreement dated January 21, 2025 entered into among our Company, the Promoter Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 10,094,568 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholders, comprising up to 5,635,088 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Mahesh Gupta, up to 3,360,910 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Sunita Gupta, and up to 1,098,570 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Varun Gupta, in terms of the Red Herring Prospectus and the Prospectus
Offer Price	₹[●] per Equity Share, the final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company, in consultation with the BRLMs, in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus
Offered Shares	Up to 10,094,568 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million being offered for sale by the Promoter Selling Shareholders in the Offer, comprising up to 5,635,088 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Mahesh Gupta, up to 3,360,910 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Sunita Gupta, and up to 1,098,570 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by Varun Gupta
Price Band	Price band ranging from a Floor Price of ₹[●] per Equity Share to a Cap Price of ₹[●] per Equity Share, including revisions thereof, if any. The Price Band will be decided by our Company, in consultation with the BRLMs, and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and advertised in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is situated), at least two Working Days prior to the Bid/ Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Sections 26 and 32 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act 2013 to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations, with whom the Public Offer Account is opened for collection of Bid Amounts from the Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
QIB Category	The portion of the Offer, being not more than 50% of the Net Offer, or [●] Equity Shares, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers/ QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank	The bank which is a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, and other applicable circulars issued by SEBI
Registrar Agreement	The agreement dated January 15, 2025 entered into among our Company, the Promoter Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer

Term	Description
Registrar and Share Transfer Agents or RTAs	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
Registrar to the Offer	KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)
Retail Category	The portion of the Offer, being not less than 35% of the Net Offer, or [●] Equity Shares, available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Retail Individual Investors/RIIs	Individual Bidders, whose Bid Amount for Equity Shares in the Offer is not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs) and does not include NRIs (other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during Bid/ Offer period and withdraw their Bids until Bid/ Offer Closing Date
Self-Certified Syndicate Banks/ SCSBs	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in Public Issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intm Id=43. The said list shall be updated on SEBI website from time to time.
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, in this case being [●]
Share Escrow Agreement	Agreement dated [●] to be entered into among the Promoter Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms, a list of which will be included in the Bid cum Application Form
Sponsor Banks	The Bankers to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request by a UPI Investor in accordance with the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE and NSE
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Promoter Selling Shareholders and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate or members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among our Company, the Promoter Selling Shareholders and the Underwriters, on or after the Pricing Date but before filing of the Prospectus
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI RTA Master Circular (to the extent that such circulars pertain to the UPI Mechanism), SEBI ICDR Master Circular, NSE circulars (23/2022) dated July 22, 2022 and (25/2022) dated August 3, 2022, the BSE circulars (20220722-30) dated July 22, 2022 and (20220803-40) dated August 3, 2022 and any

Term	Description
	subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard from time to time
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Investors	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Category; (ii) Eligible Employees in the Employee Reservation Portion; and (iii) individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹500,000 in the Non-Institutional Category, and Bidding under the UPI Mechanism. Pursuant to the SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investors to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Banks to authorise blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by UPI Investors to make Bids in the Offer in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business, provided however, (i) for the purpose of announcement of the Price Band and the Bid/ Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business; and (ii) with reference to the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India, as per the circulars issued by SEBI from time to time

Technical/ Industry Related Terms

Term	Description
BIS	Bureau of Indian Standards
BLDC	Brushless Direct Current
CBUs	Completely built units
CKD	Completely knocked-down
CPC	Central Police Canteen
CRM	Customer relationship management
CSD	Canteen Stores Department
IoT	Internet of Things
OTT	Over-the-top media service
RO	Reverse Osmosis
RPMs	Revolutions per minute
SKD	Semi-knocked-down
SKUs	Stock Keeping Units
TDS	Total Dissolved Solids
UF	Ultrafiltration
UV	Ultraviolet
UV LEDs	Ultraviolet light-emitting diodes

Key performance indicators

Metric	Description
Revenue from Operations	Revenue from Operations is as per the Restated Consolidated Financial Information
Revenue Growth (YoY) (in %)	Revenue Growth (YoY) (in %) refers to (Relevant year Revenue from Operations minus previous year Revenue from Operations) divided by previous year Revenue from Operations multiplied by 100
Revenue from Operations by geography	Revenue from Operations by geography is the revenue from operations generated by the company from within India and outside India
Revenue from Operations by Product Category	Revenue from Operations by product category namely water purifiers and water softeners, kitchen & home appliances, fans and others for the year / period

Metric	Description
Revenue from Operations by Product Category as a percentage of Revenue from Operations (in %)	Revenue from Operations by Product Category divided by Revenue from Operations multiplied by 100
EBITDA	EBITDA is calculated as profit before tax from continuing operations plus (a) finance costs and (b) depreciation and amortization expense, and less (c) other income
EBITDA Margin (in %)	EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
Profit after tax for the period/ year	Profit after tax from continuing operations for the period/ year is as per the Restated Consolidated Financial Information
PAT Margin (in %)	PAT Margin is calculated as profit after tax from continuing operations divided by total income
Return on Equity/RoE (in %)	Return on Equity is calculated as profit after tax from continuing operations divided by total equity
Advertisement and business promotion expenses as a percentage of Revenue from Operations (in %)	Advertisement and business promotion expenses as per the Restated Consolidated Financial Information divided by the Revenue from Operations as per the Restated Consolidated Financial Information for the year / period

Conventional and General Terms and Abbreviations

Term	Description
"₹"/ "Rs."/ "Rupees"/ "INR"	Indian Rupees, the official currency of the Republic of India
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
AS	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
Banking Regulation Act	Banking Regulation Act, 1949
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	The period of 12 months ending December 31 of that particular year
Category I AIFs	AIFs who are registered as "Category I 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 AIFs	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIFs	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013	Companies Act 2013, as amended read with rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy/FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID – 2019/ COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder
Depository	A depository 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 Identity Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (*formerly Department of Industrial Policy and Promotion*), GoI
EPS	Earnings per Share
FDI	Foreign Direct Investment

Term	Description
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Laws	FEMA Rules and Consolidated FDI Policy
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year"/"Fiscal"/"Fiscal Year"	Unless stated otherwise, the period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000) registered with SEBI
"GoI"/ "Central Government"	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board
Income Tax Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act 2013
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015
"INR"/ "Indian Rupees"/ "Rupee"/ "₹"/ "Rs."	Indian Rupee, the official currency of the Republic of India
IST	Indian Standard Time
Labour Codes	(i) the Code on Wages, 2019; (ii) the Code on Social Security, 2020; (iii) the Occupational Safety, Health and Working Conditions Code, 2020; and (iv) the Industrial Relations Code, 2020
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
NPCI	National Payments Corporation of India
"NR"/ "Non-resident"	A person resident outside India, as defined under the FEMA and includes an NRI
NRE Accounts	Non-Resident External accounts
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB"/ "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
"PAT"/ "Profit After Tax"	Profit for the period/year
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCORES	Securities and Exchange Board of India Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under section 3 of the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI ICDR Master Circular	SEBI master circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
"USA"/ "U.S."/ "US"	United States of America
VCF	Venture capital funds as defined in and registered with the SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled "***Risk Factors***", ***"The Offer", "Capital Structure",*** "***Objects of the Offer***", "***Industry Overview***", "***Our Business***", "***Our Promoter and Promoter Group***", "***Restated Consolidated Financial Information***", ***"Management's Discussions and Analysis of Financial Condition and Results of Operations",*** "***Outstanding Litigation and Material Developments***", "***Offer Procedure***" and "***Main Provisions of the Articles of Association***" on pages 26, 65, 79, 95, 119, 176, 238, 245, 315, 343, 377 and 398, respectively.

Summary of Business

We manufacture and sell water purifiers, water softeners and kitchen and home appliances under our brand 'Kent' and brushless direct current ("**BLDC**") fans under our brand 'Kuhl'. Over the years, we have introduced a range of products to address real-world challenges and cater to evolving consumer requirements. We focus on practical, user-centric solutions to differentiate us from competition and fuel our growth. Our water purifiers have received the NSF/ANSI 58 (an American national standard for point-of-use revenue osmosis systems) certification. We operate four manufacturing facilities: one in Roorkee, Uttarakhand and three in Noida, Uttar Pradesh.

For details, see "***Our Business***" on page 176.

Summary of Industry

The Indian water purifier market is expected to grow at a CAGR of approximately 10.1% till Fiscal 2029 to reach a market value of ₹14,350 crore while the total kitchen appliances market is projected to grow at a CAGR of approximately 8.5% till Fiscal 2029 to reach a market value of ₹32,590 crore. Similarly, the total market for BLDC fans in India is further projected to grow at a CAGR of approximately 37% till Fiscal 2029 to reach a market value of ₹10,765 crore. (*Source: Technopak Report*)

For details, see "***Industry Overview***" on page 119.

Promoter

Our Promoters are Mahesh Gupta, Varun Gupta, Sunita Gupta, Mahesh Varun Private Family Trust, Sunita Surbhi Private Family Trust, and Sunita Varun Private Family Trust.

For details, see "***Our Promoter and Promoter Group***" on page 238.

Offer Size

The following table summarizes the details of the Offer.

Offer[(1)]	Up to 10,094,568 Equity Shares of face value of ₹1 each, aggregating up to ₹[●] million
of which	
Offer for Sale[(1)]	Up to 10,094,568 Equity Shares of face value of ₹1 each, aggregating up to ₹[●] million by the Promoter Selling Shareholders
which includes	
Employee Reservation Portion[(2)]	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million

(1) *The Offer has been authorized by a resolution by our Board of Directors dated January 8, 2025. The Promoter Selling Shareholders have also authorized their participation in the Offer for Sale. For details of authorizations received for the Offer for Sale, see "**Other Regulatory and Statutory Disclosures**" on page 353. Our Board of Directors has taken on record the approvals of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated January 8, 2025. Each Promoter Selling Shareholder has confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations.*

(2) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee*

*Reservation Portion after allocation of up to ₹500,000, shall be added to the Net Offer. For further details, see "**Offer Procedure**" and "**Offer Structure**" on pages 377 and 372, respectively.*

The Offer and Net Offer shall constitute [●]% and [●]%, respectively, of the post-Offer paid up Equity share capital of our Company. *See "**The Offer**" and "**Offer Structure**"* on pages 65 and 372, respectively.

Objects of the Offer

The objects of the Offer are to (i) to carry out the Offer for Sale of up to 10,094,568 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million by the Promoter Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all such proceeds will go to the Promoter Selling Shareholders.

For details, see "***Objects of the Offer***" on page 95.

Aggregate pre-Offer and post-Offer shareholding of our Promoters (which also includes the Promoter Selling Shareholders), and members of our Promoter Group

The aggregate pre-Offer Equity shareholding and percentage of the pre-Offer paid-up Equity Share capital, of each of our Promoters (which also includes the Promoter Selling Shareholders), and members of our Promoter Group as on the date of this Draft Red Herring Prospectus is set forth below:

Name	Pre-Offer		Post-Offer[(1)*]	
	Number of Equity Shares [(1)]	Percentage of pre-Offer Equity Share capital on a fully diluted basis[(1)] (%)	Number of Equity Shares	Percentage of post-Offer Equity Share capital (%)
Promoters				
Mahesh Gupta[(2)]	51,664,900	51.18	[●]	[●]
Sunita Gupta[(2)]	36,968,010	36.62	[●]	[●]
Varun Gupta[(2)]	12,084,270	11.97	[●]	[●]
Mahesh Varun Private Family Trust	1,000	Negligible	[●]	[●]
Sunita Surbhi Private Family Trust	1,000	Negligible	[●]	[●]
Sunita Varun Private Family Trust	1,000	Negligible	[●]	[●]
Total (A)	**100,720,180**	**99.77**	[●]	[●]
Promoter Group				
S.S. Appliances Private Limited	209,990	0.21	[●]	[●]
Ridhima Gupta	10,230	0.01	[●]	[●]
Surbhi Gupta	5,170	0.01	[●]	[●]
Kent Appliances	110	Negligible	[●]	[●]
Total (B)	**225,500**	**0.23**	[●]	[●]
Total (A+B)	**100,945,680**	**100.00**	[●]	[●]

(1) *Subject to completion of the Offer and finalization of the Allotment.*
(2) *Also a Promoter Selling Shareholder.*
**Will be updated in the Prospectus.*

For further details, see "***Capital Structure***" on page 79.

Summary of selected financial information derived from our Restated Consolidated Financial Information

(₹ in million other than share data)

Particulars	For the six months ended September 30, 2024	As at and for the Financial Year		
		2024	2023	2022
Equity share capital	9.18	9.66	9.66	9.86
Revenue from operations	6,371.88	11,781.85	10,843.93	10,473.67
Profit for the period/year	696.58	1,665.45	971.58	1,542.21
Basic earnings per share from continuing and discontinuing operations (in ₹)[(1)(2)]	6.75*	15.67	9.08	14.23

Particulars	For the six months ended September 30, 2024	As at and for the Financial Year		
		2024	2023	2022
Diluted earnings per share from continuing and discontinuing operations (in ₹)(1)(2)	6.75*	15.67	9.08	14.23
Total borrowings(3)	102.41	7.23	133.62	107.60
Net worth(4)	16,461.23	16,778.40	15,102.11	14,482.82
Net asset value per Equity Share(5)	159.49	157.90	141.09	133.57

* *Not annualized*

Notes:

(1) *Subsequent to six months period ended September 30, 2024, pursuant to a resolution passed in extraordinary general meeting of the Holding Company dated November 19, 2024, shareholders have approved split of each equity share having face value of ₹10 each into equity shares of face value of ₹1 each ('the split'). As prescribed under Ind AS 33, 'Earnings per Share', the Group has presented basic and diluted earnings per share after considering the aforementioned split of shares for the current as well as previous periods.*

(2) *Subsequent to six months period ended September 30, 2024, on November 19, 2024, the Board of Directors of the Holding Company has approved bonus issue in the ratio of 10 equity shares for every 1 existing equity share and the same has been duly approved by the shareholders of the Holding Company. Considering the bonus issue has happened before the date of approval of the consolidated financial statements and hence, as prescribed under Ind AS, the Group has presented basic and diluted earnings per share basis the new number of shares for current as well as previous periods.*

(3) *Total borrowings includes liabilities directly associated with assets classified as held for sale of ₹1.03 million.*

(4) *Net worth is calculated as equity attributable to shareholders of the Company less, (a) capital reserve; and (b) capital redemption reserve.*

(5) *Net asset value per Equity Share represents Net worth attributable to owners of the Company at the end of the period/year divided by the weighted average outstanding equity shares considered for basic earnings per share and diluted earnings per share from continuing and discontinuing operations.*

For further details, see "***Restated Consolidated Financial Information***" on page 245.

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

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

Summary of Outstanding Litigation

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

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation(1)	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Aggregate amount involved (₹ in million, except where stated otherwise)(2)
Company						
By the Company	1	N.A.	N.A.	Nil	N.A.	3.22
Against the Company	Nil	8	Nil	2(3)	N.A.	283.34
Directors						
By the Directors	Nil	N.A.	N.A.	Nil	N.A.	Nil
Against the Directors	Nil	1(5)	Nil	3(3)(4)	N.A.	120.65
Promoters						
By the Promoters	Nil	N.A.	N.A.	Nil	N.A.	Nil
Against the Promoters	Nil	1(5)	Nil	3(3)(4)	Nil	120.65

(1) *Determined in accordance with the Materiality Policy*

(2) *To the extent ascertainable and quantifiable*

(3) *Includes two civil litigations instituted against our Company, i.e., (i) the material civil litigation instituted against our Company, wherein our Promoter and Chairman and Managing Director, Mahesh Gupta and our Group Company, S.S. Appliances Private Limited are also impleaded as parties; and (ii) the material civil litigation instituted against our Company, wherein our Promoter and Chairman and Managing Director, Mahesh Gupta is also impleaded as a party.*

(4) *Includes the material civil litigation instituted against our Promoter and Chairman and Managing Director, Mahesh Gupta.*

(5) *Includes the tax proceeding against our Promoter and Chairman and Managing Director, Mahesh Gupta.*

Our Group Company, S.S. Appliances Private Limited has also been impleaded as a party in one of the material civil litigations involving our Company. Except as aforementioned, there is no outstanding litigation involving our Group Companies which may have a material impact on our Company. For further details see "***Outstanding Litigation and Material Developments***" on page 343.

Risk factors

Specific attention of Investors is invited to the section "***Risk Factors***" on page 26. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. The following is a summary of top ten risk factors in relation our Company:

1. We derive a substantial portion of our revenues from the sale of our water purifier and water softeners products (84.25% and 85.93% of our revenue from operations in the six months ended September 30, 2024 and Fiscal 2024, respectively). Our inability to anticipate and adapt to evolving consumer preferences and demand for water purifier products, or ensure product quality, may adversely impact demand for our products, brand loyalty and consequently our business, results of operations, financial condition and cash flows.
2. Our limited operating history in the kitchen and home appliances and fans product categories presents significant challenges. We may struggle to compete successfully against established competitors in these categories. Further, the historical growth rates we have experienced in these new product categories may not be indicative of our future performance.
3. The availability of counterfeit products, such as products passed off as our products by others, could have an adverse effect on our business, results of operations, financial condition and cash flows.
4. We operate in a competitive market and any increase in competition may adversely affect our business, results of operations, financial condition and cash flows.
5. Interruptions in the supply of raw materials or fluctuations in raw material prices could adversely affect our ability to manufacture our products and consequently our business, results of operations, financial condition and cash flows.
6. Our manufacturing facilities are subject to operating risks. Any slowdown or interruption to our manufacturing operations may have an adverse impact on our business, results of operations, financial condition and cash flows.
7. Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages, and if we are unable to engage new employees at commercially attractive terms.
8. Our operations are dependent on our ability to attract and retain qualified personnel, including our Key Managerial Personnel and Senior Management and any inability on our part to do so, could adversely affect our business, results of operations, financial condition and cash flows.
9. Our inability to effectively manage our growth or implement our growth strategies may have an adverse effect on our business, results of operations, financial condition and cash flows.
10. Our success also depends to an extent on our research and development capabilities and failure to derive the desired benefits from our product research and development efforts may hurt our competitiveness and profitability.

Summary of contingent liabilities of our Company

The following is a summary table of our contingent liabilities as per Ind AS 37 as on September 30, 2024, as indicated in our Restated Consolidated Financial Information:

Sr. No.	Particulars	As on September 30, 2024
1.	Disputed tax liabilities in respect of pending litigations before appellate authorities	163.34
2.	Corporate guarantees issued to bank against facilities sanctioned to dealers/distributors	3.72
	Total	**167.06**

For further details, see "***Restated Consolidated Financial Information***" on page 245.

Summary of Related Party Transactions

The following is the summary of the related party transactions derived from the Restated Consolidated Financial Information:

(₹ in million)

Related parties with whom transactions have taken place	Relationship with the Company	Nature of transaction	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Mahesh Gupta	Promoter	Salaries, wages, bonus, commission and other benefits	51.02	102.04	102.04	102.04
		Lease rent	3.60	3.73	2.10	1.65
		Royalty on intellectual property rights	72.92	134.64	123.74	79.30
		Buyback of shares	420.24	-	146.11	-
		Borrowings taken	-	1.03	-	-
Varun Gupta	Promoter	Salaries, wages, bonus, commission and other benefits	39.14	79.02	52.57	14.07
		Power and fuel	0.16	0.30	0.30	0.31
		Buyback of shares	98.29	-	34.18	-
Sunita Gupta	Promoter	Lease rent	0.30	0.06	-	-
		Buyback of shares	300.71	-	104.55	-
Ridhima Gupta	Promoter Group	Salaries, wages, bonus, commission and other benefits	3.02	6.04	6.04	6.04
		Buyback of shares	0.09	-	0.03	-
Surbhi Gupta	Promoter Group	Buyback of shares	0.03	-	0.01	-
		Sale of property, plant and equipment	-	50.00	-	-
Rasika Research and Design	Promoter Group	Legal and professional charges	-	0.30	3.60	3.60
S.S. Appliances Private Limited	Promoter Group and Group Company	Lease rent	2.17	4.27	3.81	3.81
		Purchase of stock-in-trade	-	-	0.10	0.07
		Buyback of shares	1.70	-	0.59	-
Imarti Media Private Limited	Promoter Group and Group Company	Advertisement and business promotion	181.93	294.46	401.08	422.21
		Miscellaneous expenses	-	-	-	0.26
Kent R O Systems Limited Employee Group Gratuity Trust	Post-employment benefit plan for employees of the Company	Contribution to gratuity fund	-	20.00	20.00	21.70
Kent Foundation	Promoter Group	Corporate social responsibility expense	-	-	91.60	22.70
Kent Appliances	Promoter Group	Purchase of stock-in-trade	-	-	-	0.54
Epitome Systems Private Limited	Promoter Group and Group Company	Purchase of raw materials	3.73	13.22	16.33	12.62
Arun Seth	Independent Director	Director sitting fees	0.10	0.15	0.20	0.10
Chetas G. Desai	Independent Director	Director sitting fees	0.10	0.15	0.20	0.10

For further details of the related party transactions and as reported in the Restated Consolidated Financial Information, see "***Restated Consolidated Financial Information - Notes forming part of the Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on page 300.

Financing arrangements

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

Details of price at which equity shares were acquired in the three years immediately preceding the date of this Draft Red Herring Prospectus

Except as stated below, neither the Promoters (which also includes the Promoter Selling Shareholders), nor any members of the Promoter Group, have acquired any Equity Shares in the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of acquirer/shareholder	Nature of the transaction	Nature of specified securities	Face value (in ₹)	Date of acquisition	Number of specified securities	Acquisition price per specified shares (in ₹)*
Promoters						
Mahesh Gupta**	Bonus	Equity Shares	1.00	November 19, 2024	46,969,000	Nil
Sunita Gupta**	Bonus			November 19, 2024	33,609,100	Nil
Varun Gupta**	Bonus			November 19, 2024	10,985,700	Nil
Mahesh Varun Private Family Trust	Transfer by way of gift from Mahesh Gupta			January 15, 2025	1,000	Nil
Sunita Surbhi Private Family Trust	Transfer by way of gift from Sunita Gupta			January 15, 2025	1,000	Nil
Sunita Varun Private Family Trust	Transfer by way of gift from Sunita Gupta			January 15, 2025	1,000	Nil
Promoter Group						
S.S. Appliances Private Limited	Bonus	Equity Shares	1.00	November 19, 2024	190,900	Nil
Ridhima Gupta	Bonus			November 19, 2024	9,300	Nil
Surbhi Gupta	Bonus			November 19, 2024	4,700	Nil
Kent Appliances	Bonus			November 19, 2024	100	Nil

**As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.*
***Also a Promoter Selling Shareholder.*

As on the date of this Draft Red Herring Prospectus, there are no Shareholders holding any special rights in our Company, including the right to nominate Directors on our Board.

Weighted average price at which equity shares were acquired in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which our Promoters (which also includes the Promoter Selling Shareholders) have acquired equity shares of our Company in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares acquired in last one year	Weighted average price of Equity Shares acquired in the last one year (in ₹)
Promoters		
Mahesh Gupta**	46,969,000	Nil
Sunita Gupta**	33,609,100	Nil
Varun Gupta**	10,985,700	Nil
Mahesh Varun Private Family Trust	1,000	Nil
Sunita Surbhi Private Family Trust	1,000	Nil
Sunita Varun Private Family Trust	1,000	Nil

**As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.*
***Also a Promoter Selling Shareholder.*

Average cost of acquisition of equity shares by our Promoters (which also includes the Promoter Selling Shareholders)

The average cost of acquisition per equity share of our Company by our Promoters (which also includes the Promoter Selling Shareholders), as on the date of this Draft Red Herring Prospectus is:

Sr. No.	Name	Number of Equity Shares held as on date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)*
Promoters			
1.	Mahesh Gupta**	51,664,900	0.09
2.	Sunita Gupta**	36,968,010	0.09
3.	Varun Gupta**	12,084,270	0.09
4.	Mahesh Varun Private Family Trust	1,000	Nil
5.	Sunita Surbhi Private Family Trust	1,000	Nil
6.	Sunita Varun Private Family Trust	1,000	Nil

**As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.*
***Also a Promoter Selling Shareholder.*

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

The weighted average price for all Equity Shares acquired in one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus is mentioned below:

Period	Weighted average cost of acquisition (in ₹)	Cap Price is 'X' times the weighted average cost of acquisition(1)	Range of acquisition price: lowest price - highest price (in ₹)
Last one year	Nil(2)	[●]	Nil(2)
Last 18 months	Nil(3)	[●]	Nil(3)
Last three years	Nil(4)	[●]	Nil(4)

**As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.*

Notes:
(1) *To be updated in the Prospectus, once the price band information is available.*
(2) *There has been bonus issue and transfers by way of gift done in the last one year preceding the date of the Draft Red Herring Prospectus where cost of acquisition is Nil. Other than bonus issue, other transactions pertaining to shares in the last one year pertains to share split and share buyback having no affect on average cost of acquisition in the last one year.*
(3) *There has been bonus issue and transfers by way of gift done in the last eighteen months preceding the date of the Draft Red Herring Prospectus where cost of acquisition is Nil. Other than bonus issue, other transactions pertaining to shares in the last eighteen months pertains to share split and share buyback having no affect on average cost of acquisition in the last one year.*
(4) *There has been bonus issue and transfers by way of gift done in the last three years preceding the date of the Draft Red Herring Prospectus where cost of acquisition is Nil. Other than bonus issue, other transactions pertaining to shares in last three years pertains to share split and share buyback having no affect on average cost of acquisition in the last one year.*

Issue of equity shares for consideration other than cash or pursuant to bonus issue in the last one year

Except as mentioned below, our Company has not issued any equity shares for consideration other than cash or pursuant to bonus issue in the one year preceding the date of this Draft Red Herring Prospectus.

Our Company has made bonus issuance of 91,768,800 Equity Shares of face value of ₹1 each pursuant to resolutions of the Board and Shareholders, each dated November 19, 2024, out of the reserves and surplus of the Company. See "***Capital Structure - Equity shares issued through bonus issue or for consideration other than***

***cash*"** on page 83.

Split of Equity Shares in the last one year

Except as mentioned below, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus**:**

Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on November 19, 2024, the authorised share capital of our Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each into 15,000,000 Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 917,688 equity shares of face value of ₹10 each into 9,176,880 Equity Shares of face value of ₹1 each. See "***Capital Structure – Notes to Capital Structure – Equity share capital history of our Company***" on page 79.

Details of Pre-IPO Placement

Our Company is not contemplating a pre-IPO placement.

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

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

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

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references to the "Government", "Indian Government", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America and its territories and possessions.

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**").

Financial Data

Unless stated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from our Restated Consolidated Financial Information. The Restated Consolidated Financial Information comprises the Restated consolidated financial information of our Company and erstwhile subsidiary Dreamland (the Company and its subsidiary together referred to as the "**Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flow for the six months period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Material Accounting Policies and Other Explanatory Information (collectively, the "**Restated Consolidated Financial Information**"), prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

For further information of our Company's financial information, please see "***Financial Information***" on page 245.

There are significant differences between Indian GAAP, Ind AS, 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, 2013 Ind AS, 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. For details, see "***Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition***" on page 56.

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

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 place and all percentage figures have been rounded off to two decimal places. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 26, 176 and 315, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Consolidated Financial Information.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-generally accepted accounting principle ("**Non-GAAP**") measures such as, EBITDA, EBITDA margin, PAT Margin, Return on Equity, Net Worth and Return on Net Worth, Net Asset Value per Equity Share ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the period/year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. For further details see "***Other Financial Information - Non-GAAP Measures***" and "***Risk Factors – We have included in this Draft Red Herring Prospectus certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies***" on pages 310 and 55, respectively.

Industry and Market Data

For the purpose of confirming our understanding of the industry in connection with the Offer, we have commissioned and paid for a report titled *"Industry Report on Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India"* dated January 9, 2025 ("**Technopak Report**") prepared by Technopak Advisors Private Limited ("**Technopak Group**"), pursuant to an engagement letter dated October 7, 2024 executed amongst our Company and Technopak. Technopak is an independent agency with respect to the Company and the BRLMs, and neither the Company, Promoters, Directors nor the BRLMs are related parties of Technopak, in accordance with the definition of 'related party' in the Companies Act and the SEBI Listing Regulations, as confirmed pursuant to their consent letter dated January 10, 2025. A copy of the Technopak Report is available on the website of our Company at https://www.kent.co.in/ir/offer-documents.

The sections "***Offer Document Summary***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" of this Draft Red Herring Prospectus contain data and statistics from the Technopak Report and commissioned and paid by our Company specifically for the purposes of the Offer.

Aside from the above, unless otherwise stated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from publicly available sources of industry data. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources. 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 26. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "***Basis for Offer Price***" on page 98 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein.

Currency and Units of Presentation

All references to

- "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India;
- "US$", "USD" or "U.S. Dollars" are to United States Dollar, the official currency of the USA;

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

Exchange Rates

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

The following table sets forth as of the dates indicated, information with respect to the exchange rate of foreign currencies used in this Draft Red Herring Prospectus into Indian Rupee:

(in ₹)

Currency	Exchange Rate as on September 30, 2024	Exchange Rate as on March 31, 2024	Exchange Rate as on March 31, 2023	Exchange Rate as on March 31, 2022
1 USD	83.78	83.37	82.22	75.81

(Source: www.fbil.org.in)

Note: The exchange rates are rounded off to two decimal places and in event of a public holiday on the respective day, the previous Working Day not being a public holiday has been considered.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which include statements with respect to our business strategy, our revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements include statements with respect to our business strategy, our expected revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements can generally be identified by words or phrases such as **"*aim*", "*anticipate*", "*believe*", "*continue*", "*expect*", "*estimate*", "*intend*", "*likely to*", "*objective*", "*plan*", "*propose*", "*project*", "*will continue*", "*seek to*", "*will achieve*", "*will likely*", "*will pursue*"** or other words or phrases of similar import. Similarly, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This could be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes in the industry we operate in 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 that may have an impact on our business or investments, monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates and prices, the general performance of Indian and global financial markets, changes in the competitive landscape and incidence of any natural calamities and/or violence. Significant factors that could cause our actual results to differ materially include, but are not limited to:

- We derive a substantial portion of our revenues from the sale of our water purifier and water softeners products (84.25% and 85.93% of our revenue from operations in the six months ended September 30, 2024 and Fiscal 2024, respectively). Our inability to anticipate and adapt to evolving consumer preferences and demand for water purifier products, or ensure product quality, may adversely impact demand for our products, brand loyalty and consequently our business, results of operations, financial condition and cash flows.
- Our limited operating history in the kitchen and home appliances and fans product categories presents significant challenges. We may struggle to compete successfully against established competitors in these categories. Further, the historical growth rates we have experienced in these new product categories may not be indicative of our future performance.
- The availability of counterfeit products, such as products passed off as our products by others, could have an adverse effect on our business, results of operations, financial condition and cash flows.
- We operate in a competitive market and any increase in competition may adversely affect our business, results of operations, financial condition and cash flows.
- Interruptions in the supply of raw materials or fluctuations in raw material prices could adversely affect our ability to manufacture our products and consequently our business, results of operations, financial condition and cash flows.
- Our manufacturing facilities are subject to operating risks. Any slowdown or interruption to our manufacturing operations may have an adverse impact on our business, results of operations, financial condition and cash flows.
- Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages, and if we are unable to engage new employees at commercially attractive terms.
- Our operations are dependent on our ability to attract and retain qualified personnel, including our Key Managerial Personnel and Senior Management and any inability on our part to do so, could adversely affect our business, results of operations, financial condition and cash flows.
- Our inability to effectively manage our growth or implement our growth strategies may have an adverse effect on our business, results of operations, financial condition and cash flows.
- Our success also depends to an extent on our research and development capabilities and failure to derive the desired benefits from our product research and development efforts may hurt our competitiveness and profitability.

For a further discussion of factors that could cause our actual results to differ, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 26, 176 and 315, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future results and gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statements based on them could prove to be inaccurate.

Neither our Company, nor the Promoter Selling Shareholders, nor 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 regulatory requirements, our Company and the BRLMs will ensure that bidders in India are informed of material developments from the date of the Red Herring Prospectus until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer.

SECTION II - RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India and other jurisdictions we operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, financial condition and cash flows. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, financial condition and cash flows could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a more detailed understanding of our Company and our business, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Restated Consolidated Financial Information**" on pages 176, 119, 315 and 245, respectively, as well as the other financial information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.*

In making an investment decision, prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer and rely on their own examinations of us and the terms of the Offer, including the merits and the risks involved. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors in our Equity Shares should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment in India, which may differ in certain respects from that of other countries.

*This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "**Forward-Looking Statements**" on page 24. Unless otherwise indicated, the financial information included herein is based on our Restated Financial Consolidated Information included in this Draft Red Herring Prospectus. For further information, see "**Restated Consolidated Financial Information**" on page 245. Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless otherwise stated or the context otherwise requires, references in this section to "we", "us", or "our" are to Kent RO Systems Limited on a consolidated basis while "our Company" or "the Company" are to Kent RO Systems Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Industry Report on Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India" dated January 9, 2025 (the "**Technopak Report**") prepared and issued by Technopak Advisors Private Limited pursuant to an engagement letter dated October 7, 2024, which has been exclusively commissioned and paid for by our Company for the purposes of confirming our understanding of the industry, exclusively in connection with the Offer. Such industry and market data may have been re-ordered by us for the purposes of presentation. The Technopak Report is available on the website of our Company at https://www.kent.co.in/ir/offer-documents from the date of filing the Red Herring Prospectus until the Bid / Offer Closing Date. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular Fiscal refers to such information for the relevant Fiscal.*

Internal Risk Factors

1. ***We derive a substantial portion of our revenues from the sale of our water purifier and water softeners products (84.25% and 85.93% of our revenue from operations in the six months ended September 30, 2024 and Fiscal 2024, respectively). Our inability to anticipate and adapt to evolving consumer preferences and demand for water purifier products, or ensure product quality, may adversely impact demand for our products, brand loyalty and consequently our business, results of operations, financial***

condition and cash flows.

We offer a diverse range of products, including water purifiers, kitchen and home appliances, fans and water softeners; however, we derive a substantial portion of our revenues from the sale of our water purifier products. The table below sets forth the revenues from water purifiers and water softeners, kitchen and home appliances and fans, expressed as a percentage of revenue from operations for the periods/years indicated:

Product Category	September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations
Water Purifiers and water softeners	5,368.05	84.25%	10,124.16	85.93%	9,406.71	86.75%	9,099.83	86.88%
Fans	403.24	6.33%	307.14	2.61%	112.00	1.03%	Nil*	Nil*
Kitchen and home appliances	574.15	9.01%	1,256.09	10.66%	1,192.69	11.00%	1,275.64	12.18%
Others**	26.44	0.41%	94.46	0.80%	132.53	1.22%	98.2	0.94%
Total	**6,371.88**	**100.00%**	**11,781.85**	**100.00%**	**10,843.93**	**100.00%**	**10,473.67**	**100.00%**

* *As we started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.*
***Others include sale of scrap, export incentives, and other products.*

Any decrease in demand for our water purifiers could have an adverse impact on our business, results of operations, financial conditions and cash flows. Further, any disruption in the supply chain for our water purifiers, such as delays in delivery or quality issues, may impact our ability to meet consumer demand and result in loss of sales. While there has not been any instance of any decline in sales or any disruption in the supply chain of our water purifier products in the last three Fiscals and the six months ended September 30, 2024, we cannot assure you that such instance will not arise in the future. Furthermore, the demand for our products depends primarily on consumer-related factors such as consumer confidence in our products as well as evolving consumer preferences. If our products become obsolete due to a breakthrough in the development of new technologies in the water purification industry, or if we fail to anticipate, identify or react to changes in these trends or integrate new technologies, we could face reduced demand for our products and price reductions, which could have an adverse effect on our business, competitive position, results of operations, financial condition and cash flows. Further, any negative publicity in relation to the 'Kent' brand could lead to decrease in demand for our water purifiers and have an adverse impact on our business. See " – ***Our inability to maintain or enhance the popularity of our "Kent" and "Kuhl" brands may adversely impact our business, results of operations, financial condition and cash flows***" on page 38.

2. ***Our limited operating history in the kitchen and home appliances and fans product categories presents significant challenges. We may struggle to compete successfully against established competitors in these categories. Further, the historical growth rates we have experienced in these new product categories may not be indicative of our future performance.***

We launched products in the kitchen and home appliances category under our 'Kent' brand in 2017 and expanded into the fans category under our 'Kuhl' brand in 2023. The table below sets forth revenues generated from these product categories, expressed as a percentage of revenue from operations for the period/ years indicated:

Product Category	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations
Fans	403.24	6.33%	307.14	2.61%	112.00	1.03%	Nil*	Nil*
Kitchen and home appliances	574.15	9.01%	1,256.09	10.66%	1,192.69	11.00%	1,275.64	12.18%
Total	**977.39**	**15.34%**	**1,563.23**	**13.27%**	**1,304.69**	**12.03%**	**1,275.64**	**12.18%**

**As we started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.*

We are exposed to several risks due to our limited experience and operating history in the kitchen and home appliances and fans product categories. We may struggle to compete successfully against established competitors who have more experience, brand recognition, and customer loyalty. Further, without a proven track record in these new categories, it is difficult to predict consumer response, which adds uncertainty to sales and market penetration efforts. Further, our historical growth rates in these new categories may not be reliable indicators of future performance. While we are committed to continuously monitoring our performance in these product categories and investing in targeted marketing efforts, there is no assurance that these initiatives will lead to sustained success.

3. The availability of counterfeit products, such as products passed off as our products by others, could have an adverse effect on our business, results of operations, financial condition and cash flows.

We are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including spurious or imitation products which may (i) adversely affect the sale of our products, resulting in a decrease in market share resulting from a decrease in demand for our products; and (ii) adversely affect the reputation of our products and consequently our business, results of operations, financial condition and cash flows. While we take measures to prevent the availability of counterfeit products such as monitoring such activities in the market and taking actions against counterfeiters, we cannot assure you that such measures would always be effective. Our Company is involved in various litigations in relation to passing off and infringement of our licensed trademarks and sale of lookalike products by third parties. While such litigations do not have a material impact on our Company's operations and do not exceed the thresholds stated in the Materiality Policy adopted by our Board on January 8, 2025, we cannot assure you that such instances will not arise in the future. Further, the proliferation of counterfeit products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer. While we have not experienced significant issues with counterfeit products that adversely impacted on our business, results of operations, financial condition and cash flows, we cannot guarantee that such issues will not arise in the future.

4. We operate in a competitive market and any increase in competition may adversely affect our business, results of operations, financial condition and cash flows.

We compete with other companies in the water purifier, kitchen and home appliances, fans and water softeners categories that offer competing products both in India and abroad, and our continued success depends on our ability to continue to supply products on a cost effective basis. We expect competition could increase with new entrants coming into these industries, who may have more flexibility in responding to changing business and economic conditions, and existing players consolidating their positions. Some of our competitors may have greater financial resources, a more effective or established local business presence with specific regional advantages or a greater willingness or ability to operate with little or no operating margins for sustained periods of time. They could also resort to aggressive pricing practices to capture market share, leaving us vulnerable to a significant loss of business. If we are unable to compete with lower cost manufacturers on price or implement appropriate competitive strategies, or if our competitors are able to provide better quality products, react more quickly to the changing needs of consumers, adapt to market developments related to new products (including growing demand for products with environmental friendly features, digitalisation and services), differentiate themselves more effectively, or improve the functionality or performance of their products more quickly than us or in a more cost-effective manner, we may face price declines and lose consumers. These outcomes may have a negative impact on our business, results of operations, financial position and prospects. Further, we cannot assure you that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, and results of operations. Moreover, the competitive nature of the industry that we operate in may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability. For information regarding the revenue from operations, gross margin, EBITDA, EBITDA margin, PAT margin, debt to equity ratio, net debt to EBITDA, and marketing spend of our peers which include Eureka Forbes, V-Guard, Livpure, LG Electronics, Havells, Bajaj Electricals, Atomberg, Orient Electric and Whirlpool, see "***Industry Overview – Financial Benchmarking***" on pages 171.

5. ***Interruptions in the supply of raw materials or fluctuations in raw material prices could adversely affect our ability to manufacture our products and consequently our business, results of operations, financial condition and cash flows.***

Our primary raw materials for manufacturing water purifiers, kitchen and home appliances, fans and water softeners are injection-moulded plastic components, die-casted aluminium components, RO membrane sheet & printed circuit board assemblies. We typically procure these materials through purchase orders and do not enter into any long-term agreements with our suppliers. Consequently, our suppliers may not perform their obligations in a timely manner, or at all, resulting in delays to our production schedule and adversely affecting our output. While we have not experienced any instances where our suppliers did not fulfil their obligations that resulted in an adverse impact on our business, results of operations, financial condition and cash flows during the last three Fiscals and the six months ended September 30, 2024, we cannot assure you that such instances will not arise in the future. The table below sets forth details of our cost of materials consumed as a percentage of our total expenses in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of materials consumed (₹ million)	2,342.89	4,015.07	3,656.89	3,402.41
Total expenses (₹ million)	5,946.79	10,396.47	9,769.92	8,784.99
Cost of materials consumed as a percentage of total expenses	39.40%	38.62%	37.43%	38.73%

In the event our suppliers are unable to provide us the required quantity of raw materials, or if we are unable to find alternate suppliers at commercially acceptable terms, our ability to manufacture our products in a timely manner will be adversely affected and we may not be able to meet our contractual obligations to supply our products. While we have not experienced any instances where our suppliers' inability to provide the required quantity of raw materials or our inability to find alternate suppliers in the last three Fiscals and the six months ended September 30, 2024 had a material adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not arise in the future. Further, in the event of an increase in the price of raw materials, we cannot assure you that we will be able to correspondingly increase the price of our products. Further, we import certain raw materials such as RO membrane sheet from the USA, UV lamp from Japan, plastic granules from South Korea and other non-critical components from China. The table below sets forth details of raw materials imported, which is also expressed as a percentage of total purchase of raw materials in the periods/ years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of raw materials imported (₹ million)	1,047.64	1,490.17	1,458.38	1,363.80
Total purchase of raw materials (₹ million)	2,434.99	3,803.92	4,019.03	3,627.63
Cost of raw materials as a percentage of total purchase of raw materials	43.02%%	39.17%	36.29%	37.59%

Any restrictions imposed by the GoI on the import of such raw materials or any embargoes on the jurisdictions where our suppliers are located, or any increases in import duties on these raw materials, may adversely affect our business, results of operations and prospects.

6. ***Our manufacturing facilities are subject to operating risks. Any slowdown or interruption to our manufacturing operations may have an adverse impact on our business, results of operations, financial condition and cash flows.***

We operate four manufacturing facilities: one in Roorkee, Uttarakhand ("**Roorkee Facility**"), and three in Noida, Uttar Pradesh, located at A6, Sector 87 ("**Noida Facility I**"), A7, Sector 87 ("**Noida Facility II**") and Plot No. 3, Sector 155 ("**Noida Facility III**"). Our Roorkee Facility is dedicated to manufacturing water purifiers and water softeners, while our Noida Facility I focuses on manufacturing water purifiers and kitchen and home appliances, and our Noida Facility II is dedicated to manufacturing fans. Our Noida Facility III serves as a mother-warehouse for all our manufacturing facilities and is also used for manufacturing fans and water softeners.

Any slowdown or interruption to our manufacturing operations may have an adverse impact on our business, results of operations, financial condition and cash flows. Further, any breakdown or obsolescence in the equipment in our manufacturing facilities may interrupt our manufacturing process. Although we have not experienced any malfunction of equipment that had an adverse impact on our operations in the last three Fiscals and in the six months ended September 30, 2024, any significant malfunction or breakdown of our equipment in the future may involve high repair and maintenance costs and may cause interruptions to our manufacturing operations. In addition, planned shutdowns of our manufacturing facilities for maintenance, statutory inspections and testing may be required, or certain manufacturing facilities may be shut down for capacity expansion and equipment upgrades.

Out of four manufacturing facilities, three manufacturing facilities are located in Noida, Uttar Pradesh. Due to the geographic concentration, our operations are susceptible to local and regional factors, such as civil unrest as well as other adverse social, economic and political events in Noida, weather conditions, natural disasters, regional conflicts and other unforeseen events and circumstances. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in Noida, or changes in policies of the state or local governments or the government of India or adverse developments in Noida, may adversely affect our business, financial conditions, cash flows, and results of operations.

7. ***Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages, and if we are unable to engage new employees at commercially attractive terms.***

Our operations are manpower intensive and we are dependent on our manufacturing staff for a significant portion of our operations. The success of our operations depends on the availability of and maintaining good relationships with our workforce. Shortage of workforce or disruptions caused by disagreements with workforce could have an adverse effect on our business, results of operations, financial condition and cash flows. While we have not experienced any labour unrest in the last three Fiscals and the six months ended September 30, 2024 which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that we will not experience disruptions in work or our operations due to disputes, strikes, work stoppages, work slow-downs or lockouts at our manufacturing facilities or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations.

Our success also depends on our ability to attract, hire, train and retain skilled manufacturing personnel. Our inability to recruit, train and retain suitably qualified and skilled personnel could adversely impact our business, results of operations, financial condition and cash flows. As of September 30, 2024, we are supported by 2,866 employees out of which 1,889 are employees (excluding skilled and unskilled labours) and 977 are skilled and unskilled labours. For further details, see "***Our Business – Employees***" on page 203. The following table sets forth the details regarding rate of attrition of our employees, and skilled and unskilled labours in the periods/years indicated:

Particulars	As at/ for the Six months ended September 30, 2024	As at/ for the year ended March 31, 2024	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022
Number of employees (excluding skilled and unskilled labours)	1,889	1,864	2,302	2,111

Particulars	As at/ for the Six months ended September 30, 2024	As at/ for the year ended March 31, 2024	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022
Attrition rate of our employees (excluding skilled and unskilled labours)	33.88%	54.99%	39.66%	46.00%
Number of skilled and unskilled labours	977	957	1,003	1,073
Attrition rate of our skilled and unskilled labours	9.42%	15.78%	14.56%	10.34%

Note: Attrition rate represents number of resignations in the relevant category as a percentage of closing number of employees in the relevant category as at the end of respective period/year.

We cannot assure you that attrition rates for our employees will not increase. Further, we are subject to stringent labour laws, and any violation of these laws may lead regulators or other authorities to order a suspension of certain or all of our operations. We may need to increase compensation and other benefits either to attract and retain key personnel or due to increased wage demands by our employees, or an increase in minimum wages and that may adversely affect our business, results of operations, financial condition and cash flows. The following table sets forth the details regarding our employee benefits expense in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Employee benefits expense (₹ million)	859.51	1,711.56	1,731.83	1,555.89
Total expenses (₹ million)	5,946.79	10,396.47	9,769.92	8,784.99
Employee benefits expense as a percentage of the Total Expenses	14.45%	16.46%	17.73%	17.71%

8. ***Our operations are dependent on our ability to attract and retain qualified personnel, including our Key Managerial Personnel and Senior Management and any inability on our part to do so, could adversely affect our business, results of operations, financial condition and cash flows.***

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel and Senior Management Personnel. See "***Our Management***" on page 221. We believe that the inputs and experience of our Key Managerial Personnel and Senior Management are valuable for the development of our business and operations and the strategic directions taken by our Company. Our managerial and other employees are critical to maintaining the quality and consistency of our services and reputation and the loss of the services of our personnel may adversely affect our business and operations. While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. While there has been no instance in the three months ended September 30, 2024 and the last three Fiscals where the resignation of any Senior Management or Key Managerial Personnel had an adverse impact on our business, results of operations, cash flows or financial conditions, we cannot assure you that such instance will not arise in the future. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations, financial condition and cash flows. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. While our Company has a policy for succession planning in place, we cannot assure you that we will be able to effectively implement appropriate succession plans in the future. Any loss of members of our Senior Management team or Key Managerial Personnel could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and customer relationships.

9. ***Our inability to effectively manage our growth or implement our growth strategies may have an adverse effect on our business, results of operations, financial condition and cash flows.***

We have experienced growth in our financial performance over the past three Fiscals and the six months ended September 30, 2024. The table below sets forth certain financial information for the periods/ years indicated:

Particulars	As at and for the six months ended September 30, 2024	As at and for the years ended March 31,		
		2024	2023	2022
Revenue from operations (₹ million)	6,371.88	11,781.85	10,843.93	10,473.67
Profit after tax from continuing operations (₹ million)	698.62	1,669.83	976.15	1,546.80
Total income (₹ million)	6,840.17	12,606.61	11,091.44	10,856.72
PAT Margin (%)(1)	10.21%	13.25%	8.80%	14.25%

(1) PAT Margin is calculated as profit after tax from continuing operations divided by total income.

While we have built information technology, governance frameworks and operational management systems to manage our business operations and to support our future growth at the manufacturing facilities and corporate level, in the future, in particular, our success will depend on our ability to continuously adapt to meet the needs of our growing business, including maintaining brand identity, ensuring inventory safety, building supplier relationships, sourcing raw materials, attracting key employees, managing international operations, and responding to competition. We may not be able to adequately respond to any of the foregoing factors or otherwise manage our growth which could adversely impact our business, results of operations, financial condition and cash flows.

Our growth strategies include (i) continuing to expand our business in the water purifier product category; (ii) focusing on growing our fan product category; (iii) focussing on growing our kitchen and home appliances products; and (iv) capitalising on increasing demand from international markets to grow exports of our products. For further information, see "***Our Business – Our Strategies***" on page 189. We cannot assure you that our future growth strategy will be successful or that we will be able to continue to expand further, or at the same rate. Our ability to manage our future growth will depend on our ability to continue to implement and improve operational, financial and management systems on a timely basis and to expand, train, motivate and manage our personnel. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.

10. Our success also depends to an extent on our research and development capabilities and failure to derive the desired benefits from our product research and development efforts may hurt our competitiveness and profitability.

Our success is dependent on our ability to maintain quality specifications of our products and continue to work on and improve research and development capabilities. Our R&D team comprises 12 employees as of September 30, 2024. Further, we have a Research and Development Lab situated at our Corporate Office. Through our focus on R&D, we strive to continually innovate and refresh our products in line with the preferences of our consumers for better quality, performance and aesthetics in our products. The table sets forth below the details of our research and development expenses, which is also expressed as a percentage of total expenses, in the periods/ years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Research and development expenses (₹ million)	4.15	5.55	21.46	5.19
Total expenses (₹ million)	5,946.79	10,396.47	9,769.92	8,784.99
Research and development expenses as a percentage of total expenses	0.07%	0.05%	0.22%	0.06%

We cannot guarantee the success of our product research and development initiatives, nor can we assure that commercially launched products will be successful, accepted by consumers, or help us achieve our anticipated sales targets and profits. Additionally, we cannot assure you that that the time and effort that we spend in research and development would be beneficial to us.

11. ***We are dependent on third party logistic service providers for the transportation and timely delivery of our products to various sales channels and rely on our carrying and forwarding ("C&F") agents to operate our warehouses. Any disruptions in transportation services and increased costs or disruptions in the operations of our C&F agents could have an adverse impact on our business, results of operations, financial condition and cash flows.***

We rely on third party logistic service providers for the timely delivery of our products to our various sales channels including our distributors, direct dealers, large retail stores and regional retail chains. The table below sets forth details of our freight and forwarding expenses as a percentage of our total expenses in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2024
Freight and forwarding expenses (₹ million)	171.46	281.15	242.83	200.67
Total expenses (₹ million)	5,946.79	10,396.47	9,769.92	8,784.99
Freight and forwarding expenses as a percentage of total expenses	2.88%	2.70%	2.49%	2.28%

We typically enter into purchase orders with our third party transport service providers and do not have contractual agreements. In the event that these third party logistic service providers are unable to provide services for our operations for reasons which are beyond our control or the control of third-party logistic service providers and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, cash flows, financial condition, results of operations and reputation may be adversely affected. Any disruptions in transportation services due to natural disasters, pandemics, mass protests, civil unrests, or similar events could impact the delivery schedules and supply chain, which could adversely affect our business, results of operations, financial condition, and cash flows. While we have not experienced any disruptions in transportation services that adversely impacted on our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not arise in the future. Further, we may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers.

Our reliance on C&F agents to operate certain of our warehouses presents several risks. As on the date of this Draft Red Herring Prospectus, we have 19 warehouses operated by C&F agents. These agents are responsible for the storage and handling of our products. Any failure on their part to perform these duties effectively could disrupt our supply chain and operations. Potential risks include operational inefficiencies, such as inaccurate inventory management or improper handling of products, which could lead to stockouts, overstocking, or damage to our products, adversely affecting our ability to meet customer demand and maintain product quality. Furthermore, warehouses operated by C&F agents may be vulnerable to theft, fraud, or other security breaches, resulting in the loss of valuable inventory and financial losses. Any disruption in the operations of our C&F agents could have an adverse effect on our business, results of operations, financial condition and cash flows. While we have not experienced any disruptions in our operations due to C&F agents failing to perform their duties in the last three fiscal years and the six months ended September 30, 2024, we cannot assure you that such instances will not occur in the future.

12. ***We significantly depend on our channel partners (comprising distributors, direct dealers and direct sales distributors) to make our products available to our consumers (1,898 channel partners as of September 30, 2024). Our inability to expand or effectively manage our distributors, or any disruptions in our distribution network may have an adverse effect on our business, results of operations, financial condition and cash flows.***

We sell our products through multiple touchpoints to ensure our products are accessible to our consumers. This distribution network includes channel partners (comprising distributors, direct dealers, direct sales distributors), large format retail stores, regional retail chains, e-commerce websites and quick commerce platforms. However, we significantly depend on our channel partners to make our products available to our consumers. The table sets forth details of our channel partners as of the dates indicated:

S. No.	Product Category	Channel Partners			
		As of September 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
1.	Water purifiers and water softeners	1,321	1,234	1,270	1,296
2.	Kitchen and home appliances	127	99	246	272
3.	Fans	450	312	113	Nil

If we are unable to maintain and grow our distributors, our products may not effectively reach consumers and we may lose market share. Any disruptions, delays or inefficiencies by, among others, our distributors could adversely affect our operations and may lead to disruptions in our supply chain. We may not be able to compete successfully against some of our current or future competitors that have larger distribution networks, especially if such competitors provide their distributors with more favourable arrangements than us. If the terms offered by our competitors to such distributors are more favourable than those offered by us, such distributors may decline to distribute our products and terminate their arrangements with us. While we have not experienced any instance in the last three Fiscals and six months ended September 30, 2024 where the termination of our arrangements by any distributor has adversely affected our business, operational results, financial condition, or cash flows, we cannot guarantee that such an instance will not occur in the future. Further, while there have not been any material delays or defaults in payments from our distributors in the last three Fiscals and six months ended September 30, 2024 which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that we will be successful in continuing to receive uninterrupted, quality service from our distribution network for our products.

We cannot assure you that we will be able to successfully identify or appoint new distributors, maintain and strengthen our relationships with existing distributors, or effectively manage our distribution network. Our failure to maintain relationships with existing distributors, establish relationships with new distributors on favourable terms or at all, disputes with distributors, including those regarding pricing or performance; inability to timely identify and appoint additional or replacement distributors upon the loss of one or more distributors and inability of distributors to maintain a network of end retailers, and reduction, delay, or cancellation of orders from distributors, could have an adverse impact on our business, results of operations, financial condition and cash flows. While we have not experienced any instance of the aforesaid risks resulting in an adverse impact on our business, results of operations, financial condition, and cash flows, we cannot assure you that such instances will not arise in the future.

13. ***Our failure to provide satisfactory after-sales services could adversely impact our business, results of operations, financial condition and cash flows.***

We offer a range of after-sales services to our consumers, including installation and repairs services and sale of spare parts. As of September 30, 2024, we had over 1,800 service partners across 28 states and 6 union territories. We also had over 5,000 technicians to handle service requests, of which over 400 were employed by our Company and over 4,600 were employed by our service partners, as of September 30, 2024. In addition, we operated 32 service branches in the Delhi-NCR region to provide after-sales services in the region, as of September 30, 2024. If we or our service partners fail to provide high quality services in a consistent manner, customer perception of our brand will be adversely impacted. While we have provided adequate training and guidance to our service partners to ensure that they meet our standards of quality, we cannot guarantee that they will adequately address the service requirements of our customers to their satisfaction, or that they will have sufficient resources to meet these service requirements in a timely manner. Further, an increasing number of customers may choose to obtain after-sales services or spare parts from other suppliers, which could lead to a decrease in our sales and have an adverse impact on our reputation, financial condition and results of operations.

14. ***Our Company, our Group Company and Promoters (who are also Directors on our Board) are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

There are outstanding legal and regulatory proceedings involving our Company, our Group Company, S.S. Appliances Private Limited and our Promoters (who are also Directors on our Board) which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, cash flows, financial condition and results of operations. The summary of such outstanding material legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation[(1)]	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Aggregate amount involved (₹ in million, except where stated otherwise)[(2)]
Company						
By the Company	1	N.A.	N.A.	Nil	N.A.	3.22
Against the Company	Nil	8	Nil	2[(3)]	N.A.	283.34
Directors						
By the Directors	Nil	N.A.	N.A.	Nil	N.A.	Nil
Against the Directors	Nil	1[(5)]	Nil	3[(3)(4)]	N.A.	120.65
Promoters						
By the Promoters	Nil	N.A.	N.A.	Nil	N.A.	Nil
Against the Promoters	Nil	1[(5)]	Nil	3[(3)(4)]	Nil	120.65

(1) *Determined in accordance with the Materiality Policy*
(2) *To the extent ascertainable and quantifiable*
(3) *Includes two civil litigations instituted against our Company, i.e., (i) the material civil litigation instituted against our Company, wherein our Promoter and Chairman and Managing Director, Mahesh Gupta and our Group Company, S.S. Appliances Private Limited are also impleaded as parties; and (ii) the material civil litigation instituted against our Company, wherein our Promoter and Chairman and Managing Director, Mahesh Gupta is also impleaded as a party.*
(4) *Includes the material civil litigation instituted against our Promoter and Chairman and Managing Director, Mahesh Gupta.*
(5) *Includes the tax proceeding against our Promoter and Chairman and Managing Director, Mahesh Gupta.*

Our Group Company, S.S. Appliances Private Limited has also been impleaded as a party in one of the material civil litigations involving our Company. For further details, see "***Outstanding Litigation and Material Developments***" on page 343. We cannot assure you that any of these matters will be settled in favour of our Company, Group Company or Promoters respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, cash flows, results of operations and our reputation.

15. We have entered into a trademark licensing agreement with our Promoter, Mahesh Gupta and termination of this agreement could adversely impact our business, results of operations and cash flows.

As of the date of this Draft Red Herring Prospectus, our Company does not have any intellectual property registered in its name. Our Company has entered into a license agreement for trademarks, copyrights, patents and designs dated April 1, 2023 with our Promoter, Mahesh Gupta, as amended pursuant to addendum agreement dated January 1, 2025 ("**Promoter Licensing Agreement**"), pursuant to which our Promoter, Mahesh Gupta has granted our Company the exclusive right to use the patents, trademarks, designs and copyrights as detailed in the agreement related to water purifiers, spare parts, air purifiers, healthcare products, the 'Kent' trademark, and the 'Kuhl' brand for fans, along with registered trademarks and copyrights ("**Licensed IPRs**"). Pursuant to the Promoter Licensing Agreement, we have the right to use 15 registered patents under the Patents Act, 1970, 97 registered trademarks under the Trademarks Act, 1999, 69 registered designs under the Designs Act, 2000 and 20 registered copyrights under the Copyrights Act, 1957 in India. In addition, we have 27 registered trademarks outside India including in Bhutan, Cambodia, China, Democratic Republic of the Congo, Egypt, European Union, Indonesia, Kuwait, Malaysia, Mauritius, Mexico, Nepal, OAPI, Oman, Sri Lanka, United Arabian Emirates, United Kingdom, USA, Saudi Arabia and Zanzibar. Further, we also have the right to use eight patents under the Patents Act, 1970, 28 trademarks under the Trademarks Act, 1999, nine designs under the Designs Act, 2000, and seven trademarks in Bangladesh, Nepal, Sri Lanka and Nigeria, collectively, for which our Promoter, Mahesh Gupta has made applications before the respective authorities and are pending registration, as on date of this Draft Red Herring Prospectus.

Pursuant to the Promoter Licensing Agreement, our Company is required to pay license fees on a monthly basis consisting of (i) a per-item rate for patents as specified in the Promoter License Agreement, and (ii) 1.2% of the total sales less the patent license fee, or a minimum of ₹101 if such balance is negative, for copyrights, designs and trademarks. The table below sets forth details of royalty on intellectual property rights provided to our Promoter, Mahesh Gupta, expressed as a percentage of total expenses for the period/ years:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2024
Royalty on intellectual property rights (₹ million)	72.92	134.64	123.74	79.30
Total expenses (₹ million)	5,946.79	10,396.47	9,769.92	8,784.99
Royalty on intellectual property rights as a percentage of total expenses	1.23%	1.30%	1.27%	0.90%

The Promoter may not license the Licensed IPRs to any other entity, unless he or his family/related parties hold a majority stake in such entity, and such new business does not conflict with the Company's business. Our Company also has the first right of refusal to purchase the Licensed IPRs in the event of any proposed sale by the Promoter, provided such purchase must be at a fair market value determined by an independent brand valuation expert selected by mutual agreement of both parties. The Promoter License Agreement is valid till March 31, 2028, unless terminated sooner. The Promoter License Agreement may also be terminated by the Promoter in certain circumstances, including if the joint shareholding or voting rights of the Promoter and Promoter Group in the Company falls below 50% or if the Company's activities negatively impact Mahesh Gupta's reputation and goodwill or materially damages the reputation and goodwill of his patents, trademarks, designs and copyrights. For further details, see "***History and Certain Corporate Matters – License agreement for trademarks, copyrights, patents and designs dated April 1, 2023 between Mahesh Gupta and our Company***" on page 220. In the event that (i) the Promoter Licensing Agreement is terminated or not renewed; (ii) there is any default in the contractual obligations or revocation of consent to use any of the Licensed IPRs thereunder; or (iii) if the Company is unable to exercise first right of refusal to purchase the Licensed IPRs at fair market value in the event of any proposed third-party sale by the Promoter, we may have to discontinue the use of the Licensed IPRs, which may adversely affect our reputation, business, financial condition, results of operation and prospects.

16. ***The Offer comprises solely of an Offer for Sale and our Company will not receive any proceeds from the Offer.***

The Offer comprises solely of an Offer for Sale by our Promoter Selling Shareholders. Our Company will not receive any proceeds of the Offer and all the Offer Proceeds will be received by the Promoter Selling Shareholders. The table below sets forth details of the Promoter Selling Shareholders:

Name of the Promoter Selling Shareholder	Type	Number of Equity Shares held by the Promoter Selling Shareholder	Percentage of paid-up Equity Share capital (%)	Number of Equity Shares offered/ amount (₹ in million)	Weighted average cost of acquisition per Equity Share (in ₹)*
Mahesh Gupta	Promoter Selling Shareholder	51,664,900	51.18	Up to 5,635,088 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.09
Sunita Gupta	Promoter Selling Shareholder	36,968,010	36.62	Up to 3,360,910 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.09
Varun Gupta	Promoter Selling Shareholder	12,084,270	11.97	Up to 1,098,570 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.09

*As certified by SNR & Company, Chartered Accountants pursuant to their certificate dated January 21, 2025.

For details, see "***The Offer***", "***Capital Structure***" and "***Objects of the Offer***" on pages 65, 79 and 95 respectively.

17. ***We export our products to various countries and our revenue from outside India represented 2.47% and 2.91% of our revenue from operations in the six months ended September 30, 2024 and Fiscal 2024, respectively. Any adverse events affecting these countries could have an adverse impact on our business, results of operations, financial condition and cash flows.***

In the last three Fiscals and the six months ended September 30, 2024, we have supplied our products in more than 30 countries including Nepal, Bangladesh, Kuwait and UAE, through our distributors. The table below sets forth our revenues from exports, expressed as a percentage of revenue from operations for the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue - Exports (₹ *million*)	157.64	342.87	337.54	352.17
Revenue from Operations (₹ *million*)	6,371.88	11,781.85	10,843.93	10,473.67
Revenue from exports as a percentage of revenue from operations	2.47%	2.91%	3.11%	3.36%

The table below sets forth details of the top four countries (in terms of revenue in Fiscal 2024) where we exported our products and revenues generated for the periods/years indicated:

Country	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of revenue from exports	Amount (₹ million)	Percentage of revenue from exports	Amount (₹ million)	Percent age of revenue from exports	Amount (₹ million)	Percentage of revenue from exports
Nepal	42.54	26.99%	70.53	20.57%	101.40	30.04%	93.57	26.57%
Kuwait	34.23	21.71%	71.89	20.97%	70.96	21.02%	54.05	15.35%
Bangladesh	24.94	15.82%	50.61	14.76%	31.29	9.27%	75.69	21.49%
UAE	15.73	9.98%	32.50	9.48%	21.10	6.25%	22.14%	6.29%

An economic slowdown or tightening of laws or regulations in countries to which we export our products may have an adverse impact on our business, financial condition, cash flows and results of operations. For example, recent civil unrest in Bangladesh and the economic crisis in Sri Lanka have significantly disrupted our export stability in these regions. Further, the countries where we export our products impose varying duties on our products. We cannot assure you that the duties imposed by such countries will not increase. India is also a party to, and is currently negotiating, free trade agreements with several countries and if we export our products to such countries, any revocation or alteration of those bilateral agreements may also adversely affect our ability to export, and consequently, our business, financial condition, cash flows and results of operations. Additionally, export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries and could adversely affect our business, financial condition, cash flows and results of operations. While we have obtained certifications such as CE marking for Europe, IEC 60335 safety testing for Saudi Arabia, CB marking for Belgium and Soncap certification for Nigeria which enable us to export our products, we may be required to obtain any jurisdiction specific certifications, registrations and permits to export to such jurisdictions and our inability to secure any such certifications, registrations and permits, in a timely manner or at all, could have an adverse effect on our business, results of operations, cash flows and financial condition.

18. ***We have entered into a trademark license agreement with Stanley Black & Decker, Inc. and the termination of this agreement could adversely impact our business, results of operations and cash flows.***

We have entered into a trademark license agreement with Stanley Black & Decker, Inc. under which our Company has been granted a license to use its trademark in India and certain other countries for RO water purifiers. This agreement, effective from March 15, 2023, is valid until December 31, 2026, with an option for renewal until December 31, 2031. The termination or non-renewal of this agreement would prevent us from selling our products under their trademark, thereby affecting our business, financial condition, and results of operations. Further, our inability to manufacture and sell certain products under competitor brands as specified in the agreement, during the term of the agreement and after its expiry, may restrict our ability to develop and manufacture new product and product lines under such competitor brands, which may have an adverse impact on our financial condition and results of operations.

19. ***Our inability to maintain or enhance the popularity of our "Kent" and "Kuhl" brands may adversely impact our business, results of operations, financial condition and cash flows.***

We offer kitchen and home appliances under our brand "Kent' and fans under our brand "Kuhl". Our ability to develop and maintain the brand and consumer goodwill are dependent on public perception and recognition of product quality. Any negative publicity or perception of consumers relating to the quality of our products may adversely impact public perception of our brand. While we have quality control processes in place as we check the quality of raw materials and inspect products before they are shipped, we cannot assure that our products will always comply with the standards we set for our products. Adverse publicity about the safety or quality of our products, whether or not based on fact, may discourage consumers from buying our products and have an adverse effect on our brand, business, results of operations, financial condition and cash flows. While we have not experienced any negative publicity in relation to our product quality in the last three Fiscals and the six months ended September 30, 2024 which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instances will not arise in the future.

Further, the industry in which we operate is highly competitive. As a result, we may be required to increase our spend on marketing and advertisements, from the amounts spent in the past, in order to maintain or grow our market share. We use a multifaceted marketing approach to enhance our brand's visibility and attractiveness across various platforms. Our approach includes leveraging television advertisements, cricket sponsorships, print media, digital media platforms, social media platforms, e-commerce platforms, and celebrity endorsements. The table below sets forth our advertisement and business promotion expenses, expressed as a percentage of revenue from operations for the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Advertisement and business promotions expenses (₹ *million*)	1,288.99	1,550.40	1,437.02	1,186.42
Revenue from Operations (₹ *million*)	6,371.88	11,781.85	10,843.93	10,473.67
Advertisement and business promotion expenses as a percentage of revenue from operations	20.23%	13.16%	13.25%	11.33%
Total expenses	5,946.79	10,396.47	9,769.92	8,784.99
Advertisement and business promotion expenses as a percentage of total expenses	21.68%	14.91%	14.71%	13.51%

Increased spending on marketing and advertisements may not result in increased sales or revenue, and may have an adverse effect on our business, results of operations, financial condition and cash flows.

20. ***Our operations involve activities and handling of materials which are hazardous in nature and could result in a suspension of operations and/or the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, cash flow and financial condition.***

Certain operations at our manufacturing facilities involve the use of machinery, which could result in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties or equipment and the properties of others or to the environment. Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters, discharges or releases of hazardous substances, chemicals or gases; and other environmental risks. For example, the storage of substantial quantities of plastic components in our raw material warehouse presents a significant fire risk. While we have not experienced any instances of fire in the last three Fiscals and the six months ended September 30, 2024 which had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instance will not arise in the future. While we have made best efforts to comply with fire safety requirements, we cannot assure you that we will obtain such approvals or licenses in a timely manner or at all. For details see " – ***Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows***" and "***Government and Other Approvals – Material Approvals Pending in respect of our Company***" on pages 41 and 349, respectively.

In Fiscal 2022, we experienced an accident that resulted in the death of an employee. This incident occurred during material handling and caused severe injuries to the employee's head and legs, which consequently led to the employee's death. Our Company paid the unpaid salary, leave encashment, and gratuity. No legal proceedings were initiated against our Company in relation to this accident.

The occurrence of any of these hazards could result in a suspension of operations and/or the imposition of civil or criminal liabilities. We may also face claims and litigation, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, cash flows and financial condition could be adversely affected. Further, our consumers may require us to invest in additional safety protocols which impose incremental expenses and may impact our ability to operate at optimum efficiencies. Any such action by any of our consumers may adversely impact our business, results of operations, cash flows and financial condition.

21. ***If we incur significant costs in defending our licensed intellectual property or if we infringe the intellectual property rights of others, our business, results of operation, financial condition and cash flows could be adversely affected.***

We may be unable to prevent third parties from infringing upon or misappropriating our licensed intellectual property. If we fail to protect our licensed intellectual property, our business, results of operation, financial condition and cash flows could be adversely affected. In addition, any claims, with or without merit, could be time consuming and expensive, and could divert our management's attention away from the execution of our business plan. Our Company is involved in various outstanding litigations in relation to passing off and infringement of our licensed trademarks and sale of lookalike products by third parties. While such litigations do not have a material impact on our Company's operations and do not exceed the thresholds stated in the Materiality Policy adopted by our Board on January 8, 2025, we cannot assure you that such instances will not occur in the future. We may also be subject to counter-suits from such third parties in relation to suits filed by us to stop infringement of our products, which may have a material impact on our Company's operations. Our Company and our Promoter and Chairman and Managing Director, Mahesh Gupta had filed a patent infringement suit dated September 2, 2024 ("**Infringement Suit**") before the High Court of Delhi ("**Court**") against UrbanClap Technologies India Private Limited ("**UrbanClap**") and others, seeking *inter alia* injunction against UrbanClap for the infringement of patent no. 53884 registered by Mahesh Gupta, and other reliefs, in relation to certain products sold by UrbanClap ("**UrbanClap Products**"). Certain e-commerce platforms were also made parties to the Infringement Suit, and our Company had sought specific relief for removal of listings of UrbanClap Products from these e-commerce platforms under the Infringement Suit. During the pendency of the Infringement Suit, UrbanClap has filed a counter-suit dated January 12, 2025 before the Court against our Company and Mahesh Gupta (collectively, "**Defendants**") wherein it has prayed for, *inter alia*, (i) a permanent injunction restraining the

Defendants from allegedly causing loss to it by misrepresenting and providing false and malicious communications regarding its products to e-commerce platforms and (ii) an order for a sum of ₹120 million as damages. The matter is currently pending. For further details, see "***Outstanding Litigation and Other Material Developments***" on page 343. We cannot assure you that such instances will not occur in the future.

While we ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain alternative licenses or cease some portions of our operations.

As on the date of this Draft Red Herring Prospectus, there are certain trademark infringement proceedings pending against our Company. For instance, Kent Cables Private Limited has filed a suit against our Company, our Promoter, Mahesh Gupta and our Group Company, S.S. Appliances Private Limited (collectively, **"Defendants"**), seeking permanent injunction restraining the Defendants from the use of the trademark 'KENT' ("**Trademark**") for the fan and lighting business, which was proposed to be launched under the aforementioned trademark by our Company, on the grounds that this would amount to 'passing off' of goods. The Defendants, including our Company and our Promoter, have filed a counter-suit dated September 2, 2022 before the Court seeking permanent injunction restraining the Plaintiff from using the Trademark, which has been registered in the name of our Promoter, Mahesh Gupta. Further, Kent Cables Private Limited, Kent Fans and Electricals Private Limited, and Kent Industries (collectively, **"Petitioners"**) have filed a writ petition dated July 8, 2023 under articles 226 and 227 of the Constitution of India before the High Court of Delhi against the Union of India, the Registrar of Trademarks, New Delhi (**"Registrar"**), and our Promoter, Mahesh Gupta seeking the quashing of the notification dated June 26, 2023 issued by the Registrar (**"Notification"**) for the inclusion of the trademark 'Kent' in the list of well-known trademarks on various grounds, *inter alia*, that the Notification is arbitrary in nature, amounts to negation of the scheme of declaration of well-known trademarks, creates a monopoly in favor of Mahesh Gupta and ignores the prior use of the trademark by the Petitioners. For further details, see "***Outstanding Litigation and Other Material Developments***" on page 343. We cannot assure you that such instances will not occur in the future.

Further, we rely on our trademarks and brand names to distinguish our services and solutions from the services of our competitors. There can be no assurance that we will be able to register our trademarks and logos or that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Pursuant to the Promoter Licensing Agreement, we have the right to use eight patents under the Patents Act, 1970, 28 trademarks under the Trademarks Act, 1999, nine designs under the Designs Act, 2000, and 7 trademarks in Bangladesh, Nepal, Sri Lanka and Nigeria, collectively, for which our Promoter, Mahesh Gupta has made applications before the respective authorities and are pending registration as on the date of this Draft Red Herring Prospectus. Our applications and registrations may in the future be opposed, withdrawn, objected or otherwise be under dispute. If any of our unregistered intellectual property are registered in favour of a third party, we may not be able to claim registered ownership of such intellectual property, and consequently, we may be unable to seek remedies for infringement of our intellectual property by third parties. Our inability to obtain or maintain these registrations may adversely affect our business, results of operations and financial conditions.

Further, we cannot assure you that we will renew or will be able to renew statutory protections for our intellectual property rights. As on the date of this Draft Red Herring Prospectus, the term of the patent for household reverse osmosis technology licensed to us under the Promoter Licensing Agreement has expired and has not been renewed within the timelines prescribed under the Patents Act, 1970. Similarly, 16 of the design rights licensed to us under the Promoter Licensing Agreement have exceeded the 15-year term for protection provided under the Designs Act, 2000. Consequently, we do not enjoy the protections accorded to intellectual property under the relevant statutes, though we continue to benefit from the goodwill associated with our usage of such intellectual property. In the absence of such statutory registration, our ability to protect our intellectual property rights may be restricted, and we may be subject to counterfeiting of our products, which could materially and adversely affect our brand image, goodwill and business.

22. Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows.

We are required to obtain certain approvals, registrations, permissions and licenses from regulatory authorities, to undertake our operations including environmental approvals, factory licenses, trade licenses, shops and establishments license, export related licenses, labour and tax related approvals. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, financial condition and cash flows. For further information on the nature of approvals and licenses required for our business, see "***Government and Other Approvals***" on page 347. In addition, we have and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time. We have, *inter alia*, made applications for certain consents and approvals which are pending as on the date of this Draft Red Herring Prospectus. For instance, we have applied for fire NOC for our warehouse situated at 549, Phase – V, Udyog Vihar, Gurgaon 122 016, India. For details, see "***Government and Other Approvals – Material Approvals Pending in respect of our Company***" on page 349. We cannot assure you that such approvals and licenses will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in the imposition of penalties by relevant authorities and may also prevent us from carrying out our business.

23. Sales of our products are affected by seasonality which may adversely affect our business, sales, results of operations, financial condition and cash flows.

Sales of our products are affected by seasonality which may adversely affect our business, sales, results of operations, financial condition and cash flows. Our product offerings primarily include water purifiers, kitchen and home appliances, fans, and water softeners. The demand for these products fluctuates with changes in weather and consumer behaviour throughout the year. For example, during the summer months, we typically experience higher sales of water purifiers, water softeners and fans due to increased water consumption and the need for cooling solutions. Conversely, in the winter season, sales of these products tend to decline as consumers prioritize other needs and perceive a reduced immediate necessity for water purification, water softening and cooling. Similarly, we experience higher sales of our kitchen and home appliances during festive seasons in India. Due to the fluctuations in demand for our products during various seasons of the year, any comparison of the sales recorded and our results of operations between different periods within a year is not meaningful and should not be relied on as an indicator of our future business prospects or financial performance.

24. Any delay or default in payments from our sales channels could adversely affect our business, results of operations, financial condition and cash flows.

We typically extend credit facilities to certain of our sales channels including large format retail stores, regional retail chains, e-commerce websites, and quick commerce platforms for our products. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. While there has not been any instance in the last three Fiscals and in the six months ended September 30, 2024 where defaults in payments from distributors had an material adverse impact on our business, results of operations, financial condition and cash flows, affected our business, results of operations, and cash flows, we cannot assure you that such instance will not arise in the future. The following table sets forth details regarding our trade receivables as of the periods indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Trade receivables (₹ *million*)	1,135.25	876.52	559.51	572.20
Trade receivables days*	33	27	19	20

Trade receivables days is calculated as trade receivables at the end of period/year divided by revenue from operations multiply by number of days in the year/ period.

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

We have entered into transactions with related parties in the past. These transactions primarily involve the payment of salaries and commissions, payments towards advertisement and business promotion, as well as lease rent, royalty payments, and share buybacks. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. All related party transactions that we may enter into post-listing, will be subject to Board or Shareholder approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, in the interest of the Company and its minority Shareholders. Further, it is likely that we may enter into additional related party transactions in the future. The table below provides details of our aggregate related party transactions and the percentage of such related party transactions to our revenue from operations in the relevant periods:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ million, except percentages)			
Aggregate amount of related party transactions*	357.99	689.11	711.71	646.52
Revenue from operations	6,371.88	11,781.85	10,843.93	10,473.67
Aggregate amount of related party transactions* as a percentage of revenue from operations	5.62%	5.85%	6.56 %	6.17 %

**Excluding transactions related to share buybacks, corporate social responsibility expenses, director sitting fees and contribution to gratuity fund.*

We have entered into the Promoter Licensing Agreement with our Promoter, Chairman and Managing Director, Mahesh Gupta. Pursuant to this agreement, our Company is required to pay license fees on a monthly basis consisting of (i) a per-item rate for patents as specified in the Promoter Licensing Agreement, and (ii) 1.2% of the total sales less the patent license fee, or a minimum of ₹101 if such balance is negative, for copyrights, designs and trademarks. The table below sets forth details of royalty on intellectual property rights provided to our Promoter, Chairman and Managing Director, Mahesh Gupta, expressed as a percentage of total expenses for the period/ years:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2024
Royalty on intellectual property rights (₹ million)	72.92	134.64	123.74	79.30
Total expenses (₹ million)	5,946.79	10,396.47	9,769.92	8,784.99
Royalty on intellectual property rights as a percentage of total expenses	1.23%	1.30%	1.27%	0.90%

Our Company has also entered into certain lease/rental agreements with related parties as follows:

S. No.	Name of the related party	Nature of relationship	Term of the lease agreement	Address of the property	Consideration
1.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated January 1, 2022, which is valid till August 31, 2025	H-35, South Extension – Part 1, Kidwai Nagar, New Delhi, Delhi 110 049, India.	₹0.05 million per month
2.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated May 27, 2019, which is valid till	SK - II / 58, Shakti Khand II, Indirapuram, Ghaziabad, Uttar Pradesh, 201 014, India.	₹0.05 million per month

S. No.	Name of the related party	Nature of relationship	Term of the lease agreement	Address of the property	Consideration
			September 30, 2025		
3.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated April 1, 2019, which is valid till August 31, 2025	H – 48, Sector 51, Noida, Uttar Pradesh, India.	₹0.05 million per month
4.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated April 1, 2019, which is valid till August 31, 2025	H – 49, Sector 51, Noida, Uttar Pradesh, India.	₹0.05 million per month
5.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated April 1, 2019, which is valid till August 31, 2025	F – 090, Sector 44, Noida, Uttar Pradesh, India.	₹0.05 million per month
6.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated April 1, 2019, which is valid till August 31, 2025	PK-01, Sector 112, Noida, Uttar Pradesh, India.	₹0.05 million per month
7.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated June 15, 2023, which is valid till March 31, 2025	SD – 03, Sector 116, Noida, Uttar Pradesh, India.	₹0.05 million per month
8.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated December 21, 2023, which is valid till October 31, 2025	B – 05, Sector 128, Noida, Uttar Pradesh, India.	₹0.05 million per month
9.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated December 21, 2023, which is valid till October 31, 2025	RP – 15, Sector 132, Noida, Uttar Pradesh, India.	₹0.05 million per month
10.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated December 21, 2023, which is valid till October 31, 2025	RP – 16, Sector 132, Noida, Uttar Pradesh, India.	₹0.05 million per month
11.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated December 21, 2023, which is valid till October 31, 2025	SG – 01, Sector 144, Noida, Uttar Pradesh, India.	₹0.05 million per month
12.	Mahesh Gupta	Promoter, Chairman and Managing Director	Agreement dated December 21, 2023, which is	SG – 02, Sector 144, Noida, Uttar Pradesh, India.	₹0.05 million per month

S. No.	Name of the related party	Nature of relationship	Term of the lease agreement	Address of the property	Consideration
			valid till October 31, 2025		
13.	Sunita Gupta	Promoter and Non-Executive Non-Independent Director	Agreement dated April 1, 2023, which is valid till January 31, 2025	SK - 97, Sector 112, Noida, India.	₹0.03 million per month
14.	Sunita Gupta	Promoter and Non-Executive Non-Independent Director	Agreement dated April 1, 2023, which is valid till January 31, 2025	SK - 98, Sector 112, Noida, India.	₹0.03 million per month
15.	Kent Appliances	Promoter Group	Consent dated November 29, 2024 provided by Kent Appliances	GF – 40, Ansal Majestic Tower, Community Centre, Vikaspuri, New Delhi 110 018, India.	Nil
16.	Kent Appliances	Promoter Group	Consent dated November 29, 2024 provided by Kent Appliances	GF - 41, Ansal Majestic Tower, Community Centre, Vikaspuri, New Delhi 110 018, India.	Nil
17.	S.S. Appliances Private Limited	Group Company	Agreement dated March 24, 2022, which is valid till August 23, 2025	C - 15, Sector 7, Noida, Gautambuddha Nagar, Uttar Pradesh 201 301, India.	₹0.01 million per month
18.	S.S. Appliances Private Limited	Group Company	Agreement dated February 1, 2022, which is valid till September 30, 2025	A - 2, Sector 59, Noida, Gautambuddha Nagar, Uttar Pradesh 201 309, India.	₹0.20 million per month
19.	S.S. Appliances Private Limited	Group Company	Agreement dated November 29, 2024, which is valid till May 31, 2025	GF - 10, Ansal Majestic Tower, Plot No. - 17, Block - G1, Vikaspuri Community Center, Vikaspuri, New Delhi, Delhi 110 018, India.	₹0.02 million per month
20.	S.S. Appliances Private Limited	Group Company	Agreement dated November 29, 2024, which is valid till May 31, 2025	204, Ansal Majestic Tower, Plot No 17, Block G-1, Vikaspuri Community Centre, Vikas Puri, New Delhi 110 018, India.	₹0.02 million per month
21.	S.S. Appliances Private Limited	Group Company	Agreement dated November 29, 2024, which is valid till May 31, 2025	S – 03, IInd Floor, Pankaj Arcade, Plot No. - 16, Sector 5, Dwarka, New Delhi, Delhi 110 075, India.	₹0.01 million per month
22.	S.S. Appliances Private Limited	Group Company	Agreement dated November 29, 2024, which is valid till May 31, 2025	S – 02, Pankaj Arcade, Plot No. - 16, Sector 5, Dwarka, New Delhi, Delhi 110 075, India.	₹0.01 million per month

S. No.	Name of the related party	Nature of relationship	Term of the lease agreement	Address of the property	Consideration
23.	S.S. Appliances Private Limited	Group Company	Agreement dated May 25, 2007, which is valid till May 31, 2025	S.F – 7, Aarohi Apartment,18 Nilima Park Society, Navrangpura, Ahmedabad, India.	₹0.01 million per month
24.	S.S. Appliances Private Limited	Group Company	Agreement dated May 21, 2019, which is valid till August 31, 2025	SF - 17, Galleria Market, DLF, Phase - 4, Gurugram, Haryana 122 022, India.	₹0.02 million per month
25.	S.S. Appliances Private Limited	Group Company	Agreement dated April 1, 2019, which is valid till August 31, 2025	1st Floor, 105, Laxmi Plaza Industrial Estate, Off. New Link Road, Andheri West, Mumbai, Maharashtra 400 053, India.	₹0.02 million per month
26.	S.S. Appliances Private Limited	Group Company	Agreement dated May 24, 2007, which is valid till May 31, 2025	Shop No. 10, Ground Floor, Oberoi Trade Tower, Oberoi Complex, Off New Link Road, Andheri (West), Mumbai 400 053, India.	₹0.02 million per month
27.	S.S. Appliances Private Limited	Group Company	Agreement dated October 10, 2024, which is valid till January 31, 2025	Plot No. SK – 39, Sector – 70, Noida.	₹ 0.03 million per month

We have also entered into an agreement dated April 1, 2022, valid till March 31, 2025, with our Group Company, Imarti Media Private Limited ("**Imarti**") for provision of services in relation to digital marketing, for a consideration of ₹4.50 million and applicable taxes, a commission fee of 3% on the media brought by Imarti, and reimbursement of pre-approved expenses relating to digital marketing.

For further information on our related party transactions, see "***Offer Document Summary – Summary of Related Party Transactions***", "***Restated Consolidated Financial Information – Note 42 – Related party disclosure***" and "***Our Group Companies***" on pages 16, 300 and 351, respectively.

26. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage.

We maintain insurance cover for our properties, including building, furniture and fixture, plant machinery stock and stock in process and raw material stock for physical loss or damage to the property arising from a number of specified risks including burglary, housebreaking, loss or damage due to fire, earthquakes and other perils. For further information on the insurance policies availed by us, see "***Our Business – Insurance***" on page 204. These insurance policies are generally valid for one year and are renewed yearly. We cannot assure you that the renewal of our insurance policies in the future will be granted in a timely manner, at acceptable cost or at all.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as malfunction or failure of manufacturing equipment, natural disaster, fire, flood, and accidents affect our manufacturing facilities. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain types of risks. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, cash flows, financial condition and results of operations could be adversely affected. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. While we have not experienced any instance where we incurred losses exceeding our insurance coverage in the last three Fiscals and the six months ended September 30, 2024, we cannot assure you that such instance will not arise in the future. The following table sets forth details of coverage of our insurance policies against the certain assets as of the dates indicated:

Particulars	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Amount (₹ million)	Percentage of the Assets	Amount (₹ million)	Percentage of the Assets	Amount (₹ million)	Percentage of the Assets	Amount (₹ million)	Percentage of the Assets Assets
Coverage of Insurance Policies	10,109.04	108.78%	10,176.60	112.43%	7,002.60	81.14%	7,002.60	106.63%

**Excludes vehicles, free hold land, right of use asset and capital work in progress.*

27. ***We may be subject to product liability claims by customers due to defects in our products which could have an adverse impact on our business, results of operations, financial condition and cash flows.***

Defects in our products, particularly in our water purifiers, may have significant adverse consequences for our consumer, including personal injuries and even death. While we have not experienced any product liability claims or similar allegations against us or our products in the last three Fiscals and in the six months ended September 30, 2024, we cannot assure you that there will not be any such claims or allegations in the future which could adversely affect our business, results of operations, financial condition and cash flows or lead to civil and criminal liability or other penalties. Further, the publicity surrounding product liability claims is also likely to damage our reputation, regardless of whether they are successful. While our products are tested prior to release, we cannot guarantee that our new products will be free of defects when released, as they can only be fully tested when they are used by our consumers. Consequently, our consumers may discover defects after products have been released. If we are unable to quickly and successfully correct the defects identified after their release, we could experience significant costs associated with compensating our consumers for damages caused by our products, costs associated with correcting the defects, costs associated with design modifications, and costs associated with service or warranty claims or both. Additionally, we could lose customers, lose market share and suffer damage to our reputation. We generally record warranty provisions in our accounts based on estimates which are established using historical information on the nature, frequency, and average cost of warranty claims and management estimates regarding possible future incidence but there can be no assurance that our provisions will be adequate for liability ultimately incurred. Any of the above consequences resulting from defects in our products may have an adverse effect on our business, results of operations, financial condition and cash flows.

28. ***Any inability to accurately manage inventory and forecast demand for particular products may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Demand for our products is forecasted using past trends and anticipated demand. If we underestimate demand or lack sufficient production capability to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our manufacturing volumes, any changes in estimates could result in surplus stock, which may not be sold in a timely manner. While we have not experienced inventory write-downs due to surplus stock in the last three Fiscals and the six months ended September 30, 2024, we cannot guarantee that such issues won't arise in the future.

29. ***We may not be able to successfully develop new products and technology capabilities if we are unable to identify emerging trends, which could adversely impact our business, results of operations, cash flows and financial condition.***

The future success of our business will depend in part on our ability to respond to technological advances, consumer preferences (including in designs) and emerging industry standards and practices in a cost effective and timely manner. While we continue to undertake product development initiatives, introduction of new designs and integration of new technologies into our products, we are subject to general risks associated with introduction of new products including the lack of market acceptance. We cannot assure you that we will be able to successfully develop new products or that such new products will receive market acceptance or address changing consumer trends or emerging industry standards. Any rapid change in the expectations of our consumers in our business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition.

30. ***After the completion of the Offer, our Promoters will continue to collectively hold majority of the shareholding in our Company, which will allow them to influence the outcome of matters requiring shareholder approval.***

As on the date of this Draft Red Herring Prospectus, our Promoters collectively held 99.77% of the share capital of our Company on a fully diluted basis. For details of their shareholding pre and post-Offer, see "***Capital Structure***" on page 79. After the completion of the Offer, our Promoters will continue to collectively hold majority of the shareholding in our Company and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures or any other matter requiring special resolution. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters in the Company, see "***Our Promoters and Promoter Group***" and "***Our Management***" on pages 238 and 221, respectively.

31. ***We rely on contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, financial condition and cash flows.***

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. As on September 30, 2024, we had 717 contract labourers. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations, financial condition and cash flows. While we have not faced any such instances in the six months ended September 30, 2024 and the last three Fiscals where we were required to pay wages to contract labourers, we cannot assure you that such instances will not arise in the future. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as notified and enforced by the central government and adopted with such modifications as may be deemed necessary by the respective state governments, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, financial condition and cash flows.

32. ***There have been certain instances of delays in payment of statutory dues by us in the past. Any delay in payment of statutory dues by us in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.***

We are required to pay certain statutory dues including provident fund contributions, employee state insurance contributions ("**ESIC**"), professional taxes, labour welfare fund, goods and services tax ("**GST**"), tax deducted at source ("**TDS**"), tax collected at source ("**TCS**") and income tax. The table below sets forth the details of the statutory dues payable by us:

Particulars	No of employees as of September 30, 2024	Six months ended September 30, 2024 (₹ million)	No of employees as of March 31, 2024	Fiscal 2024 (₹ million)	No of employees as of March 31, 2023	Fiscal 2023 (₹ million)	No of employees as of March 31, 2022	Fiscal 2022 (₹ million)
Employee Provident Fund	2,897	60.88	2,802	122.41	3,283	129.42	3,166	120.62
ESIC	1,256	4.92	1,272	10.08	1,501	11.36	1,651	11.61

Particulars	No of employees as of September 30, 2024	Six months ended September 30, 2024 (₹ million)	No of employees as of March 31, 2024	Fiscal 2024 (₹ million)	No of employees as of March 31, 2023	Fiscal 2023 (₹ million)	No of employees as of March 31, 2022	Fiscal 2022 (₹ million)
Labour Welfare Fund	NA	NA	63	0.00	75	0.00	75	0.00
Professional Tax	532	0.60	517	1.30	665	1.36	538	1.22
GST	NA	347.92	NA	749.01	NA	607.97	NA	471.34
TDS	NA	134.37	NA	256.18	NA	226.81	NA	184.44
TCS	NA	0.50	NA	1.94	NA	1.67	NA	1.61

The table below sets forth the details of delays in statutory dues payable by us:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Amount Delayed (₹ million)			
Employee Provident Fund	Nil	Nil	Nil	0.03
ESIC	Nil	Nil	Nil	0.13
Labour Welfare Fund	Nil	Nil	Nil	Nil
Professional Tax	0.01	0.05	0.06	0.06
GST	Nil	Nil	Nil	Nil
TDS	Nil	Nil	Nil	Nil

We cannot assure you that we will not be subject to such penalties and fines in the future for delays in payment of statutory dues, which may have an adverse impact on our business, results of operations, financial condition and cash flows.

33. ***We do not own the land on which some of our manufacturing facilities, office premises, service offices, warehouses and residential properties for our employees are located. A failure to renew our existing lease arrangements at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations.***

Some of our business operations are being conducted on premises leased from third parties. We do not own our Registered Office premises situated at H 35, South Extension, Part - 1, Kidwai Nagar, New Delhi 110 049, Delhi, India, and the land on which our Noida Facility I, Noida Facility II, Noida Facility III, and certain of our service offices, office premises, warehouses and residential properties for our employees are located, are leased from third parties. The tenure of our lease arrangements with third parties typically range from eleven months to 99 years. While we renew lease agreements and deeds for shorter tenures periodically in the ordinary course of business, in the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. Additionally, failure to comply with the terms of our lease agreements could lead to disputes with our landlords, which could significantly impact our business operations.

Further, some of our properties are located on land which has been leased from regional industrial authorities/industrial development corporations ("**IDCs**"). For instance, our Noida Facility I, Noida Facility II, Noida Facility III and planned manufacturing facility at Noida, Uttar Pradesh is located on land that we occupy on a leasehold basis from New Okhla Industrial Development Authority (**"NOIDA Authority**"). In addition, we have been allotted land by the Haryana State Industrial and Infrastructure Development Corporation at Gurgaon, Haryana, on which we have set up one of our warehouses. Under the terms of the allotment by the NOIDA Authority to us, we are required to obtain the NOIDA Authority's approval for certain corporate actions, such as change of control and constitution. As required under the terms of the letters of allotment and agreements entered into in relation to our manufacturing units, Noida Facility – I, Noida Facility – II and Noida Facility – III, all of which are situated within the premises of the NOIDA Authority, the NOIDA Authority has granted its no objection for change in the shareholding of our Company pursuant to proposed Offer. In the event we fail to comply with the terms and conditions under the aforementioned agreements, the respective IDC reserves the right to terminate the lease deed, unilaterally. If the lease deeds with the IDCs are terminated, we would need to relocate our operations on that land to a different location, which would disrupt our operations and involve additional costs and which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Our lease rent for the six months ended September 30, 2024, Fiscals 2024, 2023 and 2022 are set out below:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Lease rent (₹ *million*)	7.44	9.41	6.39	5.84
Total expenses (₹ *million*)	5,946.79	10,396.47	9,769.92	8,784.99
Lease rent as a percentage of total expenses	0.13%	0.09%	0.07%	0.07%

Furthermore, we have entered into lease agreements with related parties in certain instances. Our Company has entered into a rent agreement with our Promoter and Chairman and Managing Director, Mahesh Gupta for the use of our Registered Office, one service office, and ten residential properties for our employees. Our Company has also entered into lease agreements with (i) our Non-Executive Non-Independent Director Sunita Gupta for two residential properties for our employees; (ii) our Group Company, S.S. Appliances Private Limited, for seven of our service offices, three of our office spaces and one residential property for our employees and (iii) Kent Appliances, a member of our Promoter Group for two of our service offices. For details, see " – ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders***" on page 42.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements in the past three Fiscals and six months ended September 30, 2024, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements for new offices, service offices, warehouses or manufacturing facilities. We cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

34. We have certain contingent liabilities that have been disclosed in the Restated Consolidated Financial Information (₹ 167.06 million as of September 30, 2024), which if they materialize, may adversely affect our business, results of operations, financial condition and cash flows.

As of September 30, 2024, our contingent liabilities that have been disclosed in our Restated Consolidated Financial Information, were as follows:

Particulars	Amount (₹ million)
Disputed tax liabilities in respect of pending litigations before appellate authorities(1)	163.34
Corporate guarantees issued to bank against facilities sanctioned to dealers/distributors	3.72
Total	**167.06**

The aforesaid contingent liabilities include provision for demand notice dated September 30, 2022 issued by the Central Goods and Services Tax Commissionerate, Roorkee Division ("**Demand Notice**") on the basis of the search proceedings conducted by Directorate General of GST Intelligence ('**DGGI**') on our Company during the Financial Year 2020-21. While the search proceedings were closed by way of closure report dated September 22, 2023 issued by the DGGI, the aforementioned Demand Notice was issued to our Company demanding an amount of ₹152.75 million towards excess amount of refund claimed during the period of July, 2017 to June, 2019, along with an interest of 15% per annum. The Demand Notice alleged that our Company had manipulated the transfer prices of goods so as to show a higher transfer price at factories, in order to avail maximum amount of refund under the Scheme of Budgetary Support issued by Department of Industrial Policy and Promotion. Our Company has filed a writ petition dated November 4, 2022 under Article 226 of the Constitution of India before the High Court of Uttarakhand, challenging the validity of the Demand Notice on the grounds that it was issued in an arbitrary manner, and violates the principles of natural justice. The matter is currently pending. For further information, see "***Outstanding Litigation and Material Developments** – **Tax proceedings involving our Company***" on page 344. We cannot provide any assurance that such proceedings will be decided in our favour or that we will not face any similar taxation claims in the future.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, results of operations, financial condition and cash flows. For further information, see "***Restated Consolidated Financial Information – Note 36 – Commitments and contingencies***" on page 289.

35. Our Statutory Auditors have included certain emphasis of matters in Para 5(a) of the Restated Consolidated Financial Information. There can be no assurance that any similar emphasis of matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

Our Statutory Auditors have included the following emphasis of matters in Para 5(a) of the Restated Consolidated Financial Information:

For the period ended September 30, 2024:

"We draw attention to Note 2(b) to the Special Purpose Consolidated Interim Financial Statements, which describes the basis of its preparation. These Special Purpose Consolidated Interim Financial Statements have been prepared by the Holding Company's management solely for the preparation of Restated Consolidated Financial Information of the Group for the six months period ended September 30, 2024, to be included in the Draft Red Herring Prospectus which is to be filed by the Holding Company with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time in connection with the proposed Initial Public Offer of equity shares of the Holding Company. Therefore, these Special Purpose Consolidated Interim Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter."

"We draw attention to Note 49 to the Special Purpose Consolidated Interim Financial Statements, which describes that the Holding Company had received demand notice from Central Goods and Service Tax Commissionerate, Roorkee dated September 30, 2022, towards recovery of excess refund received by the Holding Company under Budgetary Support Scheme of ₹ 152.75 million along with applicable interest for the period July 1, 2017 to June 30, 2019, basis the search proceedings conducted by Directorate General of Goods and Service Tax Intelligence ('DGGI') on the Holding Company during financial year 2020-21. The Holding Company had filed a writ petition with Hon'ble High Court of Uttarakhand and deposited ₹ 102.40 million under protest with Department of Industrial Policy and Promotion ('DIPP'). The Hon'ble High Court stayed the demand proceedings, and the matter is currently pending adjudication. Based on the legal opinion obtained, the management is confident of favorable outcome on the aforesaid matter and accordingly, no adjustments have been made to these Special Purpose Consolidated Interim Financial Statements. Our opinion is not modified in respect of this matter."

"We draw attention to Note 50 to the Special Purpose Consolidated Interim Financial Statements, which describes the restatements made to the comparative financial statements as at and for the year ended March 31, 2024 and as at April 1, 2023 in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, for correction of certain identified material prior period errors and reclassifications which are further described in the aforesaid note. Our opinion is not modified in respect of this matter."

For the year ended March 31, 2024:

"We draw attention to Note no. 54 and Note no. 55 of the consolidated financial statements that describes contingent liabilities related to Directorate General of GST Intelligence ("DGGI") matter and certain income tax matters. For DGGI matter mentioned in note no. 54, the Holding Company has initiated legal proceedings by filing a writ petition with Uttarakhand High Court challenging the demand raised following a search operation. Regarding income tax matters mentioned in note no. 55, the Holding Company has filed

appeals against certain tax demands. We have evaluated the adequacy of disclosures related to these matters in the financial statements and accompanying notes and consider them appropriate. Our opinion is not modified in respect of these matters."

For the year ended March 31, 2023:

"We draw attention to Note no. 56 and Note no. 57 of the consolidated financial statements that describes contingent liabilities related to Directorate General of GST Intelligence ("DGGI") matter and certain income tax matters. For DGGI matter mentioned in note no. 56, the Holding Company has initiated legal proceedings by filing a writ petition with Uttarakhand High Court challenging the demand raised following a search operation. Regarding income tax matters mentioned in note no. 57, the Holding Company has filed appeals against certain tax demands. We have evaluated the adequacy of disclosures related to these matters in the financial statements and accompanying notes and consider them appropriate. Our opinion is not modified in respect of these matters."

For the year ended March 31, 2022:

"We draw attention to Note 57 of the consolidated financial statements which deals with ongoing investigation by Directorate General of GST Intelligence ("DGGI") on Kent R O Systems Limited ("the Holding Company") regarding alleged non-compliance with provisions of Budgetary support scheme notified by Ministry of Commerce and Industry under notification dated 5 October 2017 ('Budgetary support scheme') and certain provisions of GST Act. As mentioned in the note, the Holding Company has been submitting information required by DGGI and is also cooperating in the investigation. As explained in the said note, the allegations pertain to excess input credit availment and excess budgetary support claim made by the Holding Company. As per the Management's detailed analysis, all input credits availed and budgetary support claims are in line with provisions of GST Act and Budgetary Support Scheme. Further, as mentioned in the said note, with respect to allegation of excess input credit availment, Holding Company has deposited the alleged excess amount under protest. Further, contingent liability of Rs. 1,752.08 lacs have been made by Holding Company that may arise from the aforesaid issue of alleged excess budgetary support claim. Our opinion is not qualified in respect of above matter."

We cannot assure you that any similar emphasis of matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

36. *Exchange rate fluctuations may adversely affect our business, financial conditions, cash flows and results of operations.*

Our financial statements are presented in Indian Rupees. However, our revenue is influenced by the currencies that we export in as well as by currencies of countries from where we procure raw material and certain finished goods. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially USD, may have an adverse impact on our results of operations, cash flows and financial condition. The table below sets forth details of foreign currency exposure as of the dates indicated:

Particulars	As of/ for the six months ended September 30, 2024		As of/ for the year ended March 31, 2024		As of/ for the year ended March 31, 2023		As of/ for the year ended March 31, 2022	
	Amount (₹ million)	Percentage of revenue from operations	Amount (₹ million)	Percentage of revenue from operations	Amount (₹ million)	Percentage of revenue from operations	Amount (₹ million)	Percentage of revenue from operations
Absolute total foreign currency exposure on trade receivable	60.38	0.95%	71.68	0.61%	49.70	0.46%	67.01	0.64%
Absolute total foreign currency	107.63	1.69%	57.16	0.49%	83.15	0.77%	117.35	1.12%

Particulars	As of/ for the six months ended September 30, 2024		As of/ for the year ended March 31, 2024		As of/ for the year ended March 31, 2023		As of/ for the year ended March 31, 2022	
	Amount (₹ million)	Percentage of revenue from operations	Amount (₹ million)	Percentage of revenue from operations	Amount (₹ million)	Percentage of revenue from operations	Amount (₹ million)	Percentage of revenue from operations
exposure on trade payable								

We do not hedge our exposure to foreign currency as a result, our operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. Although we have not experienced any adverse impacts on our results of operations, financial condition, or cash flows due to not hedging foreign exchange risks in the last three fiscal years and the six months ended September 30, 2024, we cannot assure that such issues will not occur in the future.

37. ***Grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, reduce our profitability and financial condition.***

Our Company has an ESOP Scheme for issue of employee stock options to eligible employees, which may result in issue of not more than 3,028,270 Equity Shares. As of the date of this Draft Red Herring Prospectus, our Company has not granted any stock options under the ESOP Scheme. For further information in relation to the ESOP Plan, see "***Capital Structure – Employee Stock Options Scheme of our Company***" on page 93. Grants of stock options result in a charge to our statement of profit and loss and reduce, to that extent, our reported profits in future periods. Further, any issuance of the equity or equity-linked securities by us, including through exercise of employee stock options pursuant to the ESOP Scheme or any other employee stock option scheme we may implement in the future, may dilute your shareholding in our Company which could have an adverse effect on the trading price of the Equity Shares and our ability to raise capital through an issuance of new securities.

38. ***Our Promoters hold Equity Shares in our Company and have related party transactions with the Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses as directors on the Board.***

Our Promoters are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses to the extent of directorships held in the Company, to the extent of their shareholding or the shareholding of their relatives in our Company and related party transactions with the Company. The table below sets forth the details of remuneration and shareholding of our Promoters, as applicable:

Names	Percentage of total pre-Offer paid up Equity Share capital	Remuneration in Fiscal 2024 (in ₹million)
Promoters		
Mahesh Gupta	51.18%	102.04
Sunita Gupta	36.62%	Nil
Varun Gupta	11.97%	79.32
Mahesh Varun Private Family Trust	Negligible	N.A.
Sunita Surbhi Private Family Trust	Negligible	N.A.
Sunita Varun Private Family Trust	Negligible	N.A.

We cannot assure you that our Promoters will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "***Capital Structure***", "***Our Management***" and "***Our Promoter and Promoter Group***" on pages 79, 221 and 238 respectively.

We have entered into the Promoter Licensing Agreement with our Promoter, Chairman and Managing Director, Mahesh Gupta. Pursuant to this agreement, our Company is required to pay license fees on a monthly basis consisting of (i) a per-item rate for patents as specified in the Promoter Licensing Agreement, and (ii) 1.2% of the total sales less the patent license fee, or a minimum of ₹101 if such balance is negative, for copyrights, designs and trademarks. Further, our Company has leased the Registered Office, one service office, and ten residential properties for our employees from Mahesh Gupta, and has entered into lease agreements with our Promoter, and Non-Executive Non-Independent Director Sunita Gupta, for two residential properties for our employees. For further details, see " – ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders***", "***History and Certain Corporate Matters – License agreement for trademarks, copyrights, patents and designs dated April 1, 2023 between Mahesh Gupta and our Company, as amended by addendum agreement dated January 1, 2025***" "***Restated Consolidated Financial Information – Note 43: Related Party Disclosures***" on pages 42, 220 and 300 respectively.

39. The average cost of acquisition of Equity Shares for our Promoter Selling Shareholders may be lower than the Offer Price.

The average cost of acquisition of Equity Shares for our Promoter Selling Shareholders may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Promoter Selling Shareholders as at the date of the Draft Red Herring Prospectus is set out below.

Sr. No.	Name	Number of Equity Shares held as on date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)*
Promoters			
1.	Mahesh Gupta	51,664,900	0.09
2.	Sunita Gupta	36,968,010	0.09
3.	Varun Gupta	12,084,270	0.09

* *As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.*

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoter Selling Shareholders and build-up of Equity Shares by our Promoter Selling Shareholders in our Company, see "***Offer Document Summary – Average cost of acquisition***" and "***Capital Structure*** – ***History of the share capital held by the Promoters- Build-up of Promoter's shareholding in our Company***" on pages 19 and 86, respectively.

40. In the past one of our Independent Directors was subject to disqualification.

In the past, one of our Independent Directors, Arun Seth, was disqualified to act as a director in any company due to his directorship in a company, namely, Brendish Health Care Private Limited, which had not filed its annual returns with the Registrar of Companies, West Bengal for a continuous period of three (3) financial years. Accordingly, pursuant to order by the Registrar of Companies, West Bengal, Arun Seth was disqualified to be a director in any company for the period commencing from November 1, 2016 to October 31, 2021. However, the disqualification has ceased to exist as on date and the director identification number (DIN) of Arun Seth was re-approved on December 1, 2019 (as per the MCA website). There can be no assurance that no legal proceedings or regulatory action will be initiated against our Independent Director in this regard, in the future, which may have an adverse impact on our business, financial condition and reputation.

41. Technology failures could disrupt our operations and adversely affect our business, results of operations, financial condition and cash flows.

IT systems are critical to our ability to manage our manufacturing process, inventory management, distribution network, financial management, data handling and supply chain management, to maximize efficiencies and optimize costs. For details, see "***Our Business – Information Technology***" on page 202. If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to transaction errors and processing inefficiencies. Challenges relating to the revamping or implementation of new IT structures can also subject us to certain errors and inefficiencies, disruptions. Our IT systems and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. While there has not been any instance in the last three Fiscals and in the six months ended September 30, 2024 which impacted our IT systems, resulting in an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instance will not arise in the future.

Further, mobile apps used to operate some of our products may pose risks. Any issues with these apps, such as crashes, slow performance, or connectivity problems, can disrupt the functionality of our products, leading to consumer dissatisfaction. While there has not been any instances in the last three Fiscals and in the six months ended September 30, 2024, where issues with our mobile apps have adversely impacted our business, results of operations, financial condition, or cash flows, we cannot assure you that such instances will not occur in the future.

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

We have availed the services of an independent consulting company, Technopak Advisors Private Limited ("**Technopak**"), appointed by our Company pursuant to an engagement letter dated October 7, 2024 to prepare an industry report titled "*Industry Report on Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India*" dated January 9, 2025, for purposes of inclusion of such information in this Draft Red Herring Prospectus to understand the industry in which we operate. Our Company, our Promoters, our Directors, and our Key Managerial Personnel and Senior Management are not related to Technopak. The Technopak Report has been commissioned by our Company exclusively in connection with the Offer for a fee. This Technopak Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions.

43. ***We may be subject to fraud, theft, employee negligence or similar incidents.***

Our operations may be subject to incidents of theft or damage to inventory in transit. While we have not experienced any fraud, theft and employee negligence or similar incidents in the last three Fiscals and the six months ended September 30, 2024 which had an adverse impact on our business, results of operations, financial condition and cash flows, such instances may arise in the future which could adversely affect our business, results of operations, financial condition and cash flows. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to exclusion from, coverage under our insurance policies, it could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no instances of failure to maintain effective internal controls and compliance systems in the last three Fiscals and the six months ended September 30, 2024. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

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

45. ***We have included in this Draft Red Herring Prospectus certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures***" on page 329.

External Risk Factors

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

The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. Further, pursuant to the Finance (No.2) Act of 2024, notified on August 16, 2024, the Government of India has introduced new income tax slabs, an increase in standard deduction and an increase in the deduction available in respect of private sector employers' contribution to National Pension Scheme from 10% to 14% of the salary of the concerned employees. There is no certainty on the impact of the full Union budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

47. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, financial condition or cash flows. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

48. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

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

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

The Restated Consolidated Financial Information is prepared in accordance with Ind AS and restated in accordance with requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (as amended), the SEBI ICDR Regulations (as amended) and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify their impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

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

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the Competition Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position. The Competition Amendment Act also proposed amendments such as introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a "combination," expedited merger review timelines, codification of the lowest standard of "control" and enhanced penalties for failing to provide material information. The Competition Amendment Act also enumerates the categories of combinations that, upon satisfying the specified criteria, are exempted from the notice requirements under the Competition Act. The CCI has introduced the Competition Commission of India (General) Regulations, 2024, which have repealed the Competition Commission of India (General) Regulations, 2009.

If we pursue acquisition transactions in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of our operations, cash flows and prospects.

52. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.

Any change in Indian tax laws could have an effect on our operations. The GoI has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. Our Company is impleaded in proceedings relating to GST and indirect taxation from time to time. For instance, our Company had received a demand notice dated September 30, 2022 issued by the Central Goods and Services Tax Commissionerate, Roorkee Division ("**Demand Notice**") demanding an amount of ₹152.75 million towards excess amount of refund claimed during the period of July, 2017 to June, 2019, along with an interest of 15% per annum on the basis of the search proceedings conducted by Directorate General of GST Intelligence ('**DGGI**') on our Company during the Financial Year 2020-21. While the search proceedings were closed by way of closure report dated September 22, 2023 issued by the DGGI, the aforementioned Demand Notice was issued alleging that our Company had manipulated the transfer prices of goods so as to show a higher transfer price at factories, in order to avail maximum amount of refund under the Scheme of Budgetary Support issued by Department of Industrial Policy and Promotion. Our Company has filed a writ petition dated November 4, 2022 under Article 226 of the Constitution of India before the High Court of Uttarakhand, challenging the validity of the Demand Notice on the grounds that it was issued in an arbitrary manner, and violates the principles of natural justice. The matter is currently pending. We cannot provide any assurance that such proceedings will be decided in our favour or that we will not face any similar taxation claims in the future. For further information, see " – ***We have certain contingent liabilities that have been disclosed in the Restated Consolidated Financial Information (₹ 167.06 million as of September 30, 2024), which if they materialize, may adversely affect our business, results of operations, financial condition and cash flows***" on page 49 and "***Outstanding Litigation and Material Developments** – **Tax proceedings involving our Company***" on page 344.

GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

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

Further, the Finance Act, 2024, was notified on August 16, 2024, and deemed to come into force on April 1, 2024 which has introduced various amendments to the IT Act. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our consumers, whether entirely or in part, and may adversely affect our business, results of operations, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

54. ***The determination of the Price Band is based on various factors and assumptions and the Issue Price, price to earnings ratio and market capitalization to revenue multiple based on the Issue Price of our Company, may not be indicative of the market price of the Company on listing or thereafter.***

Our revenue from operations for the six months ended September 30, 2024 and Fiscal 2024 was ₹6,371.88 million and ₹11,781.85 million and restated profit for the six months ended September 30, 2024 and Fiscal 2024 was ₹696.58 million and ₹1,665.45 million. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations at the upper end of the Price Band:

Particulars	Price to Earnings Ratio	Market Capitalization to Revenue
Six months ended September 30, 2024	[●]	[●]
For Fiscal 2024	[●]	[●]

**To be populated at Prospectus stage.*

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. Further, the Issue Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section "***Basis for the Offer Price***" on page 98 and the Issue Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. As a result, we cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing. Further, the market price of the Equity Shares may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

55. ***Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure and Graded Surveillance Measures by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) Graded Surveillance Measures ("**GSM**") on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) Additional Surveillance Measure ("**ASM**") on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) requirement of settlement on a trade for trade basis without netting off, reduction of applicable price band, requirement of settlement on gross basis, freezing of price on upper side of trading or as well as mentioning of our Equity Shares on the surveillance dashboards or which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

56. ***Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.***

Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, profit after tax available for distribution, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future consistent with our past practices, or at all. We have not declared any dividends on the Equity Shares during the last three Fiscals and during the period from April 1, 2024, until the date of this Draft Red Herring Prospectus. For information pertaining to dividend policy, see "***Dividend Policy***" on page 244.

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Our Equity Shares are expected to trade on NSE and BSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of security analysts to cover the Equity Shares after the Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- changes in accounting standards, policies, guidance, interpretations of principles;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and

- the public’s reaction to our press releases and adverse media reports.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax (“**STT**”) is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which the equity shares are sold. Any capital gain realized on the sale of listed equity shares on a recognised stock exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the recognised stock exchanges, the quantum of gains, and any available treaty relief.

The Government of India announced the union budget for Financial Year 2024-2025, following which the Finance Bill, 2024 (“**Finance Bill**”) was introduced in the Lok Sabha on February 1, 2024. Subsequently, the Finance Bill received the assent from the President of India and became the Finance Act, 2024, with effect from April 1, 2024 as amended by the Finance Act (No.2), (“**Finance Act**”). Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares.

The Finance Act has amended certain sections of the Income Tax Act, 1961, with effect from July 23, 2024. Accordingly, long term capital gains exceeding the exempted limit of ₹125,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 12.5% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax-exempted in such cases. Further, STT will be levied and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹125,000.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 20% (plus applicable surcharge and cess) for transfers taking place before July 23, 2024.

However, per the Finance Act, short-term capital gains will be taxed at 20% for transfers taking place after July 23, 2024. The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020. It clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, is specified at 0.015% (on a delivery basis) and 0.003% (on a non-delivery basis) of the consideration amount. As such, there is no certainty on the effect that the Finance Act, 2019 may have on our business and operations.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Additionally, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Further, our Company is required to withhold tax on such dividends distributed at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends. Any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, results of operations, financial condition and cash flows. Unfavorable changes in or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or '*demat*' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment and transfer of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid Closing Date. There could be a failure or delay in the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior approval of the RBI will be required. Further, 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. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. 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. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Additionally, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 397.

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

Upon listing, the Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

63. Any failure to comply with sanctions administered by the United States or other governments could adversely affect our business and reputation.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we endeavor to conduct our activities in compliance with applicable laws and regulations, we cannot assure you that persons and/or entities with whom we may engage in future transactions will not become the subject of sanctions-related prohibitions or restrictions, or that sanctions will not be imposed on the persons with whom we currently engage or countries in which we currently conduct business. The imposition of such sanctions on countries or persons with whom we transact may adversely affect our business and results of operations. Our failure to successfully comply with applicable sanctions may expose us to adverse legal and business consequences, including civil or criminal penalties, government investigations, and reputational harm.

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

Pursuant to the SEBI ICDR Regulations, QIBs and NIBs are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders and Eligible Employees Bidding the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/ Issue Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

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

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

66. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer(1)	Up to 10,094,568 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
The Offer consists of:	
Employee Reservation Portion(2)	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
The Net Offer comprises of:	
A. QIB Category(3)(4)	Not more than [●] Equity Shares of face value of ₹1 each
Of which:	
Anchor Investor Portion(4)	Up to [●] Equity Shares of face value of ₹1 each
Net QIB Category (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹1 each
Of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Category)	[●] Equity Shares of face value of ₹1 each
Balance of Net QIB Category for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹1 each
B. Non-Institutional Category(3)(5)	Not less than [●] Equity Shares of face value of ₹1 each
Of which:	
One-third is available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000	[●] Equity Shares of face value of ₹1 each
Two-third is available for allocation to Bidders with a Bid size of more than ₹1,000,000	[●] Equity Shares of face value of ₹1 each
C. Retail Category(3)	Not less than [●] Equity Shares of face value of ₹1 each
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to and after the Offer	100,945,680 Equity Shares of face value of ₹1 each
Use of proceeds of the Offer	Our Company will not receive any proceeds from the Offer for Sale. For details, see "***Objects of the Offer***" on page 95.

(1) *The Offer has been authorized by a resolution by our Board of Directors dated January 8, 2025. The Promoter Selling Shareholders have also authorized their participation in the Offer for Sale. For details of authorizations received for the Offer for Sale, see "**Other Regulatory and Statutory Disclosures**" on page 353. Our Board of Directors has taken on record the approvals of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated January 8, 2025. Each Promoter Selling Shareholder has confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations.*

(2) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employees not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000 to each Eligible Employee), shall be added to the Net Offer. For further details, see "**Offer Procedure**" and "**Offer Structure**" on pages 377 and 372, respectively.*

(3) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Undersubscription, if any, in the Net QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories.*

(4) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Category shall be available for allocation on a*

*proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Category and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "**Offer Structure**" and "**Offer Procedure**" on pages 372 and 377, respectively.*

(5) *Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000, provided that under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.*

Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●] % of the post- Offer paid-up Equity share capital of our Company. Allocation to all categories of Bidders shall be made in accordance with SEBI ICDR Regulations. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than the minimum Non-Institutional application size, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII to the SEBI ICDR Regulations. For more information, see "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" on pages 366, 372 and 377, respectively.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Consolidated Financial Information. The summary financial statements presented below should be read in conjunction with "***Restated Consolidated Financial Information***" *and* "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" *on pages 245 and 315, respectively.*

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Restated Consolidated Statement of Assets and Liabilities

('₹ in million)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets				
Non-current assets				
Property, plant and equipment	3,791.94	3,831.37	3,437.75	2,428.85
Capital work-in-progress	554.05	453.01	651.01	1,059.28
Right-of-use assets	2,889.81	3,281.75	3,119.85	2,834.33
Intangible assets	14.32	18.46	20.64	22.31
Financial assets				
- Investments	495.00	216.32	100.07	100.07
- Other financial assets	45.87	24.55	39.83	520.60
Income-tax assets (net)	156.57	176.05	166.39	121.12
Deferred tax assets (net)	-	-	24.86	-
Other non-current assets	1,690.21	1,350.31	776.62	987.35
Total non-current assets	**9,637.77**	**9,351.82**	**8,337.02**	**8,073.91**
Current assets				
Inventories	3,390.81	3,151.62	3,456.56	2,698.24
Financial assets				
- Investments	2,103.05	1,786.62	1,012.69	1,320.26
- Trade receivables	1,135.25	876.52	559.51	572.20
- Cash and cash equivalents	179.86	191.73	108.35	127.85
- Bank balances other than cash and cash equivalents	1,366.70	2,739.90	2,914.78	2,688.45
- Loans	86.20	83.58	69.84	120.31
- Other financial assets	51.53	31.75	81.21	100.22
Other current assets	411.87	357.57	353.00	230.71
Total current assets	**8,725.27**	**9,219.29**	**8,555.94**	**7,858.24**
Assets classified as held for sale	427.46	-	-	-
Total assets	**18,790.50**	**18,571.11**	**16,892.96**	**15,932.15**
Equity and liabilities				
Equity				
Equity share capital	9.18	9.66	9.66	9.86
Other equity	16,460.74	16,776.95	15,100.66	14,480.97
Total equity	**16,469.92**	**16,786.61**	**15,110.32**	**14,490.83**
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	-	1.03	-	-
- Lease liabilities	18.18	18.17	16.59	17.29
Provisions	173.38	164.72	190.76	128.81
Deferred tax liabilities (net)	119.04	51.17	-	24.70
Other non-current liabilities	16.75	17.84	7.12	0.16
Total non-current liabilities	**327.35**	**252.93**	**214.47**	**170.96**
Current liabilities				
Financial liabilities				
- Borrowings	101.38	6.20	133.62	107.60
- Lease liabilities	15.15	18.05	21.11	19.16
- Trade payables				
- total outstanding dues of micro and small enterprises; and	188.80	231.82	192.05	189.16
- total outstanding dues of creditors other than micro and small enterprises	556.79	484.07	574.63	406.76
- Other financial liabilities	663.10	435.52	363.41	248.92
Other current liabilities	321.03	227.82	200.95	233.56
Provisions	145.92	128.09	82.40	65.20
Total current liabilities	**1,992.17**	**1,531.57**	**1,568.17**	**1,270.36**
Total liabilities	**2,319.52**	**1,784.50**	**1,782.64**	**1,441.32**
Liabilities directly associated with assets classified as held for sale	1.06	-	-	-
Total equity and liabilities	**18,790.50**	**18,571.11**	**16,892.96**	**15,932.15**

Restated Consolidated Statement of Profit and Loss ('₹ in million)

Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Income from continuing operations				
Revenue from operations	6,371.88	11,781.85	10,843.93	10,473.67
Other income	468.29	824.76	247.51	383.05
Total income	**6,840.17**	**12,606.61**	**11,091.44**	**10,856.72**
Expenses from continuing operations				
Cost of materials consumed	2,342.89	4,015.07	3,656.89	3,402.41
Purchases of stock-in-trade	432.57	520.25	938.28	930.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(260.00)	93.79	(396.18)	(72.39)
Employee benefits expense	859.51	1,711.56	1,731.83	1,555.89
Finance costs	5.68	8.85	9.04	9.58
Depreciation and amortisation expense	228.49	425.79	410.78	309.83
Other expenses	2,337.65	3,621.16	3,419.28	2,649.21
Total expenses	**5,946.79**	**10,396.47**	**9,769.92**	**8,784.99**
Profit before tax from continuing operations	**893.38**	**2,210.14**	**1,321.52**	**2,071.73**
Tax expense				
a) Current tax	126.40	467.63	394.53	523.55
b) Deferred tax (net)	68.36	72.68	(49.16)	1.38
Total tax expense	**194.76**	**540.31**	**345.37**	**524.93**
Profit after tax from continuing operations	**698.62**	**1,669.83**	**976.15**	**1,546.80**
Loss before tax from discontinued operations	(2.21)	(4.68)	(4.87)	(4.89)
Tax expense of discontinued operations	(0.17)	(0.30)	(0.30)	(0.30)
Loss after tax from discontinued operations	**(2.04)**	**(4.38)**	**(4.57)**	**(4.59)**
Profit for the period/year	**696.58**	**1,665.45**	**971.58**	**1,542.21**
Other comprehensive income ('OCI')				
Items that will not be reclassified to profit or loss				
- Remeasurements of net defined benefit liability/(asset)	(1.25)	14.49	(0.40)	8.83
- Income tax relating to items that will not be reclassified to profit or loss	0.32	(3.65)	0.10	(2.22)
Total other comprehensive income for the period/year	**(0.93)**	**10.84**	**(0.30)**	**6.61**
Total comprehensive income for the period/year	**695.65**	**1,676.29**	**971.28**	**1,548.82**
Profit for the period/year is attributable to:				
- Owners of the Company	696.58	1,665.45	971.58	1,542.21
- Non-controlling interests	-	-	-	-
Other comprehensive income is attributable to:				
- Owners of the Company	(0.93)	10.84	(0.30)	6.61
- Non-controlling interests	-	-	-	-
Total comprehensive income is attributable to:				
- Owners of the Company	695.65	1,676.29	971.28	1,548.82
- Non-controlling interests	-	-	-	-
Earnings per equity share from continuing operations - Basic and Diluted (in ₹)	6.77	15.71	9.12	14.27
Earnings per equity share from discontinued operations - Basic and Diluted (in ₹)	(0.02)	(0.04)	(0.04)	(0.04)
Earnings per equity share from continuing and discontinued operations - Basic and Diluted (in ₹)	6.75	15.67	9.08	14.23

Restated Consolidated Statement of Cash Flows				(₹ in million)
Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Cash flows from operating activities				
Profit before tax from continuing operations	893.38	2,210.14	1,321.52	2,071.73
Loss before tax from discontinued operations	(2.21)	(4.68)	(4.87)	(4.89)
Profit before tax	**891.17**	**2,205.46**	**1,316.65**	**2,066.84**
Adjustments for:				
Depreciation and amortisation expense	230.52	429.88	414.90	313.98
Finance costs	5.68	8.85	9.04	9.58
Loss/(gain) on disposal of property, plant and equipment (net)	(1.26)	(0.65)	14.20	(1.39)
Liabilities no longer required written back	(4.36)	-	-	(35.01)
Interest income	(74.75)	(253.64)	(185.38)	(180.69)
Gain on termination of lease liabilities	(0.21)	(0.51)	(0.16)	-
Net gain on redemption and fair value of financial assets measured at FVTPL	(368.46)	(519.97)	(18.87)	(132.38)
Impairment on financial assets carried at FVTPL	-	100.00	-	-
Amortisation of deferred government grant	(0.02)	(0.03)	(0.04)	(0.05)
Bad debts written off	0.30	11.78	-	-
Allowance for expected credit loss and doubtful loans and advances	6.74	4.84	68.07	-
Unrealised foreign exchange (gain)/loss (net)	(0.43)	0.86	2.42	(0.62)
Dividend income	(9.74)	(7.47)	(9.34)	(3.37)
Operating profit before working capital changes	**675.18**	**1,979.40**	**1,611.49**	**2,036.89**
Working capital adjustments				
Inventories	(239.19)	304.94	(758.32)	(297.60)
Trade receivables	(265.59)	(333.90)	11.45	(87.95)
Trade payables	34.31	(51.38)	169.58	(112.10)
Other financial assets and other assets	(49.58)	46.99	(141.82)	32.69
Provisions and other financial and non-financial liabilites	398.01	86.49	184.83	159.60
Cash flows from operating activities	**553.14**	**2,032.54**	**1,077.21**	**1,731.53**
Income taxes paid	(106.92)	(477.29)	(439.80)	(573.62)
Net cash flows from operating activities (A)	**446.22**	**1,555.25**	**637.41**	**1,157.91**
Cash flows from investing activities				
Payment for acquisition of property plant and equipment, right-of-use assets and intangible assets	(733.75)	(1,335.25)	(1,069.55)	(1,248.05)
Proceeds from sale of property, plant and equipment	4.27	50.75	9.24	7.69
Loans given	(2.73)	(8.94)	(15.47)	(4.40)
Investment made in equity shares, mutual funds and alternate investment funds	(283.41)	(642.92)	(347.64)	(662.80)
Realisation from investments made in equity shares and mutual funds	56.80	172.71	674.08	67.65
Purchase of bank deposits	(1,065.70)	(2,334.80)	(2,942.90)	(2,950.28)
Maturity of bank deposits	2,418.19	2,526.29	3,198.17	3,371.86
Interest received	71.13	248.45	183.25	180.69
Dividend received	9.74	7.47	9.34	3.37
Net cash flows from/(used in) investing activities (B)	**474.54**	**(1,316.24)**	**(301.48)**	**(1,234.27)**
Cash flows from financing activities (refer note below)				
Proceeds from long-term borrowings	-	1.03	-	-
Movement in short-term borrowings (net)	95.18	(127.42)	26.02	107.15
Payment of principal portion of lease liabilities	(9.51)	(20.78)	(19.85)	(18.71)
Payment of interest portion of lease liabilities	(1.36)	(3.10)	(2.64)	(2.71)
Finance cost paid	(4.32)	(5.75)	(6.40)	(6.87)
Payment for buy back of shares	(821.06)	-	(285.28)	-
Payment of tax and expenses for buy back of shares	(191.28)	-	(66.51)	-
Net cash (used in)/flows from financing activities (C)	**(932.35)**	**(156.02)**	**(354.66)**	**78.86**
Net (decrease)/increase in cash and cash equivalents during the period/year (A+B+C)	(11.59)	82.99	(18.73)	2.50
Cash and cash equivalents at the beginning of the period/year	191.73	108.35	127.85	126.24
Cash flow from discontinued operations during the period/year	(0.28)	0.39	(0.77)	(0.89)
Cash and cash equivalents at the end of the period/year	**179.86**	**191.73**	**108.35**	**127.85**
Cash and cash equivalents comprise of:				
- Balance with banks in current accounts	179.03	188.73	107.37	126.72
- Cash on hand	0.83	3.00	0.98	1.13
	179.86	**191.73**	**108.35**	**127.85**

GENERAL INFORMATION

Registered Office of our Company

H-35, South Extension Part-1
Kidwai Nagar, New Delhi 110 049
Delhi, India
Tel: +91 11 2469 0574
Website: https://www.kent.co.in/

Corporate Office of our Company

E 6, 7 & 8
Sector 59, Noida 201 309
Uttar Pradesh, India
Tel: +91 120 307 5000

Corporate Identity Number: U41000DL2007PLC161952

Company Registration Number: 161952

Address of the Registrar of Companies

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

The Registrar of Companies, Delhi and Haryana at New Delhi

4th Floor, IFCI Tower
61, Nehru Place
New Delhi, 110 019
Delhi, India

Board of Directors of our Company

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

Name and Designation	DIN	Address
Mahesh Gupta *Chairman and Managing Director*	00458281	H-35 South Extension Part – 1, Andrewsganj, South Delhi, Delhi 110 049, India
Varun Gupta *Joint Managing Director*	00458328	H-35, South Extension Part 1, Andrewsganj, South Delhi, Delhi 110 049, India
Sunita Gupta *Non-Executive Non-Independent Director*	00437823	H-35, South Extension-1, Andrewsganj, South Delhi, Delhi 110 049, India
Arun Seth *Independent Director*	00204434	House Number A-7, Geetanjali Enclave, Malviya Nagar, South Delhi, Delhi 110 017, India
Chetas G. Desai *Independent Director*	01968778	801, Bhanu Kunj, N.S. Road No. 3, J.V.P.D., Opp HDFC Bank, Vile Parle (West), Mumbai 400 056, Maharashtra, India
Rajita Kulkarni *Independent Director*	03396374	C-2501/2502, Raheja Atlantis, 25th Floor, Ganpatrao Kadam Marg, Off Worli Naka, Worli, Delisle Road, Mumbai 400 013, Maharashtra, India

For further details of our Directors, see “***Our Management – Our Board of Directors***” on page 221.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular and will also be filed with the SEBI at the following address:

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

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

Company Secretary and Compliance Officer

Punit Kumar Trivedi is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

E-6, 7 and 8, Sector 59
Noida 201 309
Uttar Pradesh, India
Telephone: +91 120 307 5000
E-mail: investors@kent.co.in

Investor Grievances

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

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

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

Book Running Lead Managers

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: + 91 22 7193 4380

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030

E-mail: kent.ipo@motilaloswal.com
Investor grievance e-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact person: Ronak Shah
SEBI Registration No.: INM000011005

E-mail: kentro.ipo@jmfl.com
Investor Grievance e-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

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

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

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy. Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	BRLMs	Motilal Oswal Investment Advisors Limited
2.	Drafting and approval of all statutory advertisements	BRLMs	Motilal Oswal Investment Advisors Limited
3.	Drafting and approval all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	BRLMs	JM Financial Limited
4.	Appointment of Registrar and Ad agency (including coordination of agreements) all other intermediaries including Printer, Banker (s) to the Offer, Syndicate, Monitoring Agency, etc. (including coordination of all agreements)	BRLMs	Motilal Oswal Investment Advisors Limited
5.	Preparation of road show presentation and FAQs for the road show team	BRLMs	JM Financial Limited
6.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one - to -one meetings • Finalising international road show and investor meeting schedules	BRLMs	JM Financial Limited
7.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to one meetings • Finalising domestic road show and investor meeting schedules	BRLMs	Motilal Oswal Investment Advisors Limited
8.	Conduct non-institutional marketing of the Offer	BRLMs	JM Financial Limited
9.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	BRLMs	Motilal Oswal Investment Advisors Limited
10.	Coordination with Stock Exchanges for anchor intimation, for book building software, bidding terminals and mock trading.	BRLMs	JM Financial Limited
11.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	BRLMs	JM Financial Limited
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall	BRLMs	JM Financial Limited

S. No.	Activity	Responsibility	Co-ordinator
	involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.		

Syndicate Members

[●]

Legal Counsel to our Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020
Delhi, India
Tel: +91 11 4159 0700

Registrar to the Offer

KFin Technologies Limited
Selenium, Tower B, Plot 31 and 32, Financial District
Nanakramguda, Serilingampally Mandal,
Hyderabad 500 032, Telangana, India
Tel: +91 40 6716 2222 / 18003094001
E-mail: einward.ris@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditors to our Company

Walker Chandiok & Co LLP
21st Floor, DLF Square Jacaranda Marg
DLF Phase II, Gurugram 122 002,
Haryana, India
Tel: +91 124 4628000
E-mail: madhu.sudan@walkerchandiok.in
Peer Review number: 014158
ICAI Firm Registration number: 001076N/N500013

Changes in Auditors

Except as disclosed below, there has been no change in the statutory auditors of our Company during the last three years:

Name of Auditor	Date of Change	Reason for change
Walker Chandiok & Co LLP 21st Floor, DLF Square Jacaranda Marg DLF Phase III, Gurugram	September 23, 2024	Appointment due to casual vacancy

Name of Auditor	Date of Change	Reason for change
Haryana 122 002, India. **Tel:** +91 124 4628000 **E-mail**: madhu.sudan@walkerchandiok.in **Peer Review number**: 014158 **ICAI Firm Registration number**: 001076N/N500013		
SNR & Company A – 15, Second Floor, Hauz Khas Delhi 110 016 India. **Tel:** +91 11 4165 5801/5802 **Email:** ritesh.kumar@snr.company **Peer Review number:** 016313 **ICAI Firm Registration number**: 014401N	September 20, 2024	Resignation due to commercial considerations
SNR & Company A – 15, Second Floor, Hauz Khas Delhi 110 016 India. **Tel:** +91 11 4165 5801/5802 **Email:** ritesh.kumar@snr.company **Peer Review number:** 016313 **ICAI Firm Registration number**: 014401N	September 19, 2022	Re - appointment as statutory auditors

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Refund Bank(s)

[●]

Sponsor Bank(s)

[●]

Banker to our Company

Punjab National Bank
1st Floor, CSC, DDA Market
Vasundhara Enclave Branch
Delhi 110 096, India
Tel: +91 011 4158 8293
Website: https://www.pnbindia.in
Email: bo084410@pnb.co.in
Contact Person: Pramod Kumar Singh

Self-Certified Syndicate Banks

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

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

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, 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 Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism is available on the website of SEBI at 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 and at such other websites as may be prescribed by SEBI from time to time.

Syndicate Self-Certified Syndicate Banks Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures respectively, as updated from time to time.

Grading of the Offer

As the Offer is an offer for sale of Equity Shares, no credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Monitoring Agency

As the Offer is an offer for sale of Equity Shares, our Company is not required to appoint a monitoring agency for this Offer.

Expert

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

i. Our Company has received written consent dated January 21, 2025 from Walker Chandiok & Co LLP, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated January 8, 2025 on the Restated Consolidated Financial Information; and (ii) their report dated January 21, 2025 on the statement of possible special tax benefits available to our Company and its Shareholders included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act, as amended.

ii. Our Company has received written consent dated January 21, 2025 from SNR & Company, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, (i) to the extent and in their capacity as our Previous Statutory Auditors; and (ii) in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

iii. Our Company has received a written consent dated January 21, 2025 from Rajeshwari & Associates, Trademarks and Patents Attorneys, to include their name as an "expert" as defined under Sections 2(38) and 26(5) of the Companies Act, 2013 in respect of the certificate issued by them in their capacity as an intellectual property consultant to our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

iv. Our Company has received written consent dated January 21, 2025 from Saurabh Jain & Associates, Company Secretaries in Practice, Practicing Company Secretary, having membership number F9513 to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in relation to certifications and confirmations provided by them in their capacity as practising company secretary to our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Appraising Entity

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

Credit Rating

As the Offer is an offer for sale of Equity Shares, there is no credit rating required.

Debenture Trustees

As the Offer is an offer for sale of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

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

All Investors (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs, or in the case of UPI Investors, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Non-Institutional Investors with an application size of up to ₹500,000 shall use the UPI Mechanism and shall also provide

their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIBs and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis. For further details on the Book Building Process and the method and process of Bidding, see *"Terms of the Offer", "Offer Procedure"* and "*Offer Structure*" on pages 366, 377 and 372 respectively.

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

Each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Offer, by submitting their Bid in the Offer.

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

For an illustration of the Book Building Process, price discovery process and allocation, see "***Offer Procedure***" on page 377.

Underwriting Agreement

Prior to the filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company and the Promoter Selling Shareholders will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Red Herring Prospectus or Prospectus with the RoC, as applicable)

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

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 40 of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(in ₹, except share data)

S. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL**(1)		
	220,000,000 Equity Shares of face value of ₹1 each	220,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AS ON DATE OF THIS DRAFT RED HERRING PROSPECTUS**		
	100,945,680 Equity Shares of face value of ₹1 each	100,945,680	-
C)	**PRESENT OFFER**(2)		
	Offer for Sale of up to 10,094,568 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	[●]	[●]
	The Offer Includes		
	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million(3)	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value of ₹1 each	[●]	[●]
E)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	100,945,680 Equity Shares of face value of ₹1 each	100,945,680	-
F)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (*as on date of this Draft Red Herring Prospectus*)		Nil
	After the Offer		

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

(1) *For details in relation to changes in the authorized share capital of our Company in the last 10 years preceding the date of this Draft Red Herring Prospectus see "**History and Certain Corporate Matters – Amendments to the Memorandum of Association**" on page 215.*

(2) *The Offer has been authorized by a resolution by our Board of Directors dated January 8, 2025. The Promoter Selling Shareholders have also authorized their participation in the Offer for Sale. For details of authorizations received for the Offer for Sale, see "**Other Regulatory and Statutory Disclosures**" on page 353. Our Board of Directors has taken on record the approvals of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated January 8, 2025. Each Promoter Selling Shareholder has confirmed that the Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations.*

(3) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of undersubscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. For further details, see "**Offer Procedure**" and "**Offer Structure**" on pages 377 and 372, respectively.*

1. Equity share capital history of our Company

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

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted per allottee	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
April 12, 2007[1]	Initial subscription to the Memorandum of Association^	4,000 equity shares were allotted to Mahesh Gupta, 3,000 equity shares were allotted to Sunita Gupta, and 3,000 equity shares were allotted to Varun Gupta	10,000	10	10	Cash	10,000	100,000
April 23, 2007	Further issue	50 equity shares were allotted to Brig Pran Dhar Gaur, 50 equity shares were allotted to Bharat Chugh, 50 equity shares were allotted to Maneesh Lamba and 50 equity shares were allotted to Surbhi Gupta	200	10	10	Cash	10,200	102,000
April 23, 2007	Allotment pursuant to taking over business of partnership firm M/s Kent International[2]	495,500 equity shares were allotted to Mahesh Gupta, 355,000 equity shares were allotted to Sunita Gupta and 115,000 equity shares were allotted to Varun Gupta	965,500	10	10	Other than cash[2]	975,700	9,757,000
September 15, 2007	Allotment pursuant to taking over business of partnership firm Kent RO Systems[3]	5,000 equity shares were allotted to Mahesh Gupta, 3,000 equity shares were allotted to Sunita Gupta and 2,000 equity shares were allotted to S.S. Appliances Private Limited	10,000	10	10	Other than cash[3]	985,700	9,857,000
August 9, 2022	Buy-back	10,090 equity shares were bought back from Mahesh Gupta, 7,220 equity shares were	(19,714)	10	14,481	Cash	965,986	9,659,860

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted per allottee	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
		bought back from Sunita Gupta, 2,360 equity shares were bought back from Varun Gupta, 41 equity shares were bought back from S.S. Appliances Private Limited, 2 equity shares were bought back from Ridhima Gupta, and 1 equity share was bought back from Surbhi Gupta						
June 17, 2024	Buy-back	24,720 equity shares were bought back from Mahesh Gupta, 17,689 equity shares were bought back from Sunita Gupta, 5,782 equity shares were bought back from Varun Gupta, 100 equity shares were bought back from S.S. Appliances Private Limited, 5 equity shares were bought back from Ridhima Gupta, and 2 equity shares were bought back from Surbhi Gupta	(48,298)	10	17,000	Cash	917,688	9,176,880
Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on November 19, 2024, the authorised share capital of our Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each into 15,000,000 Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was divided from 917,688 equity shares of face value of ₹10 each into 9,176,880 Equity Shares of face value of ₹1 each.								
November 19, 2024	Bonus issue as on the record date, *i.e.* November 19, 2024 in the ratio of 10 Equity Shares for every one Equity Share held[4]	46,969,000 Equity Shares were allotted to Mahesh Gupta, 33,609,100 Equity Shares were allotted to Sunita Gupta, 10,985,700 Equity	91,768,800	1	Nil	N.A.	100,945,680	100,945,680

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted per allottee	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
		Shares were allotted to Varun Gupta, 190,900 Equity Shares were allotted to S.S. Appliances Private Limited, 9,300 Equity Shares were allotted to Ridhima Gupta, 4,700 Equity Shares were allotted to Surbhi Gupta, and 100 Equity Shares were allotted to Kent Appliances						

Notes:

1. *Our Company was incorporated on April 12, 2007. The date of subscription to the Memorandum of Association is April 3, 2007 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on April 12, 2007.*
2. *Our Company took over the business of manufacture, assemble, purchase, sale, trade in home and kitchen appliances of M/s Kent International, a partnership firm (constituted pursuant to partnership deed dated December 14, 2005), pursuant to takeover agreement dated April 23, 2007. As part of this takeover, our Company allotted a total of 965,500 equity shares of face value ₹10 each to Mahesh Gupta, Sunita Gupta and Varun Gupta, who were the partners of the erstwhile M/s Kent International, as consideration for transfer of business pursuant to the aforesaid takeover agreement.*
3. *Our Company took over the business of sale, import, export of water purification equipments and other consumer durables from M/s Kent R O Systems, a partnership firm (constituted pursuant to partnership deed dated September 24, 1999), pursuant to takeover agreement dated September 1, 2007. As part of this takeover, our Company allotted a total of 10,000 equity shares of face value ₹10 each to Mahesh Gupta and Sunita Gupta, and S.S. Appliances Private Limited, who were the partners of the erstwhile M/s Kent R O Systems, as consideration for transfer of business pursuant to the aforesaid takeover agreement.*
4. *Bonus issuance of 91,768,800 Equity Shares of face value of ₹1 each of our Company was made pursuant to resolutions of the Board and Shareholders, each dated November 19, 2024, out of the reserves and surplus of the Company.*

2. Our Company does not have any outstanding preference share capital as on the date of this Draft Red Herring Prospectus.

3. **Secondary transactions of equity shares by the Promoters and Promoter Group**

Except as disclosed below, no acquisition or transfer of equity shares of our Company has been undertaken by our Promoters (including our Promoter Selling Shareholders) and Promoter Group through secondary transactions since incorporation.

Date of transfer	Details of transferor	Details of transferee	Nature of transaction	Number of equity shares transferred	Face value per equity share (₹)	Acquisition/ transfer price per equity share (₹)	Nature of consideration
April 30, 2008	Brig. Pran Dhar Gaur	Rajinder Mohan Jindal	Transfer	50	10	100	Cash
April 30, 2008	Bharat Chugh	S.S. Appliances Private Limited	Transfer	50	10	100	Cash
November 29, 2011	Varun Media Private Limited	Ridhima Gupta	Transfer	50	10	1,100	Cash
December 12, 2011	Rajinder Mohan Jindal	Ridhima Gupta	Transfer	50	10	1,100	Cash
October 1, 2012	Varun Gupta	Kent Appliances	Transfer	1	10	2,500	Cash
Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on November 19, 2024, the authorised share capital of our Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each into 15,000,000 Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was divided from 917,688 equity shares of face value of ₹10 each into 9,176,880 Equity Shares of face value of ₹1 each.							
January 15, 2025	Mahesh Gupta	Mahesh Varun Private Family Trust	Transfer by way of gift	1,000	1	Nil	N.A.
January 15, 2025	Sunita Gupta	Sunita Surbhi Private Family Trust	Transfer by way of gift	1,000	1	Nil	N.A.
January 15, 2025	Sunita Gupta	Sunita Varun Private Family Trust	Transfer of way by gift	1,000	1	Nil	N.A.

4. **Equity shares issued out of revaluation reserves**

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

5. **Equity shares issued through bonus issue or for consideration other than cash**

Except as disclosed below, our Company has not issued any equity shares through bonus issue or for consideration other than cash, since incorporation.

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted per allottee	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
April 23, 2007	Allotment pursuant to taking over business of partnership firm M/s Kent	495,500 equity shares were allotted to Mahesh Gupta, 355,000 equity shares were	965,500	10	10	Other than cash[1]

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted per allottee	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	International[1]	allotted to Sunita Gupta and 115,000 equity shares were allotted to Varun Gupta				
September 15, 2007	Allotment pursuant to taking over business of partnership firm Kent RO Systems[2]	5,000 equity shares were allotted to Mahesh Gupta, 3,000 equity shares were allotted to Sunita Gupta and 2,000 equity shares were allotted to S.S. Appliances Private Limited	10,000	10	10	Other than cash[2]
November 19, 2024	Bonus issue as on the record date, *i.e.* November 19, 2024 in the ratio of 10 Equity Shares for every one Equity Share held[4]	46,969,000 Equity Shares were allotted to Mahesh Gupta, 33,609,100 Equity Shares were allotted to Sunita Gupta, 10,985,700 Equity Shares were allotted to Varun Gupta, 190,900 Equity Shares were allotted to S.S. Appliances Private Limited, 9,300 Equity Shares were allotted to Ridhima Gupta, 4,700 Equity Shares were allotted to Surbhi Gupta, and 100 Equity Shares were allotted to Kent Appliances	91,768,800	1	Nil	N.A.

1. *Our Company took over the business of manufacture, assemble, purchase, sale, trade in home and kitchen appliances of M/s Kent International, a partnership firm (constituted pursuant to partnership deed dated December 14, 2005), pursuant to takeover agreement dated April 23, 2007. As part of this takeover, our Company allotted a total of 965,500 equity shares of face value ₹10 each to Mahesh Gupta, Sunita Gupta and Varun Gupta, who were the partners of the erstwhile M/s Kent International, as consideration for transfer of business pursuant to the aforesaid takeover agreement.*
2. *Our Company took over the business of sale, import, export of water purification equipments and other consumer durables from M/s Kent R O Systems, a partnership firm (constituted pursuant to partnership deed dated September 24, 1999), pursuant to takeover agreement dated September 1, 2007. As part of this takeover, our Company allotted a total of 10,000 equity shares of face value ₹10 each to Mahesh Gupta and Sunita Gupta, and S.S. Appliances Private Limited, who were the partners of the erstwhile M/s Kent R O Systems, as consideration for transfer of business pursuant to the aforesaid takeover agreement.*
3. *Bonus issuance of 91,768,800 Equity Shares of face value of ₹1 each of our Company was made pursuant to resolutions of the Board and Shareholders, each dated November 19, 2024, out of the reserves and surplus of the Company.*

6. **Equity shares issued under Section 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act, pursuant to schemes of arrangement**

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

7. **Equity shares issued at a price lower than the Offer Price in the last year**

Except as disclosed below, our Company has not issued any equity shares during a period of one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Nature of allotment	Name(s) of allottee(s) and details of equity shares allotted per allottee	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
November 19, 2024	Bonus issue as on the record date, *i.e.* November 19, 2024 in the ratio of 10 Equity Shares for every one Equity Share held[1]	46,969,000 Equity Shares were allotted to Mahesh Gupta, 33,609,100 Equity Shares were allotted to Sunita Gupta, 10,985,700 Equity Shares were allotted to Varun Gupta, 190,900 Equity Shares were allotted to S.S. Appliances Private Limited[2], 9,300 Equity Shares were allotted to Ridhima Gupta[2], 4,700 Equity Shares were allotted to Surbhi Gupta[2], and 100 Equity Shares were allotted to Kent Appliances[2]	91,768,800	1	Nil	N.A.

1. *Bonus issuance of 91,768,800 Equity Shares of face value of ₹1 each of our Company was made pursuant to resolutions of the Board and Shareholders, each dated November 19, 2024, out of the reserves and surplus of the Company.*
2. *Also a member of the Promoter Group.*

8. **Issue of Equity Shares under employee stock option schemes**

As on date of this Draft Red Herring Prospectus, our Company has not issued any equity shares under any employee stock option schemes.

9. **Shareholding of our Promoters and members of our Promoter Group**

Set forth below is the shareholding of our Promoters and the members of the Promoter Group in our Company.

Name of the Shareholder	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage of share capital (%)	Number of Equity Shares	Percentage of share capital (%)*
Promoters				
Mahesh Gupta	51,664,900	51.18	[●]	[●]
Sunita Gupta	36,968,010	36.62	[●]	[●]
Varun Gupta	12,084,270	11.97	[●]	[●]
Mahesh Varun Private Family Trust	1,000	Negligible	[●]	[●]
Sunita Surbhi Private Family Trust	1,000	Negligible	[●]	[●]
Sunita Varun Private Family Trust	1,000	Negligible	[●]	[●]
Promoter Group				
S.S. Appliances Private Limited	209,990	0.21	[●]	[●]
Ridhima Gupta	10,230	0.01	[●]	[●]
Surbhi Gupta	5,170	0.01	[●]	[●]
Kent Appliances	110	Negligible	[●]	[●]
Total	**100,945,680**	**100.00**	[●]	[●]

* *Will be updated in the Prospectus*

10. **History of build-up of Promoters' shareholding in our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 100,720,180 Equity Shares of face value of ₹1 each, which constitutes 99.77% of the issued, subscribed and paid-up Equity Share capital of our Company. All the Equity Shares held by our Promoters are held in dematerialised form. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

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

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer share capital (%)	% of the post-Offer share capital (%)
A. Mahesh Gupta							
April 12, 2007	4,000	10	10	Cash	Initial subscription to the Memorandum of Association	0.04	[●]
April 23, 2007	495,500	10	10	Other than cash	Allotment pursuant to scheme of takeover with the partnership firm M/s Kent International[1]	4.91	[●]
September 15, 2007	5,000	10	10	Other than cash	Allotment pursuant to scheme of takeover with the partnership firm Kent RO Systems[2]	0.05	[●]
August 9, 2022	(10,090)	10	14,481	Cash	Buy-back	(0.10)	[●]
June 17, 2024	(24,720)	10	17,000	Cash	Buy-back	(0.24)	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer share capital (%)	% of the post-Offer share capital (%)
Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on November 19, 2024, the authorised share capital of our Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each into 15,000,000 Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid-up equity share capital held by Mahesh Gupta was divided from 469,690 equity shares of face value of ₹10 each into 4,696,900 Equity Shares of face value of ₹1 each.							
November 19, 2024	46,969,000	1	Nil	N.A.	Bonus issue as on the record date, *i.e.* November 19, 2024 of 10 Equity Shares for every one Equity Share held[3]	46.53	[●]
January 15, 2025	(1,000)	1	Nil	N.A.	Transfer by way of gift to Mahesh Varun Private Family Trust	(0.00)	[●]
Total (A)	**51,664,900**					**51.18**	[●]
B. Sunita Gupta							
April 12, 2007	3,000	10	10	Cash	Initial subscription to the Memorandum of Association	0.03	[●]
April 23, 2007	355,000	10	10	Other than cash	Allotment pursuant to scheme of takeover with the partnership firm M/s Kent International[1]	3.52	[●]
September 15, 2007	3,000	10	10	Other than cash	Allotment pursuant to scheme of takeover with the partnership firm M/s Kent RO Systems[2]	0.03	[●]
August 9, 2022	(7,220)	10	14,481	Cash	Buy-back	(0.07)	[●]
June 17, 2024	(17,689)	10	17,000	Cash	Buy-back	(0.18)	[●]
Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on November 19, 2024, the authorised share capital of our Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each into 15,000,000 Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid-up equity share capital held by Sunita Gupta was divided from 336,091 equity shares of face value of ₹10 each into 3,360,910 Equity Shares of face value of ₹1 each.							
November 19, 2024	33,609,100	1	Nil	N.A.	Bonus issue as on the record date, *i.e.* November 19, 2024 in the ratio of 10 Equity Shares for every one	33.29	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer share capital (%)	% of the post-Offer share capital (%)
					Equity Share held[3]		
January 15, 2025	(1,000)	1	Nil	N.A.	Transfer by way of gift to Sunita Surbhi Private Family Trust	(0.00)	[●]
January 15, 2025	(1,000)	1	Nil	N.A.	Transfer by way of gift to Sunita Varun Private Family Trust	(0.00)	[●]
Total (B)	**36,968,010**					**36.62**	[●]
C. Varun Gupta							
April 12, 2007	3,000	10	10	Cash	Initial subscription to the Memorandum of Association	0.03	[●]
April 23, 2007	115,000	10	10	Other than cash	Allotment pursuant to scheme of takeover with the partnership firm M/s Kent International[1]	1.14	[●]
October 1, 2012	(1)	10	2,500	Cash	Transfer to Kent Appliances	(0.00)	[●]
August 9, 2022	(2,360)	10	14,481	Cash	Buy-back	(0.02)	[●]
June 17, 2024	(5,782)	10	17,000	Cash	Buy-back	(0.06)	[●]
Pursuant to resolutions passed by our Board and our Shareholders in their respective meetings held on November 19, 2024, the authorised share capital of our Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each into 15,000,000 Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid-up equity share capital held by Varun Gupta was divided from 109,857 equity shares of face value of ₹10 each into 1,098,570 Equity Shares of face value of ₹1 each.							
November 19, 2024	10,985,700	1	Nil	N.A.	Bonus issue as on the record date, *i.e.* November 19, 2024 in the ratio of 10 Equity Shares for every one Equity Share held[3]	10.88	[●]
Total (C)	**12,084,270**					**11.97**	[●]
D. Mahesh Varun Private Family Trust							
January 15, 2025	1,000	1	Nil	N.A.	Transfer by way of gift from Mahesh Gupta	0.00	[●]
Total (D)	**1,000**					**Negligible**	
E. Sunita Surbhi Private Family Trust							
January 15, 2025	1,000	1	Nil	N.A.	Transfer by way of gift from Sunita	0.00	[●]

Date of allotment/ transfer	Number of equity shares allotted/ transferred	Face value per equity share (₹)	Issue/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer share capital (%)	% of the post-Offer share capital (%)
					Gupta		
Total (E)	**1,000**					**Negligible**	
F. Sunita Varun Private Family Trust							
January 15, 2025	1,000	1	Nil	N.A.	Transfer by way of gift from Sunita Gupta	0.00	[●]
Total (F)	**1,000**					**Negligible**	
Total (A+B+C+D+E+F)	**100,720,180**					**99.77**	[●]

1. *Our Company took over the business of manufacture, assemble, purchase, sale, trade in home and kitchen appliances of M/s Kent International, a partnership firm (constituted pursuant to partnership deed dated December 14, 2005), pursuant to takeover agreement dated April 23, 2007. Our Company allotted a total of 965,500 equity shares of face value ₹10 each to Mahesh Gupta, Sunita Gupta and Varun Gupta, who were the partners of the erstwhile M/s Kent International, as consideration for transfer of business pursuant to the aforesaid takeover agreement.*
2. *Our Company took over the business of sale, import, export of water purification equipments and other consumer durables from M/s Kent R O Systems, a partnership firm (constituted pursuant to partnership deed dated September 24, 1999), pursuant to takeover agreement dated September 1, 2007. Our Company allotted a total of 10,000 equity shares of face value ₹10 each to Mahesh Gupta and Sunita Gupta, and S.S. Appliances Private Limited, who were the partners of the erstwhile M/s Kent R O Systems, as consideration for transfer of business pursuant to the aforesaid takeover agreement.*
3. *Bonus issuance of 91,768,800 Equity Shares of face value of ₹1 each of our Company was made pursuant to resolutions of the Board and Shareholders, each dated November 19, 2024, out of the reserves and surplus of the Company.*

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

11. **Details of minimum Promoters' Contribution locked in for 18 months**

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

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 100,720,180 Equity Shares of face value of ₹1 each, constituting 99.77% of our Company's issued, subscribed and paid-up Equity Share capital, all of which are eligible for Promoters' Contribution.

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

Name of our Promoter	Number of Equity Shares of face value ₹1 each held	Number of Equity Shares of face value ₹1 each locked-in	Date of allotment / transfer#	Face value per equity Share (₹)	Allotment/ Acquisition price per equity Share of face value ₹1 each (₹)	Nature of transaction	% of the pre-Offer paid-up capital (%)	% of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Mahesh Gupta	51,664,900	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Sunita Gupta	36,968,010	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Varun Gupta	12,084,070	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mahesh Varun Private Family Trust	1,000	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Sunita Surbhi Private Family Trust	1,000	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Sunita Varun Private Family Trust	1,000	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**100,720,180**	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.
#Equity shares were fully paid-up on the date of allotment/acquisition.
.
The Equity Shares being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. For details on the build-up of the Equity Share capital held by our Promoters, see " - ***History of build-up of Promoter shareholding in our Company***" on page 86.

In this connection, we confirm the following:

(i) Equity Shares offered for Promoters' Contribution do not include equity shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against equity shares which are otherwise in-eligible for computation of Promoters' Contribution;

(ii) the Promoters' Contribution does not include any equity shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a Company; and

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

12. **Details of share capital locked-in for six months**

In addition to Promoters' Contribution locked in for 18 months, any Equity Shares held by our Promoters in excess of Promoters' Contribution shall be locked in for a period of six months.

Pursuant to Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked in for a period of six months from the date of Allotment, except for (i) the

Promoters' Contribution and any Equity Shares held by our Promoter in excess of Promoters' Contribution, which shall be locked in as above, (ii) equity shares allotted to eligible employees pursuant to exercise under the ESOP Scheme, and (iii) Equity Shares Allotted pursuant to the Offer for Sale. As on the date of this Draft Red Herring Prospectus, our Company does not have Shareholders that are VCFs or Category I AIF or Category II AIF or a FVCI.

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

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

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoters or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

13. **Lock-in of equity shares Allotted to Anchor Investors**

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

14. Except as disclosed in " – ***Secondary transactions of equity shares by the Promoters and Promoter Group***" on page 83, our Promoters, members of our Promoter Group, our Directors or their relatives have not sold or purchased any equity shares during the six months preceding the date of this Draft Red Herring Prospectus.

15. ***Our shareholding pattern***

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares of face value of ₹1 each held (IV)	Number of partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of equity shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in equity shares (XII)		Number of equity shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of voting rights: Class e.g.: equity shares	Number of voting rights: Class e.g.: Others	Number of voting rights: Total	Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoters and Promoter Group	10	100,945,680	-	-	100,945,680	100.00	100,945,680	-	100,945,680	100.00	-	100.00	-	-	-	-	100,945,680
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C+ C1+C2)	**10**	**100,945,680**	-	-	**100,945,680**	**100.00**	**100,945,680**	-	**100,945,680**	**100.00**	-	**100.00**	-	-	-	-	**100,945,680**

Note: The total number of shareholders has been calculated based on the beneficiary position statement dated January 20, 2025.

16. As on the date of this Draft Red Herring Prospectus, our Company has 10 Shareholders.

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

Except as disclosed in " ***– Shareholding of our Promoter and members of our Promoter Group***" on page 86, none of our Directors or Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

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

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

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares^	Percentage of share capital (%)
1.	Mahesh Gupta	51,664,900	51.18
2.	Sunita Gupta	36,968,010	36.62
3.	Varun Gupta	12,084,270	11.97

^ *Based on the beneficiary position statement dated January 20, 2025*

(b) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of the Company as of 10 days prior:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares^	Percentage of share capital (%)
1.	Mahesh Gupta	51,665,900	51.18
2.	Sunita Gupta	36,970,010	36.62
3.	Varun Gupta	12,084,270	11.97

^ *Based on the beneficiary position statement dated January 10, 2025*

(c) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of the Company as of one year prior:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares^(1)	Percentage of share capital (%)
1.	Mahesh Gupta	49,44,100	51.18
2.	Sunita Gupta	35,37,800	36.62
3.	Varun Gupta	11,56,390	11.97

(1) *As adjusted for the sub-division of face value of equity shares of our Company from ₹10 each to ₹1 each*
^ *Based on the beneficiary position statement dated January 20, 2024*

(d) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of the Company as of two years prior:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares^(1)	Percentage of share capital (%)
1.	Mahesh Gupta	49,44,100	51.18
2.	Sunita Gupta	35,37,800	36.62
3.	Varun Gupta	11,56,390	11.97

(1) *As adjusted for the sub-division of face value of equity shares of our Company from ₹10 each to ₹1 each*
^ *Based on the beneficiary position statement dated January 20, 2023*

19. **Employee Stock Options Scheme of our Company**

Our Company has adopted the Kent Employee Stock Option Scheme ("**ESOP Scheme**") pursuant to the resolutions passed by our Board and Shareholders on November 19, 2024. The ESOP Scheme has been instituted to grant stock options exercisable into equity shares to eligible employees of our Company, and may result in the issue of not more than 3,028,270 Equity Shares. The ESOP Scheme, including all grants thereunder, is in compliance with the SEBI SBEBSE Regulations and the Companies Act, 2013. As on date of this Draft Red Herring Prospectus, no options have been granted under the ESOP Scheme. Further, any allotment of Equity Shares pursuant to exercise of options granted and vested under the ESOP Scheme shall be made to Eligible Employees.

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

21. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares from any person.

22. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

23. No person connected with the Offer, including our Company, our Promoters (which also include the Promoter Selling Shareholders), members of our Promoter Group, 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.

24. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares, or which would entitle any person to an option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

25. There will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

26. There is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.

27. None of the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

28. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

29. The issuance of equity shares by our Company, since incorporation of our Company until the date of this Draft Red Herring Prospectus, had been undertaken in accordance with the provisions of the Companies Act, 1956, and the Companies Act, 2013, to the extent applicable.

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

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer for Sale of up to 10,094,568 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million. For further details, see "***The Offer***" on page 65.

Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer. All proceeds from the Offer will go to the Promoter Selling Shareholders, in proportion to the Equity Shares offered by them in the Offer for Sale. For details of the Offered Shares, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 353.

Offer related expenses

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

Other than (i) listing fees, audit fees of the Statutory Auditors (to the extent not attributable to the Offer), and expenses for any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements in relation to the Offer) which shall be solely borne by the Company; and (ii) fees and expenses for the legal counsel to the Promoter Selling Shareholders, which shall be solely borne by the Promoter Selling Shareholders, all costs, charges, fees and expenses in respect of the Offer shall be borne by the Promoter Selling Shareholders in proportion to the Offered Shares sold by the Promoter Selling Shareholders in the Offer for Sale. Upon completion of the Offer, any payments by the Company in relation to the Offer expenses on behalf of the Promoter Selling Shareholders shall be reimbursed by the Promoter Selling Shareholders to the Company inclusive of taxes, as applicable. If the Offer fails or is withdrawn, abandoned or terminated for any reason whatsoever, all costs, charges, fees and expenses incurred in connection with the Offer shall be borne by the Promoter Selling Shareholders, except in relation to any audit fees of the Statutory Auditors (to the extent not attributable to the Offer) and expenses for any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements in relation to the Offer) which shall be borne solely by the Company.

The estimated Offer expenses are as follows:

(*₹ in million*)

Activity	Estimated expenses* (in ₹ million)	As a% of the total estimated Offer expenses	As a% of the total Offer size
BRLMs' fees and commissions (including underwriting commission)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Brokerage, selling commission, bidding charges, processing fees and bidding charges for the Members of the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs (1)(2)(3)(4)	[●]	[●]	[●]
Others	[●]	[●]	[●]
(1) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees	[●]	[●]	[●]
(2) Other regulatory expenses	[●]	[●]	[●]
(3) Fees payable to legal counsels, statutory auditors, independent chartered accountants, practicing company secretary, intellectual property consultants, industry service provider and others	[●]	[●]	[●]
(4) Advertising and marketing expenses	[●]	[●]	[●]
(5) Printing and distribution of issue stationery	[●]	[●]	[●]
(6) Miscellaneous	[●]	[●]	[●]
Total estimated expenses to the Offer	[●]	[●]	[●]

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

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

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

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.*

(2) *Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors (excluding applications made by UPI Investors using the UPI Mechanism) which are procured by the members of the Syndicate/sub-Syndicate/Registered Brokers/RTAs/CDPs and submitted to SCSBs (including 3-in-1 type accounts – linked online trading, demat and bank account) for blocking, would be as follows:*

*Portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees**	*₹ [●]/- per valid Bid cum Application Form (plus applicable taxes)*

** Processing fees payable to the SCSBs for capturing Syndicate Members/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Buyers with Bids above ₹500,000 would be ₹[●]/- plus applicable taxes, per valid application*

(3) *Selling commission on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees (with an application size of up to ₹500,000) and Eligible Employees which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts - linked online trading, demat and bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

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

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

The selling commission payable to the Syndicate/sub-Syndicate Members will be determined as follows:

(i) For Retail Individual Investors, Non-Institutional Investors and Eligible Employees (with an application size of up to ₹500,000), on the basis of the application form number/series, provided that the application is also bid by the respective Syndicate/sub-Syndicate Member. For clarification, if a Syndicate ASBA application (i.e. non-UPI application other than 3-in-1 type application) on the application form number/series of a Syndicate/sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/Sub-Syndicate Member.

(ii) For Non-Institutional Investors (with an application size above ₹500,000), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Stock Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number/series of a Syndicate/Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate/Sub-Syndicate Members and not the SCSB.

(4) *Uploading Charges:*

(i) Bid uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹[●]/- plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members).

(ii) Bid uploading charges payable to SCSBs on the QIB Category and Non-Institutional Investors (excluding applications made by UPI Investors using the UPI Mechanism) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹[●]/- per valid application (plus applicable taxes).

(5) *The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.*

Selling commission/uploading charges payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors, Non-Institutional Investors through UPI Mechanism and Eligible Employees.

*Portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees**	*₹ [●]/- per valid Bid cum Application Form (plus applicable taxes)*

** Based on valid applications*

(6) *Uploading charges/processing fees for applications made by UPI Investors using the UPI Mechanism would be as under:*

Members of the Syndicate/RTAs /CDPs (uploading charges)	*₹ [●]/- per valid application (plus applicable taxes)*
Sponsor Bank – [●]	*₹ [●]/- per valid Bid cum Application Form (plus applicable taxes)* *[●] will also be entitled to a one-time escrow management fee of ₹[●]/-.* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

The processing fees for applications made by UPI Investors 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 (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021 and such payment shall be made in compliance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022 and SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022.

Monitoring Utilization of Funds

Since the Offer is an Offer for Sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other confirmations

Except to the extent of the proceeds received by the Promoter Selling Shareholders pursuant to the Offer to Sale, no part of the Offer proceeds will be paid by our Company as consideration to our Promoters, the Promoter Group, our Directors, or our KMPs and SMPs, and there are no material existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, the Promoter Group, our Directors, our KMPs and SMPs.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The financial information included herein is derived from our Restated Consolidated Financial Information.

Investors should also refer to the sections "***Risk Factors***", "***Our Business***", "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 26, 176, 245 and 315 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:

- We are the category pioneer in R O water purifiers in India, with a large user base;
- We have a strong commitment to innovation;
- We have undertaken focused brand-building initiatives for enhancing brand equity;
- We have the capability to build new brands;
- We are leveraging our brand strength for a diverse product portfolio and increased consumer wallet share;
- We have streamlined manufacturing operations;
- We are delivering strong financial performance with large reserves;
- We have a multi-channel pan India distribution and service network and growing international presence; and
- We have experienced Promoters and senior management team.

For further details, see "***Risk Factors***" and "***Our Business - Our Strengths***" on pages 26 and 179, respectively.

Quantitative Factors

Some of the information presented below relating to our Company is based on or derived from the Restated Consolidated Financial Information. For details, see "***Restated Consolidated Financial Information***" on page 245.

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

1. Basic and Diluted Earnings per Share from continuing and discontinued operations ("EPS") at face value of ₹1 each:

Financial Year/Period	Basic EPS from continuing and discontinued operations (in ₹)	Diluted EPS from continuing and discontinued operations (in ₹)	Weight
Financial Year ended March 31, 2024	15.67	15.67	3
Financial Year ended March 31, 2023	9.08	9.08	2
Financial Year ended March 31, 2022	14.23	14.23	1
Weighted Average	13.23	13.23	-
Six months ended September 30, 2024*	6.75	6.75	-

** Not annualised*

Notes:

(1) EPS has been calculated in accordance with the Indian Accounting Standard 33 – "Earnings per share".

(2) The ratios have been computed as follows:

Basic earnings per share (in ₹) = Profit for the period/year attributable to Shareholders of the Company divided by the Weighted average number of Equity Shares outstanding during the period/year.

Diluted earnings per share (in ₹) = Profit for the period/year attributable to Shareholders of the Company divided by the Weighted average number of diluted Equity Shares outstanding during the period/year.

(3) Weighted average outstanding equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued/bought back during the period/year multiplied by the time weighting factor.

(4) Pursuant to resolution passed in extra-ordinary general meeting held on November 19, 2024, our Shareholders have approved subdivision of each equity share of face value of ₹10 each into 10 Equity Shares of face value of ₹1 each and issue of bonus Equity Shares of face value of ₹1 each in the ratio of 10:1. As required under Ind AS 33 "Earning per share", the above sub-division and

bonus shares are retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.

(5) *The figures disclosed above are derived from the Restated Consolidated Financial Information.*

(6) *Basic and Diluted EPS presented above have been computed after giving effect to the bonus issue and share split.*

2. Price/Earning ("P/E") ratio in relation to price band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E ratio at the lower end of the Price Band (number of times)*	P/E ratio at the higher end of the Price Band (number of times)*
Based on Basic EPS for the financial year ended March 31, 2024	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2024	[●]	[●]

* *Will be populated in the Prospectus.*

3. Industry Peer Group P/E ratio

Particulars	P/E ratio (number of times)
Highest	119.70
Lowest	67.51
Industry Composite	87.47

Notes:

(1) *The highest and lowest industry P/E shown above is based on the peer set provided below under "**Comparison with listed industry peers**";*

(2) *The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "-**Comparison with listed industry peers**" below.*

4. Return on Net Worth ("RoNW")

Financial Year/Period	RoNW (%)	Weight
Financial Year ended March 31, 2024	9.93	3
Financial Year ended March 31, 2023	6.43	2
Financial Year ended March 31, 2022	10.65	1
Weighted Average	8.88	-
Six months ended September 30, 2024*	4.23*	-

* *Not annualised*

Notes:

(1) *Return on Net Worth (%) = Profit for the period/year attributable to shareholders of the Company divided by Net Worth at the end of the period/year.*

(2) *Net worth is calculated as equity attributable to shareholders of the Company less (a) capital reserve; and (b) capital redemption reserve.*

(3) *The weighted average return on net worth is a product of RoNW and respective assigned weight dividing the resultant by total aggregate weight.*

(4) *The figures disclosed above are derived from the Restated Consolidated Financial Information.*

5. Net Asset Value per Equity Share

Financial Year/Period	NAV per Equity Share (Basic and diluted) (₹)
As at September 30, 2024	159.49
As at March 31, 2024	157.90
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price*	[●]

* *Offer price per Equity Share will be determined at the conclusion of the Book Building Process*

Notes:

(1) *Net asset value per Equity Share as at a period/ year represents Net worth attributable to owners of the Company at the end of the period/year divided by the weighted average outstanding equity shares considered for basic earnings per share and diluted earnings per share from continuing and discontinuing operations.*

(2) *Net worth is calculated as equity attributable to shareholders of the Company less (a) capital reserve; and (b) capital redemption reserve.*

(3) *The figures disclosed above are derived from the Restated Consolidated Financial Information.*

(4) *Pursuant to resolution passed in extra-ordinary general meeting held on November 19, 2024, our Shareholders have approved subdivision of each equity share of face value of ₹10 each into 10 Equity Shares of face value of ₹1 each and issue of bonus Equity*

Shares of face value of ₹1 each in the ratio of 10:1. For the purpose of computation of net asset value per equity share, the above sub-division and bonus shares are retrospectively considered for the computation number of equity shares outstanding at the end of the respective period/year.

6. Comparison of accounting ratios with listed industry peers

Name of the company	Face value per equity share (₹)	P/ E (number of times)	EPS (Basic) (₹)(1)(2)	EPS (Diluted) (₹)(1)(2)	RoNW (%)	Net Asset Value per Equity Share (₹)
Kent RO Systems Limited*	1	[●]#	15.67	15.67	9.93	157.90
Peer Group*						
Havells India Limited	1	80.38	20.28	20.28	17.08	118.69
Eureka Forbes Limited	10	119.70	4.94	4.93	2.27	217.03
Whirlpool India Limited	10	99.48	17.11	17.11	6.14	278.69
V-Guard Industries Limited	1	70.30	5.89	5.88	14.36	40.92
Bajaj Electricals Limited	2	67.51	11.39	11.37	9.02	126.06

#To be included in respect of our Company in the Prospectus based on the Offer Price.
**Our financial information has been derived from the Restated Consolidated Financial Information as at or for the financial year ended March 31, 2024.*
***All the financial information for the peer group entities mentioned above is on a consolidated basis and is sourced from the annual reports as available of the respective peer group entity for the year ended March 31, 2024 (as applicable) submitted to the Stock Exchanges.*

Notes for peer group:

(1) *The basic and diluted EPS refers to the basic and diluted EPS sourced from the financial statements of the peer group entities respectively for the year ended March 31, 2024.*

(2) *P/E Ratio has been computed based on the closing market price of equity shares on BSE Limited on January 9, 2025, divided by the diluted EPS as at March 31, 2024.*

(3) *RoNW (%) = Profit for the year ended March 31, 2024 attributable to the shareholders of the holding company of the respective peer company, divided by total net worth (excluding non-controlling interest) of the peer group entity as at March 31, 2024.*

(4) *NAV is computed as the net worth of the peer group entity as at March 31, 2024 divided by the outstanding weighted average number of equity shares considered for diluted earnings per share as at March 31, 2024.*

(5) *Net worth means the aggregate value of the paid-up share capital and all reserves excluding capital reserves, capital redemption reserve, revaluation reserve, foreign currency translation reserve, amalgamation adjustment reserve, share application money pending allotment and non controlling interest.*

7. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 8, 2025 and the Audit Committee has 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 have been disclosed in this section. Further, the KPIs herein have been certified by SNR & Company, Chartered Accountants, by way of their certificate dated, 2025. This certificate has been designated as a material document for inspection in connection with the Offer. See "***Material Contracts and Documents for Inspection***" on page 422.

The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of the Company, which have been consequently identified as relevant and material KPIs and are disclosed in this "***Basis for Offer Price***" section on page 98.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "***Our Business***", and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" on pages 176 and 315, respectively.

In addition to the above, the Audit Committee also noted that other than the below mentioned KPIs, there are certain items/ metrics which have been included in the business description, management discussion and analysis or financials in this DRHP but these are not considered to be a performance indicator or deemed to have a bearing on the determination of Offer Price. For details, see "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Restated Consolidated Financial Information***" on pages 176, 315 and 245, respectively.

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 Directors of our Company) until one year after the date of listing of the Equity Shares on the Stock Exchanges or for such other duration as may be required under the SEBI ICDR Regulations.

Key Performance Indicators

Our Company considers the following key performance indicators (**"KPIs"**) to have a bearing for arriving at the basis for the Offer Price The table below also sets forth KPIs as at/ for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(₹ in million except for percentages)

Particulars	For the six months ended September 30, 2024	As at and for the Financial Year 2024	2023	2022
Revenue from Operations [1]	6,371.88	11,781.85	10,843.93	10,473.67
Revenue Growth (YoY) (in %) [2]	-	8.65	3.54	-
Revenue from Operations by geography [3]				
a. Revenues from India	6,214.24	11,438.98	10,506.39	10,121.50
b. Revenue – Export	157.64	342.87	337.54	352.17
Revenue from Operations by Product Category [4]				
a. Water Purifiers and water softeners	5,368.05	10,124.16	9,406.71	9,099.83
b. Kitchen and home appliances	574.15	1,256.09	1,192.69	1,275.64
c. Fans	403.24	307.14	112.00	Nil#
d. Others (includes sale of scrap, export incentives, and other products)	26.44	94.46	132.53	98.20
Revenue from Operations by Product Category as a % of Revenue from Operations (in %) [5]				
a. Water Purifiers and water softeners	84.25	85.93	86.75	86.88
b. Kitchen and home appliances	9.01	10.66	11.00	12.18
c. Fans	6.33	2.61	1.03	Nil#
d. Others (includes sale of scrap, export incentives, and other products)	0.41	0.80	1.22	0.94
EBITDA[6]	659.26	1,820.02	1,493.83	2,008.09
EBITDA Margin (in %) [7]	10.35	15.45	13.78	19.17
Profit for the period/ year [8]	698.62	1,669.83	976.15	1,546.80
PAT Margin (in %) [9]	10.21	13.25	8.80	14.25
Return on Equity (in %) [10]	4.24*	9.95	6.46	10.67
Advertisement and business promotion expenses as a percentage of revenue from operations (in %) [11]	20.23	13.16	13.25	11.33

** Not Annualised*

 # As the Company started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.

*The above details have been certified by SNR & Company, Chartered Accountants pursuant to their certificate dated January 21, 2025. The certificate dated January 21, 2025 issued by SNR & Company, Chartered Accountants, has been included in "**Material Contracts and Documents for Inspection – Material Documents**" on page 422.*

Notes:

(1) *Revenue from operations is as per the Restated Consolidated Financial Information.*

(2) *Revenue Growth (YoY) (in %) refers to (Relevant year Revenue from Operations minus previous year Revenue from Operations) divided by previous year Revenue from Operations multiplied by 100*

(3) *Revenue from Operations by geography is the revenue from operations generated by the company from within India and outside India.*

(4) *Revenue from Operations by product category namely water purifiers and water softeners, kitchen & home appliances, fans and others for the year / period.*

(5) *Revenue from Operations by product category divided by Revenue from Operations multiplied by 100*

(6) *EBITDA is calculated as profit before tax from continuing operations plus (a) finance costs and (b) depreciation and amortization expense, and less (c) other income.*

(7) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

(8) *Profit after tax from continuing operations for the period/year is as per the Restated Consolidated Financial Information.*

(9) *PAT Margin is calculated as profit after tax from continuing operations divided by total income.*

(10) *Return on Equity is calculated as profit after tax from continuing operations divided by total equity.*

(11) *Advertisement and business promotion expenses as per the Restated Consolidated Financial Information divided by the Revenue from Operations as per the Restated Consolidated Financial Information for the year / period.*

Description on the historic use of the key performance indicators by us to analyze, track or monitor our operational and/or financial performance

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the GAAP measures and to not rely on any single financial or operational metric to evaluate our business.

Explanation for the KPIs

The following table provides the explanation of and rationale for each of the KPIs that have a bearing on arriving at the basis for Offer Price and the relevance of such to the business of our Company. We have also described and defined the KPIs, as applicable, in "***Definitions and Abbreviations***" on page 1.

Metric	Explanation for the KPI
Revenue from Operations	Revenue from Operations is used by the Company to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
Revenue Growth (YoY) (in %)	Revenue growth indicates the Company's year-on-year growth of revenue generated from our operations. This helps track the progress of the Company and gauge market demand and trends.
Revenue from Operations by geography	Revenue from Operations of the business split for its share within India and outside India enables the Company to track the progress of the revenues in the domestic and export markets.
Revenue from Operations by Product Category (INR, and as a % of Revenue from Operations)	Revenue from Operations by the product category enables the Company to track the progress of the revenues in the product category – water purifies and water softeners, kitchen and home appliances, fans and others (including sale of scrap, export incentives, and other products).
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (in %)	EBITDA margin is an indicator of the operational profitability and financial performance of the business.
Profit after tax for the period/ year	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (in %)	PAT Margin is an indicator of the overall profitability and financial performance of the business.
Return on Equity/RoE (in %)	RoE provides how efficiently the Company generates profits from shareholders' funds.
Advertisement and business promotion expenses as a percentage of Revenue from Operations (in %)	This indicates to the Company to see the growth of our Revenue from Operations based on the advertisement and business promotion expense.

Comparisons of KPIs based on additions and dispositions to our business

Our Company has not undertaken any material acquisition or disposition of assets / business for the periods that are covered by the KPIs.

8. Comparison of KPIs of our Company with listed peers

The following table provides a comparison of our KPIs with listed industry peers for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(₹ in million except for percentages)

KPIs for the six months period ended September 30, 2024	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
Revenue from Operations	6,371.88	1,03,455.20	12,265.19	42,098.50	27,710.90	22,732.40
Revenue Growth (YoY) (in %)	-	-	-	-	-	-
Revenue from Operations by geography**						
a. Revenues from India	6,214.24	N.A.	N.A.	N.A.	N.A.	N.A.
b. Revenue – Export	157.64	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue from Operations by Product Category						
Water Purifiers and water softeners	5,368.05	N.A.	N.A.	N.A.	N.A.	N.A.
Kitchen and home appliances	574.15	N.A.	N.A.	N.A.	N.A.	N.A.
Fans	403.24	N.A.	N.A.	N.A.	N.A.	N.A.
Others (includes sale of scrap, export incentives, and other products)	26.44	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue from Operations by Product Category as a % of Revenue from Operations (in %)						
a. Water Purifiers and water softeners	84.25%	N.A.	N.A.	N.A.	N.A.	N.A.
b. Kitchen and home appliances	9.01%	N.A.	N.A.	N.A.	N.A.	N.A.
c. Fans	6.33%	N.A.	N.A.	N.A.	N.A.	N.A.
d. Others (includes sale of scrap, export incentives, and other products)	0.41%	N.A.	N.A.	N.A.	N.A.	N.A.
EBITDA	659.26	9,473.10	1,323.75	2,979.50	2,660.30	1,270.20
EBITDA Margin (in %)	10.35%	9.16%	10.79%	7.08%	9.60%	5.59%
Profit for the period/ year	698.62	6,752.80	799.00	1,987.80	1623.60	410.10
PAT Margin (in %)	10.21%	6.42%	6.48%	4.61%	5.84%	1.78%

KPIs for the six months period ended September 30, 2024	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
Return on Equity (in %)	4.24%*	8.65%	1.85%	5.20%	8.41%	2.80%
Advertisement and business promotion expenses as a percentage of revenue from operations (in %)	20.23%	2.93%	N.A.	N.A.	N.A.	N.A.

KPI information for peers has been taken from the annual report for the respective years.
** *It is noted that certain peers report this information only for specific components of revenue from operations, and not for the total revenue from operations. In cases where detailed information for total revenue from operations is unavailable, export revenue has been determined using the reported export revenue in the respective annual reports, with the remaining amount classified as domestic revenue.*

(₹ in million except for percentages)

KPIs for the Fiscal 2024	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
Revenue from Operations	11,781.85	1,85,900.10	21,892.50	68,297.90	48,566.70	46,412.68
Revenue Growth (YoY) (in %)	8.65%	9.93%	5.02%	2.43%	17.67%	(5.07%)
Revenue from Operations by geography**						
a. Revenues from India	11,438.98	1,79,867.80	21,879.02	65,407.00	48,444.10	45,696.45
b. Revenue – Export	342.87	6,032.30	13.48	2,890.90	122.60	716.24
Revenue from Operations by Product Category						
Water Purifiers and water softeners	10,124.16	N.A.	N.A.	N.A.	N.A.	N.A.
Kitchen and home appliances	1,256.09	N.A.	N.A.	N.A.	N.A.	N.A.
Fans	307.14	N.A.	N.A.	N.A.	N.A.	N.A.
Others (includes sale of scrap, export incentives, and other products)	94.46	N.A.	N.A.	N.A.	N.A.	N.A.
Revenue from Operations by Product Category as a % of Revenue from Operations (in %)						
a. Water Purifiers and water softeners	85.93%	N.A.	N.A.	N.A.	N.A.	N.A.

KPIs for the Fiscal 2024	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
b. Kitchen and home appliances	10.66%	N.A.	N.A.	N.A.	N.A.	N.A.
c. Fans	2.61%	N.A.	N.A.	N.A.	N.A.	N.A.
d. Others (includes sale of scrap, export incentives, and other products)	0.80%	N.A.	N.A.	N.A.	N.A.	N.A.
EBITDA	1,820.02	18,426.20	1,834.96	3,840.80	4,267.10	2,596.88
EBITDA Margin (in %)	15.45%	9.91%	8.38%	5.62%	8.79%	5.60%
Profit for the period/ year	1,669.83	12,707.60	956.50	2,243.00	2,575.80	1,358.77
PAT Margin (in %)	13.25%	6.75%	4.35%	3.21%	5.27%	2.87%
Return on Equity (in %)	9.95%	17.06%	2.26%	5.84%	14.20%	9.43%
Advertisement and business promotion expenses as a percentage of revenue from operations (in %)	13.16%	2.84%	9.45%	0.84%	2.61%	4.52%

**KPI information for peers has been taken from the latest annual report for the respective years.*
*** It is noted that certain peers report this information only for specific components of revenue from operations, and not for the total revenue from operations. In cases where detailed information for total revenue from operations is unavailable, export revenue has been determined using the reported export revenue in the respective annual reports, with the remaining amount classified as domestic revenue.*

(₹ in million except for percentages)

KPIs for the Fiscal 2023	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
Revenue from Operations	10,843.93	1,69,107.30	20,845.05	66,676.50	41,271.90	48,892.45
Revenue Growth (YoY) (in %)	3.54%	21.32%	446.04%	7.60%	17.91%	1.58%
Revenue from Operations by geography**						
a. Revenues from India	10,506.39	164,251.50	20,766.45	63,589.20	41,220.30	48,248.58
b. Revenue – Export	337.54	4,855.80	78.60	3,087.30	51.60	643.87
Revenue from Operations by Product Category						
Water Purifiers and water softeners	9,406.71	N.A	N.A.	N.A.	N.A.	N.A.
Kitchen and home appliances	1,192.69	N.A	N.A.	N.A.	N.A.	N.A.
Fans	112.00	N.A	N.A.	N.A.	N.A.	N.A.
Others (includes sale of scrap, export incentives,	132.53	N.A	N.A.	N.A.	N.A.	N.A.

KPIs for the Fiscal 2023	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
and other products)						
Revenue from Operations by Product Category as a % of Revenue from Operations (in %)						
a. Water Purifiers and water softeners	86.75%	N.A	N.A.	N.A.	N.A.	N.A.
b. Kitchen and home appliances	11.00%	N.A	N.A.	N.A.	N.A.	N.A.
c. Fans	1.03%	N.A	N.A.	N.A.	N.A.	N.A.
d. Others (includes sale of scrap, export incentives, and other products)	1.22%	N.A	N.A.	N.A.	N.A.	N.A.
EBITDA	1,493.83	15,991.40	1,049.98	3,703.40	3201.20	3,747.51
EBITDA Margin (in %)	13.78%	9.46%	5.04%	5.55%	7.76%	7.66%
Profit for the period/ year	976.15	10,717.30	264.72	2,240.10	1,890.50	2,154.42
PAT Margin (in %)	8.80%	6.27%	1.26%	3.30%	4.56%	4.37%
Return on Equity (in %)	6.46%	16.18%	0.65%	6.11%	11.76%	11.30%
Advertisement and business promotion expenses as a percentage of revenue from operations (in %)	13.25%	2.59%	9.11%	0.99%	2.16%	5.98%

KPI information for peers has been taken from the latest annual report for the respective years.

*** It is noted that certain peers report this information only for specific components of revenue from operations, and not for the total revenue from operations. In cases where detailed information for total revenue from operations is unavailable, export revenue has been determined using the reported export revenue in the respective annual reports, with the remaining amount classified as domestic revenue.*

(₹ in million except for percentages)

KPIs for the Fiscal 2022	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
Revenue from Operations	10,473.67	1,39,384.80	3,817.50	61,965.70	35,001.86	48,130.15
Revenue Growth (YoY) (in %)	-	33.29%	4,765.35%	5.03%	28.62%	4.98%
Revenue from Operations by geography**						
a. Revenues from India	10,121.50	134,340.40	3,793.65	58,720.30	34,901.14	46,910.01
b. Revenue – Export	352.17	5,044.40	23.85	3,245.40	100.72	1,220.14
Revenue from Operations by						

KPIs for the Fiscal 2022	Kent RO Systems Limited	Havells India Limited	Eureka Forbes Limited	Whirlpool India Limited	V-Guard Industries Limited	Bajaj Electricals Limited
Product Category						
Water Purifiers and water softeners	9,099.83	N.A	N.A	N.A	N.A	N.A
Kitchen and home appliances	1,275.64	N.A	N.A	N.A	N.A	N.A
Fans	Nil#	N.A	N.A	N.A	N.A	N.A
Others (includes sale of scrap, export incentives, and other products)	98.20	N.A	N.A	N.A	N.A	N.A
Revenue from Operations by Product Category as a % of Revenue from Operations (in %)						
a. Water Purifiers and water softeners	86.88%	N.A	N.A	N.A	N.A	N.A
b. Kitchen and home appliances	12.18%	N.A	N.A	N.A	N.A	N.A
c. Fans	Nil#	N.A	N.A	N.A	N.A	N.A
d. Others (includes sale of scrap, export incentives, and other products)	0.94%	N.A	N.A	N.A	N.A	N.A
EBITDA	2,008.09	17,604.20	183.37	7,504.20	3,402.29	2,369.24
EBITDA Margin (in %)	19.17%	12.63%	4.80%	12.11%	9.72%	4.92%
Profit for the period/ year	1,546.80	11,964.70	26.15	5,673.70	2,284.38	1,244.07
PAT Margin (in %)	14.25%	8.49%	0.68%	9.06%	6.51%	2.55%
Return on Equity (in %)	10.67 %	19.93%	0.06%	16.21%	16.17%	7.30%
Advertisement and business promotion expenses as a percentage of revenue from operations (in %)	11.33%	1.77%	8.83%	1.16%	1.63%	4.83%

 # As the Company started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.

[*]KPI information for peers has been taken from the latest annual report for the respective years.

[**] It is noted that certain peers report this information only for specific components of revenue from operations, and not for the total revenue from operations. In cases where detailed information for total revenue from operations is unavailable, export revenue has been determined using the reported export revenue in the respective annual reports, with the remaining amount classified as domestic revenue

9. Weighted average cost of acquisition

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

There have been no primary issuances of Equity Shares or any convertible securities (excluding issuance of Equity Shares pursuant to bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("**Primary Issuances**").

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

There have been no secondary sales/ acquisitions of Equity Shares or any convertible securities, where the Promoters (including the Promoter Selling Shareholders), Promoter Group, or Shareholder(s) having the right to nominate Director(s) on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of 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 ("**Secondary Transactions**").

C. Price per share based on the last five Primary Issuances or Secondary Transactions

Since there are no such transactions to report under A and B above, the following are the details of the price per share of our Company basis the last five primary and secondary transactions (secondary transactions where Promoters (including the Promoter Selling Shareholders), members of the Promoter Group, or Shareholder(s) having the right to nominate Director(s) on the Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:

Primary transactions

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus, irrespective of the size of the transaction.

Date of allotment	Nature of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Total consideration
November 19, 2024	Bonus issue	91,768,800	1	-	N.A.	Nil
Weighted average cost of acquisition						**Nil***

**As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.*

Secondary transactions

Except as disclosed below, there have been no secondary transactions in which Promoters, members of the Promoter Group, Selling Shareholders are a party to the transaction, in the last three years preceding the date of this Draft Red Herring Prospectus:

Date of transfer	Category	Name of the transferor	Name of the transferee	Number of securities transferred	Nature of securities	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration	Total consideration
January 15, 2025	Share transfer	Mahesh Gupta	Mahesh Varun Private Family Trust	1,000	Equity Shares	1	Nil	N.A.	Nil

Date of transfer	Category	Name of the transferor	Name of the transferee	Number of securities transferred	Nature of securities	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration	Total consideration
January 15, 2025	Share transfer	Sunita Gupta	Sunita Surbhi Private Family Trust	1,000	Equity Shares	1	Nil	N.A.	Nil
January 15, 2025	Share transfer	Sunita Gupta	Sunita Varun Private Family Trust	1,000	Equity Shares	1	Nil	N.A.	Nil
Total				3,000					Nil
	Total weighted average cost of acquisition								**Nil***

**As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.*

D. The Floor Price and the Offer Price/ Cap Price are [●] times and [●] times, respectively, of the weighted average cost of acquisition at which the Equity Shares were issued by our Company, and [●] times and [●] times, respectively, of the weighted average price per share of Equity Shares of our Company that were acquired or sold by way of secondary transactions, as are disclosed below:

Past transactions	Weighted average cost of acquisition per Equity Share (₹)#	Floor Price (₹)*	Cap Price (₹)*
Weighted average cost of acquisition of Primary Issuances	N.A.	[●]	[●]
Weighted average cost of acquisition of Secondary Transactions	N.A.	[●]	[●]
Since there were no primary or secondary transactions of equity shares of the Company during the 18 months preceding the date of filing this Draft Red Herring Prospectus, the information has been disclosed for price per share of the Company based on the last five primary or secondary transactions where the Promoters (including the Promoter Selling Shareholders), Promoter Group, or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction.			
- Based on primary issuances	Nil	[●]	[●]
- Based on secondary transactions	Nil	[●]	[●]

 # As certified by SNR & Company, Chartered Accountants by way of their certificate dated January 21, 2025.

** To be updated at Prospectus stage.*

10. Detailed explanation for Offer Price/Cap Price along with our Company's KPIs and financial ratios for the periods presented in the Restated Consolidated Financial Information and in view of the external factors which may have influenced the pricing of the issue, if any

[●]*

**Note: This will be included on finalisation of Price Band*

The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process.

Investors should read the above-mentioned information along with "***Risk Factors***", "***Our Business***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on 26, 176, 245 and 315, respectively, to have a more informed view before making an investment decision.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
Kent R O Systems Limited,
H-35, South Extension – Part 1
Kidwai Nagar, New Delhi 110 049
Delhi, India

Subject: Statement of special tax benefits ("the Statement") available to Kent R O Systems Limited ("the Company") and its shareholders prepared in accordance with the requirement under Schedule VI –Part A -Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the SEBI ICDR Regulations")

This report is issued in accordance with the Engagement Letter 25 November 2024.

We hereby report that the enclosed **Annexure II and III** prepared by the Company, initialled by us for identification purpose, states the special tax benefits available to the Company and its shareholders under direct and indirect taxes (together **"the Tax Laws"),** presently in force in India as on the, which are defined in **Annexure I**. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure II and III** cover the special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed **Annexure II and III** and its contents is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company at its meeting held on January 21, 2025. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. Further, the benefits discussed in the **Annexure II and III** are not exhaustive. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the "Proposed Offer") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

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

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

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

i) the Company and its shareholders will continue to obtain these special tax benefits per the Statement in future; or
ii) the conditions prescribed for availing the special tax benefits where applicable, have been/would be met with.

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

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

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges where the equity shares of the Company are proposed to be listed. It is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sujay Paul
Partner
Membership Number: 096314
UDIN: 25096314BMNWMZ7796

Date: January 21, 2025
Place: Noida

Annexure I

List of Direct and Indirect Tax Laws, as amended including any circular and notifications issued thereunder ("TAX LAWS")

S.no	**Details of tax laws**
1.	Income Tax Act, 1961 read with Income Tax Rules, 1962
3.	Central Goods and Services Tax Act, 2017
4.	Integrated Goods and Services Tax Act, 2017
5.	State/ Union Territory Goods and Services Tax Act, 2017
6.	Customs Act, 1962
7.	Customs Tariff Act, 1975
8.	Foreign Trade *(Development and Regulation)* Act, 1992

Annexure II

STATEMENT OF SPECIAL DIRECT TAX BENEFITS AVAILABLE TO KENT R O SYSTEMS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the ITA') and Income-tax Rules, 1962 ('Income Tax Rules'), circulars, notifications, as amended by the Finance Act (No. 2) 2024 (collectively, hereinafter referred to as the "Income Tax Laws"). These special tax benefits are subject to fulfillment of conditions prescribed under the relevant Income Tax Laws by the Company or its shareholders.

A. Special tax benefits available to the Company under the ITA and Income Tax Rules

1. Lower corporate tax rate on income of domestic companies – Section 115BAA of the ITA

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the ITA:

- Section10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate by filing Form 10IC on or before the due date of filing return of income under section 139(1) of the ITA. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the ITA shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: *The Company has opted the lower rate under section 115BAA of the ITA in the FY 2020-21 relevant to the AY 2021-22 as mentioned in the Section 115BAA of ITA and have filed form 10IC on 09 March 2022 which is a pre-requisite for availing the concessional tax rates under section 115BAA of the ITA.*

2. Deductions in respect of employment of new employees – Section 80JJAA of the ITA

As per section 80JJAA of the ITA, where a company is subject to tax audit under section 44AB of the ITA and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the ITA. The company is presently not claiming deduction under section 80JJAA of the ITA.

3. Deduction with respect to inter-corporate dividends – Section 80M of the ITA

As per the provisions of section 80M of the ITA, inserted with effect from 01 April 2020 i.e., AY 2021-22, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it on or before the due date. In this case, due date means one month prior to the due date of furnishing return of income under sub section (1) of section 139 of the ITA.

The company has one subsidiary and thus, the company should be eligible to claim deduction under section 80M of the ITA in respect of dividends received (if any) from its subsidiary and further distributed to its shareholders subject to fulfillment of other conditions.

4. Deductions in respect of specified expenditure

In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the ITA, the company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the issue for public subscription or such other expenditure as prescribed under section 35D of the ITA, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

With effect from AY 2024-25, the company shall be required to furnish a statement in Form 3AF containing the particulars of expenditures specified under section 35D of the ITA to such income tax authority prior to one month before the due date of filing Income tax return as per section 139(1) of the ITA.

5. Deductions in respect of merger/demerger expenditure

In accordance with and subject to the fulfilment of conditions as laid out under section 35DD of the Act, the company may be entitled to amortize expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger of an undertaking, expenditure as prescribed under section 35DD of the Act.

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the amalgamation or demerger takes place.

6. Set-off of Unabsorbed Depreciation under section 32(2) of the ITA

As per the provisions of section 32(2) of the ITA, where a company does not have sufficient profits to cover the depreciation expense for that year, the unabsorbed depreciation shall be carried forward to subsequent assessment years for an indefinite period until it is fully absorbed and set off against future profits of subsequent assessment years. The company currently does not have unabsorbed depreciation.

7. Set-off & Carry forward of business loss under section 72 of the ITA

As per the provisions of section 72 of the ITA, if the Company has incurred loss under the head "Profits and gains of business or profession", and such loss has not been set-off against income under any other head of income, then such loss as has not been set-off shall be carried forward to set-off against the income in the following eight assessment years. The company currently does not have carried forward business loss.

8. Set-off & Carry forward of Losses under the head capital gains

As per the provisions of section 70 of the ITA, if the Company has incurred loss under the head capital gains in relation to a short-term capital asset, it can be set-off either against Short-Term Capital Gain ('STCG') or Long-Term Capital Gain ('LTCG') for that assessment year. If the loss has been incurred in relation to a long-term capital asset, it can be set-off only against LTCG for that assessment year.

However, if the losses are not wholly set-off, the same shall be carried forward to set-off against the income in the following eight assessment years as per section 74 of the ITA. If the loss carried forward relates to short-term capital asset, it shall be set-off either against LTCG or STCG. However, if the loss carried forward relates to long-term capital asset, it shall be set-off only against LTCG.

At the time of filing Income tax return for AY 2024-25, the Company has carried forward long term capital losses under the head capital gains to subsequent assessment years.

9. Tax on Capital Gains

As per section 112 of the ITA, LTCG arising from the transfer of long-term capital assets (other than listed equity shares, unit of an equity-oriented fund or unit of a business trust covered under section 112A of the ITA), shall be taxed at the rate of 12.5% of such capital gains (plus applicable surcharge and education cess) without the benefit of indexation.

Whereas, if LTCG is arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond then as per section 112A of the ITA, capital gains (exceeding INR 1,25,000) shall be taxed at the rate of 12.5% without indexation.

Further, as per section 111A of the ITA, STCG arising from the transfer of equity shares on which Securities Transaction Tax ('STT') has been paid at the time of acquisition and sale, unit of an equity-oriented fund or unit of a business trust shall be taxed at the rate of 20% (plus applicable surcharge and cess). Whereas, STCG arising from the transfer of short-term capital assets (other than listed equity shares, unit of an equity-oriented fund or unit of a business trust covered under section 111A of the ITA), shall be taxed at the normal tax rate of the Company.

10. Deduction in respect of House Property income

As per the provisions of section 24(a) of the ITA, a deduction of 30% of the net annual rental value of the property in the form of standard deduction is allowed to the owner of the house property. However, this tax deduction is not available for properties used by the owner.

The company earns rental income on house property and claims the benefit of 30% deduction under section 24(a) of the ITA.

B. Special tax benefits available to the shareholders of the Company under the Income Tax Regulations

1. Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of domestic corporate shareholder, benefit of deduction under section 80M of the ITA would be available on fulfilling the conditions. Further, Finance Act 2021 restricted surcharge to 15% in respect of dividend income.

2. Tax on Capital Gains

As per section 112 of the ITA, LTCG arising from the transfer of long-term capital assets (other than listed equity shares, unit of an equity-oriented fund or unit of a business trust covered under section 112A of the ITA), shall be taxed at the rate of 12.5% of such capital gains (plus applicable surcharge and education cess) without the benefit of indexation.

Whereas, if LTCG is arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero-coupon bond then as per section 112A of the ITA, capital gains (exceeding INR 1,25,000) shall be taxed at the rate of 12.5% without indexation.

Further, as per section 111A of the ITA, STCG arising from the transfer of equity shares on which STT has been paid at the time of acquisition and sale, unit of an equity-oriented fund or unit of a business trust shall be taxed at the rate of 20% (plus applicable surcharge and cess). Whereas, STCG arising from the transfer of short-term capital assets (other than listed equity shares, unit of an equity-oriented fund or unit of a business trust covered under section 111A of the ITA), shall be taxed at the normal tax rate of the Company.

Further, Finance Act 2020 restricted surcharge to 15% in respect of capital gains under section 111A and 112A of the ITA which was extended to capital gains under section 112 of the Act vide Finance Act 2023.

3. <u>Special Provisions for Non-resident shareholders</u>

   As per section 90(2) of the ITA, non-resident shareholders will be entitled to be governed by the beneficial provisions under the respective Double Taxation Avoidance Agreement ('DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

   Further, any income by way of capital gains accruing to non-residents, may be subject to withholding tax as per the provisions of the ITA or under the relevant DTAA, whichever is beneficial. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders may be able to avail credit for any taxes paid by them in India, subject to local laws of the country in which such shareholder is resident.

Notes:

1. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Income tax regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the Company is in the process of getting shares of the company listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For and on behalf of
Kent R O Systems Limited

Name: Varun Gupta
Designation: Joint Managing Director
Place: Delhi
Date: January 21, 2025

Annexure III

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KENT RO SYSTEMS LIMITED (the "Company") AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX REGULATIONS IN INDIA

Outlined below are the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, applicable State/ Union Territory Goods and Services Tax Act, 2017, the Customs Act, 1962, the Customs Tariff Act, 1975, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023) (collectively referred as "Indirect Tax Regulations"), presently in force in India.

A. Special tax benefits available to the Company

1. Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

There are two mechanism for claiming refund of accumulated ITC against export. Either person can export under Bond/ LUT as zero-rated supply and claim refund of accumulated input tax credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on input and input services used in making zero rated supplies.

Currently, the company is exporting the goods without payment of Integrated tax under an option of LUT.

2. **Benefits of Duty Drawback scheme under the Customs Act, 1962**

Duty drawback is the export benefit given to rebate the custom duties charged on imported materials which are used for manufacture of exported goods.

The Company is currently availing benefit under this scheme.

3. **Benefits of Remission of Duties and Taxes on Exported Products Scheme (RoDTEP) under Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023)**

Remission of Duties and Taxes on Exported Products Scheme (RoDTEP): This scheme is notified with effect from 1 January 2021 with an object to neutralize the taxes and duties suffered on exported goods which are otherwise not remitted/ refunded in any manner. The benefit is given as percentage of free on board or as prescribed by the Department of Commerce. The remission of taxes is provided in the form of transferable duty credit electronic script and are subject to realization of sale proceeds within the period prescribed by Reserve Bank of India.

The Company is currently availing benefit under this scheme.

B. Special tax benefits available to the Shareholders of the Company

a. The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.

Securities are excluded from the definition of Goods as defined under Section 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined under Section 2(102) of the Central Goods and Services Tax Act, 2017.

b. Apart from above, the shareholders of the Company are not eligible to special tax benefits under the Indirect Tax Regulations.

Notes:

1. This Annexure sets out only the special tax benefits available to the Company and its Shareholders under the Indirect Tax Regulations, presently in force in India.

2. These special tax benefits may be dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its Shareholders may or may not choose to fulfil.

3. This special tax benefits discussed in this Annexure is not exhaustive. It is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Offer.

4. This annexure covers only indirect tax regulations benefits and does not cover any income tax law benefits or benefit under any other law.

5. The Statement is prepared on the basis of information available to the management of the Company and there is no assurance that:
   i. the Company or its shareholders will continue to obtain these benefits in future; and
   ii. the conditions prescribed for availing the benefits have been/ would be met with.

6. These comments are based upon the existing provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of the Board of Directors of
Kent R O Systems Limited

Name: Varun Gupta
Joint Managing Director

Place: Noida
Date: January 21, 2025

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India" dated January 9, 2025 (the "**Technopak Report**") prepared and issued by Technopak Advisors Private Limited. The Technopak Report has been exclusively commissioned and paid for by us pursuant to the engagement letter dated October 7, 2024, in connection with the Offer. A copy of the Technopak Report is available on the website of our Company at https://www.kent.co.in/ir/offer-documents and has also been included in "**Material Contracts and Documents for Inspection –Material Documents**" on page 422. For further information, see "**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**" on page 54. Also see, "**Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data**" on page 22.*

MACROECONOMIC OVERVIEW OF GLOBAL AND INDIAN ECONOMY

Overview of the Global Economy

GDP and GDP Growth

The global economy has experienced a combination of both risks and opportunities over the years and has seen a rebound post-pandemic with governments taking appropriate measures including the consistent implementation of fiscal and monetary support strategies. On the back of continued fiscal and monetary stimuli across countries, the global GDP is projected to grow from USD 105.6 trillion in 2023 to USD 133.8 trillion by 2028, thus growing at a CAGR ("**Compound Annual Growth Rate**") of approximately 4.07% during the forecast period. Also, the CAGR of other major economies such as France (approximately 3.13%), UK (approximately 5.92%), Germany (approximately 2.93%), USA (approximately 4.16%) and India (approximately 11.93%) are projected to grow favorably for a similar period between 2023 to 2028, showcasing an upward trajectory in these years.

GDP at Current Prices (Nominal GDP) (in USD trillion) GDP Ranking of Key Economies

Country	Rank in GDP (2023)	2017	2018	2019	2020	2021	2022	2023	2024E	2025P	2028P	CAGR (CY 2018 - 2023)	CAGR (CY 2023 - 2028P)
USA	1	19.5	20.5	21.4	21.1	23.3	25.5	27.4	28.8	29.8	33.6	5.97%	4.16%
China	2	12.3	13.9	14.3	14.7	17.8	18.0	17.7	18.5	19.8	23.6	4.95%	5.92%
Germany	3	3.7	4.0	3.9	3.9	4.3	4.1	4.5	4.6	4.8	5.2	2.38%	2.93%
Japan	4	4.9	5.0	5.1	5.1	5.0	4.3	4.2	4.1	4.3	4.8	(3.43)%	2.71%
India	5	2.1	2.4	2.5	2.5	2.9	3.4	3.7	4.1	4.4	6.5	9.04%	11.93%
UK	6	2.7	2.9	2.9	2.7	3.1	3.1	3.3	3.5	3.7	4.4	2.62%	5.92%
France	7	2.6	2.8	2.7	2.6	3.0	2.8	3.0	3.1	3.2	3.5	1.39%	3.13%
Brazil	9	2.2	1.9	1.9	1.5	1.7	1.9	2.2	2.3	2.4	2.9	2.98%	5.68%
Australia	13	1.3	1.4	1.4	1.3	1.6	1.7	1.7	1.8	1.9	2.1	3.96%	4.32%
World	**-**	**81.5**	**86.5**	**87.8**	**85.3**	**97.2**	**100.9**	**105.6**	**110.8**	**116.5**	**133.8**	**4.07%**	**4.85%**

Source: World Bank Data, IMF, RBI; 2017 for India refers to Fiscal 2018 data and so on
Note: USD 1 = ₹ 80

The global GDP grew by approximately 4.7% in 2023 and this positive trend is expected to continue into 2024, with a growth rate of approximately 4.9%. The economies of Germany, France and UK witnessed nominal GDP growth during 2023, following the COVID-19 pandemic. Germany demonstrated a substantial year-on-year nominal GDP growth rate of approximately 9.8% in 2023. Meanwhile France and UK experienced a growth rate of approximately 7.1% and approximately 6.5% respectively in 2023. On the other hand, major economies like the USA and India reported GDP growth rates of approximately 9.4% and approximately 16.9% respectively during 2022 followed by approximately 7.5% and approximately 8.8% in 2023.

Nominal GDP Growth rate of Key Economies (%)

Country	2018	2019	2020	2021	2022	2023	2024(E)	2025(P)	2028(P)
USA	5.1%	4.4%	(1.4)%	10.4%	9.4%	7.5%	5.1%	3.5%	4.1%
China	13.0%	2.9%	2.8%	21.1%	1.1%	(1.7)%	4.5%	7.0%	6.0%

Country	2018	2019	2020	2021	2022	2023	2024(E)	2025(P)	2028(P)
Germany	8.1%	(2.5)%	0.0%	10.3%	(4.7)%	9.8%	2.2%	4.3%	2.7%
Japan	2.0%	2.0%	0.0%	(2.0)%	(14.0)%	(2.3)%	(2.4)%	4.9%	3.7%
India	10.3%	6.4%	(1.2)%	16.9%	16.9%	8.8%	11.1%	7.3%	13.9%
UK	7.4%	0.0%	(6.9)%	14.8%	0.0%	6.5%	6.1%	5.7%	5.9%
France	7.7%	(3.6)%	(3.7)%	15.4%	(6.7)%	7.1%	3.3%	3.2%	3.0%
Brazil	(13.6)%	0.0%	(21.1)%	13.3%	11.8%	15.8%	4.5%	4.3%	6.5%
Australia	7.7%	0.0%	(7.1)%	23.1%	6.3%	0.0%	5.9%	5.6%	3.4%
World	6.1%	1.5%	(2.8)%	14.0%	3.8%	4.7%	4.9%	5.1%	4.7%

Source: IMF, Technopak analysis
For India, 2017 represents Fiscal 2018 and so on

Inflation

Inflation, measured by the consumer price index ("**CPI**"), reflects changes in the prices of commonly purchased goods and services. Global inflation spiked to approximately 8.7% in 2022. The increase in global crude oil and commodity prices, along with COVID-19 supply chain disruptions, have driven inflation, prompting countries to raise interest rates in response. Global inflation has eased to approximately 6.8% in 2023, with a projected rate of approximately 5.9% for 2024. Pre-pandemic inflation was approximately 3.5% in 2019.

India's CPI inflation is expected to drop from approximately 5.4% in 2023 to approximately 4.6% in 2024, and approximately 4.2% in 2025. In the USA and Germany, inflation is projected to fall from approximately 4.1% and approximately 6.0% in 2023 to approximately 2.9% and approximately 2.4% in 2024, reaching approximately 2.0% in 2025. China's inflation may rise from approximately 0.2% in 2023 to approximately 2.0% in 2025.

Global Inflation Rate, Average Consumer Price Index (%) of Key Economies

Country	2017	2018	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
USA	2.1%	2.4%	1.8%	1.2%	4.7%	8.0%	4.1%	2.9%	2.0%	2.1%	2.1%	2.1%
China	1.6%	2.1%	2.9%	2.5%	0.9%	2.0%	0.2%	1.0%	2.0%	2.0%	2.0%	2.0%
Japan	0.5%	1.0%	0.5%	0.0%	(0.2)%	2.5%	3.3%	2.2%	2.1%	2.0%	2.0%	2.0%
Germany	1.7%	1.9%	1.4%	0.4%	3.2%	8.7%	6.0%	2.4%	2.0%	2.0%	2.0%	2.0%
India	3.6%	3.4%	4.8%	6.2%	5.5%	6.7%	5.4%	4.6%	4.2%	4.1%	4.0%	4.0%
UK	2.7%	2.5%	1.8%	0.9%	2.6%	9.1%	7.3%	2.5%	2.0%	2.0%	2.0%	2.0%
France	1.2%	2.1%	1.3%	0.5%	2.1%	5.9%	5.7%	2.4%	1.8%	1.8%	1.8%	1.8%
Brazil	3.4%	3.7%	3.7%	3.2%	8.3%	9.3%	4.6%	4.1%	3.0%	3.1%	3.0%	3.0%
Australia	2.0%	1.9%	1.6%	0.9%	2.8%	6.6%	5.6%	3.5%	3.0%	2.7%	2.7%	2.6%
World	**3.3%**	**3.6%**	**3.5%**	**3.2%**	**4.7%**	**8.7%**	**6.8%**	**5.9%**	**4.5%**	**3.7%**	**3.5%**	**3.4%**

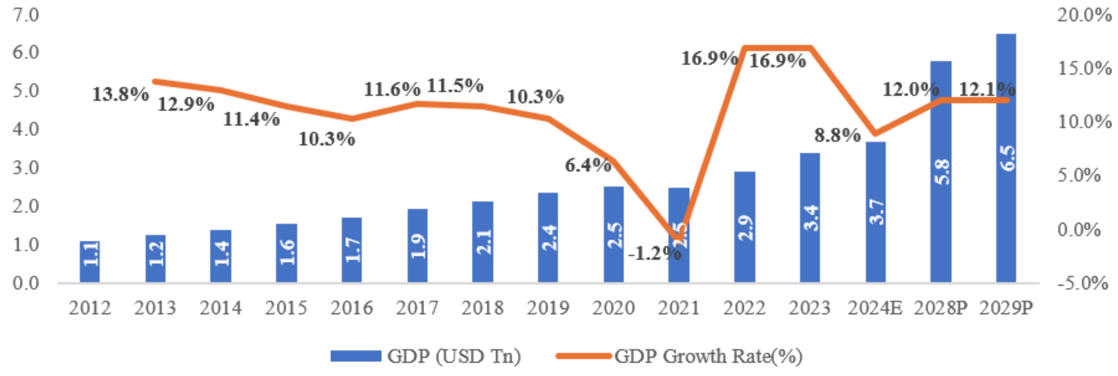
Source: IMF projections, Technopak Analysis
Note: For India, 2017 data refers to Fiscal 2018 and so on

Overview of Indian Economy

India's GDP and GDP Growth (Real and Nominal)- Historical, Current & Projected Trajectory

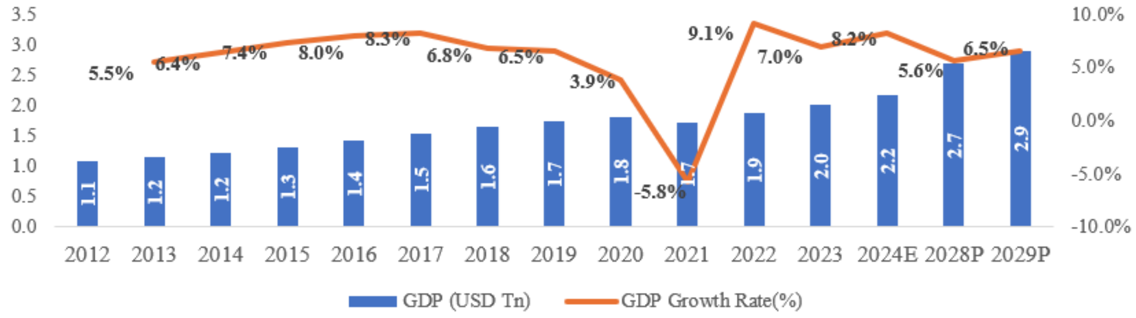
India is ranked fifth in the world in terms of nominal gross domestic product ("**GDP**") for Fiscal 2024 and is the third-largest economy in the world in terms of purchasing power parity ("**PPP**"). India is projected to be a USD 6.5 trillion economy by Fiscal 2029 and is anticipated to become the third largest economy, surpassing Germany, and Japan in terms of Nominal GDP.

India's GDP at Current Prices (Nominal GDP) (in USD trillion) and GDP Growth Rate (%) (Fiscal)



Source: RBI, Technopak Analysis
Note: USD 1 = ₹ 80

India's GDP at Constant Prices (Real GDP) (in USD trillion) and GDP Growth Rate (%) (Fiscal)



Source: RBI, Technopak Analysis
Note: USD 1 = ₹80

India's nominal GDP has grown at a CAGR of approximately 9.04% between Fiscal 2015 and Fiscal 2023 and is projected to continue this trend by registering a CAGR of approximately 11.9 % for the 6-year time-period from Fiscal 2023 to Fiscal 2029.

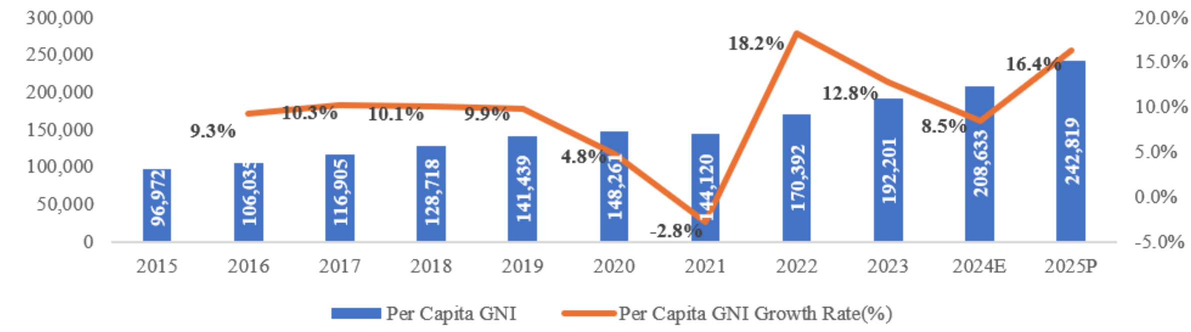
Since Fiscal 2005, the Indian economy's growth rate has been nearly twice as that of the world economy, and it is expected to sustain this growth momentum in the long term. In the wake of COVID-19, India's nominal GDP contracted by approximately 1.2% in Fiscal 2021 followed by approximately 16.9% growth in Fiscal 2022 and approximately 16.9% growth in Fiscal 2023. It is expected to continue the momentum and reach USD 6.5 trillion by Fiscal 2029. Between Fiscal 2023 and Fiscal 2029, India's real GDP is expected to grow at a CAGR of approximately 6.4%. It is also expected that the growth trajectory of the Indian economy will position India among the top three global economies by Fiscal 2028.

Several factors are likely to contribute to this long-term economic growth. These factors include favorable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, a growing young and working population, the IT revolution, increasing penetration of mobile and internet infrastructure, government policies, increasing aspirations, and affordability.

Evolution of Per Capita Income

In recent years, the rate of growth of per capita GNI has accelerated, indicating that the Indian economy has been growing at a faster rate as compared to USA, UK and China. The per capita GNI for India stood at ₹ 1,92,201 in Fiscal 2023, marking approximately 49.3% increase from ₹ 1,28,718 in Fiscal 2018, approximately exhibiting a CAGR of approximately 8.3% during the period as compared to a CAGR of (approximately 5.4%) USA, (approximately 3.1%) UK and (approximately 8.1%) China for the same period.

India's GNI Per Capita (in ₹) (Current Prices) And Year-On-Year Growth Trend (%) (Fiscal)

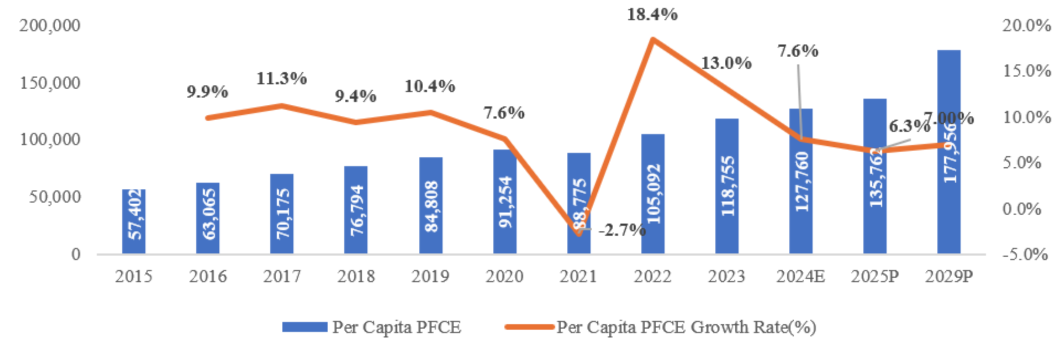


Source: Ministry of Statistics and Program Implementation, Technopak Analysis

Growth in Per Capita Final Consumption Expenditure

In Fiscal 2020, the average per capita final consumption expenditure was ₹ 91,254, which was a steep increase from ₹ 76,794 in Fiscal 2018. Per capita final consumption expenditure was ₹ 1,18,755 for Fiscal 2023 and is estimated at ₹ 1,27,760 for Fiscal 2024. Such substantial surge in consumption in India has been propelled by rising affluence, urbanization, and an expanding middle class.

India's Per Capita Consumption Expenditure (Current Prices) and Growth (%) (in ₹) (Fiscal)



Source: Ministry of Statistics and Program Implementation , Technopak Analysis

Demographic Profile of India

India has one of the youngest populations globally compared to other leading economies. The median age in India was 29.5 years for 2023, as compared to 38.5 years and 39.8 years in the USA and China respectively and is expected to remain under 30 years until 2030. The younger population is naturally predisposed to adopting the latest trends and exploration, given their educational profile and exposure to media and technology. This presents an opportunity for domestic consumption in the form of branded products and organized retail.

Median Age: Key Emerging & Developed Economies (2023)

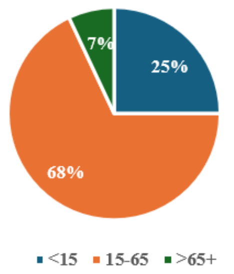
Country	India	China	USA	Singapore	Russia	Brazil	Vietnam	UK
Median Age (Yrs.)	29.5	39.8	38.5	38.9	41.5	34.7	32.7	40.6

Source: World Population Review
Note: For India, Data for 2023 refers to Fiscal 2024

More than half of India's population falls in the 15 to 49 year age bracket

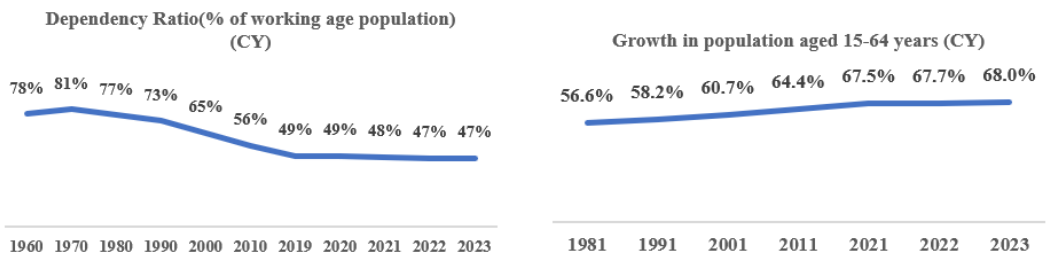
As of April 2024, India, the most populous country in the world with approximately 1.44 billion people, has a demographic composition that highlights its potential as a dynamic consumer market. The population is distributed as 25% under the age of 15, 68% within the working-age group of 15 to 65 years, and 7% aged 65 and above. This youthful and predominantly working-age population positions India with a significant demographic advantage. The large base of younger consumers is not only more informed and open to experimentation but also early adopters of brands, setting trends across various industries. Despite varying levels of disposable income, this group prioritizes spending on experiences and lifestyle-enhancing products, fueling demand and driving innovation in the market.

Population Distribution of India by Age (%) (2023)



Source: World Bank and Technopak Estimates
Note: For India, 2023 refers to Fiscal 2024 data

Age Dependency Ratio

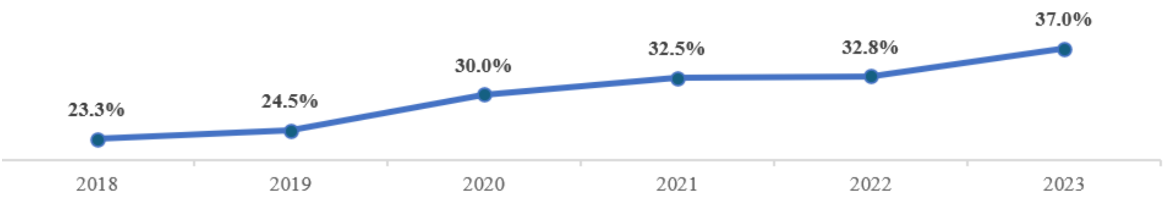


Source: Census of India 2011, World Bank, MOSPI; Age-wise break up of population not adding up to 100% due to rounding off
Note: Dependency Ratio and Growth in population aged 15 to 64 years are in calendar year. 2023 for India refers to Fiscal 2024 data and so on. Dependency Ratio signifies the number of dependents to non-dependents (or working population) in a given population

Increasing Women Participation in Working Population

The percentage of working women in India has shown a steady increase over the period. The female labour force participation rate for aged 15 years and above was approximately 37.0% in Fiscal 2023 as per PLFS survey. This upward trend highlights a gradual yet significant shift in the workforce composition, likely driven by social, economic, and policy factors that promote female employment. The consistent increase reflects progress toward gender inclusion in the labour market, indicating that more women are gaining access to employment opportunities and that societal attitudes toward women in the workforce are evolving. This shift not only contributes to India's economic growth but also aligns with broader objectives of gender equity and empowerment.

Participation of Women in Workforce aged 15 years and above (%) (Fiscal)

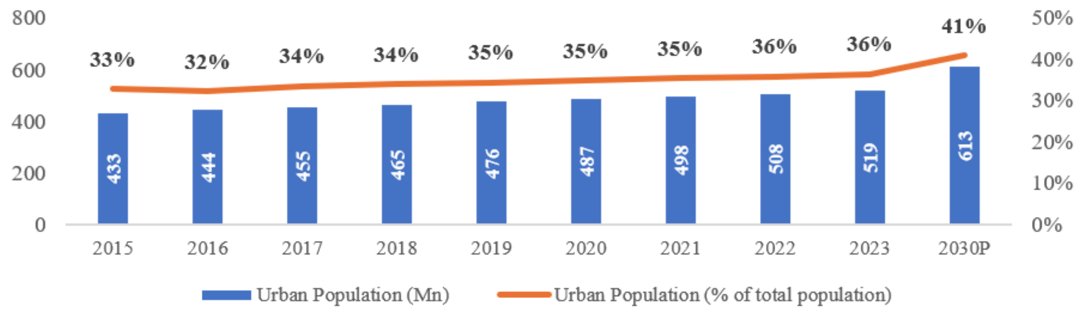


Source: Periodic Labor Force Survey (PLFS), MOSPI

Urbanization

Urbanisation is one of the most important pillars of India's growth story, as these areas serve as the core drivers for consumption. India had the second-largest urban population in the world (in absolute terms) at about 519 million in 2023, ranking only below China. Indian urban system constitutes approximately 11% of the total global urban population. However, only approximately 36% of India's population is classified as urban, compared to a global average of approximately 58%. It is the pace of India's urbanization that is a key trend fuelling India's economic growth. Currently, the urban population contributes 63% to India's GDP. Looking ahead, it is estimated that approximately 41% (613 million) of India's population will be living in urban centres by 2030.

India's Urban Population (in million) and Increasing Urban Population as a Percentage of Total Population Over the Years

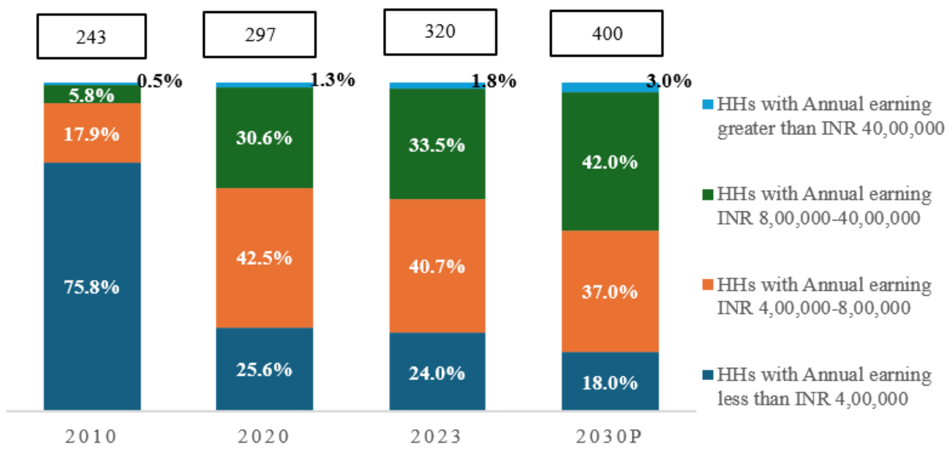


Source: World Bank, Technopak Analysis
Note: For India, Data for 2023 refers to Fiscal 2024

Growing Middle Class

The increase in number of households with annual earnings ranging from ₹ 8,00,000 to ₹ 40,00,000 is poised to drive the Indian economy by fostering demand for a wide array of goods, improved services, housing, healthcare, education, and more. Households with an annual income between ₹ 8,00,000 to ₹ 40,00,000 constituted a minor portion, accounting for 5.8% of the total population in Fiscal 2010. This share increased to approximately 34.5% in Fiscal 2023 and is expected to continue in the same manner rising to nearly 42% of the total population by Fiscal 2030. The expanding middle-class sector in India is accompanied by a growing appetite for premiumisation across various sectors, including goods and services, construction, housing services, financial services, telecommunications, and retail.

Household Annual Earning Details (Fiscal) (Households in millions)



Source: EIU, Technopak Estimates

Rising contribution of Tier 2 and Tier 3 cities to India's economic growth

Tier 2 and Tier 3 cities in India are rapidly emerging as key drivers of the country's economic growth, contributing 37% of India's GDP as of Fiscal 2024. These cities, home to 45% of India's urban population, are evolving as emerging urban centres. With a combined population of 171 million and improving literacy rates—85% in Tier 2 and 75% in Tier 3 cities—they hold significant potential for development. With rapid economic expansion extending beyond metro and mini-metro cities, Tier 1, along with Tier 2 and Tier 3 cities, are poised to experience significant growth in the near future. Tier 2 and Tier 3 cities are often underserved by current market offerings, thereby presenting a substantial opportunity for key players in consumer durables and appliances category, to enhance their market presence. Leading E-commerce players such as Amazon and Flipkart are also rigorously expanding into Tier 2 and 3 cities, owing to increased internet penetration and better logistics network. Leading brands in consumer durable and appliances industry are also expanding their distribution network and retail footprints to Tier-2,3 and beyond cities, in order to capture a larger share of these markets.

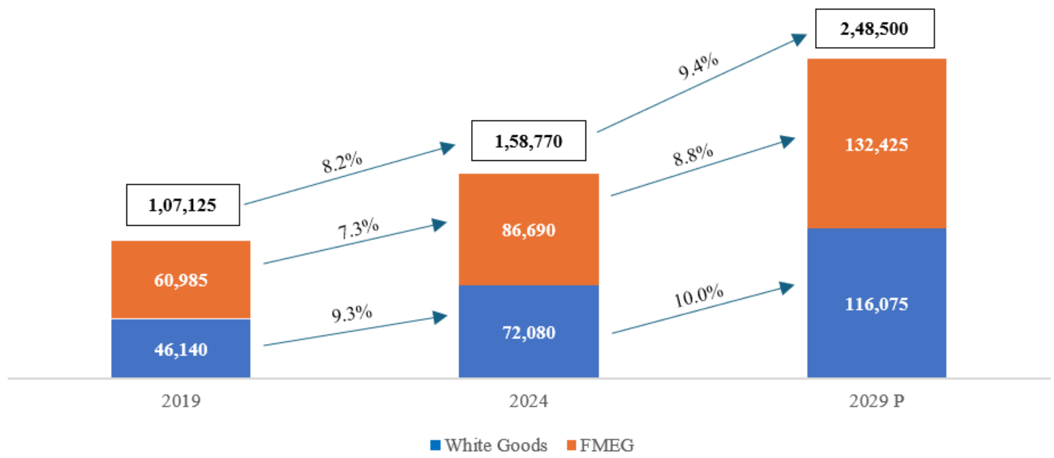
CONSUMER DURABLES AND APPLIANCES MARKET IN INDIA

Market Size and Growth

Consumer durables and appliances refer to a broad category of long-lasting goods designed for personal or household use. This market comprises White Goods (e.g., refrigerators, washing machines, air conditioners etc.), Fast Moving Electrical Goods (FMEG) (e.g., fans, lights, home and kitchen appliances etc.), consumer electronics (e.g., televisions, audio systems etc.), and IT & communication devices (e.g., smartphones, laptops, tablets etc.). Consumer durable and appliances market in India is one of the fastest growing in the world and is set to become the fourth-largest consumer durable and appliances market by Fiscal 2027, after China, USA, and Japan.

The consumer durables and appliances market, consisting of white goods and FMEGs, grew at a CAGR of approximately 8.2% from Fiscal 2019 to Fiscal 2024, reaching ₹ 1,58,770 crore in Fiscal 2024, with FMEG representing approximately 55% share of the market. The total market is further projected to grow at a CAGR of approximately 9.4% to reach a value of ₹ 2,48,500 crore by Fiscal 2029. Rural electrification, Government of India's infrastructure development support and favourable trade policies to increase exports through initiatives such as production linked incentive (PLI) and Remission of Duties and Taxes on Exported Products (RoDTEP) schemes are some of the key factors that are driving the growth of consumer durables and appliances market in India.

Consumer Durables & Appliances Market Size- By Value (in ₹ crore) (Fiscal)



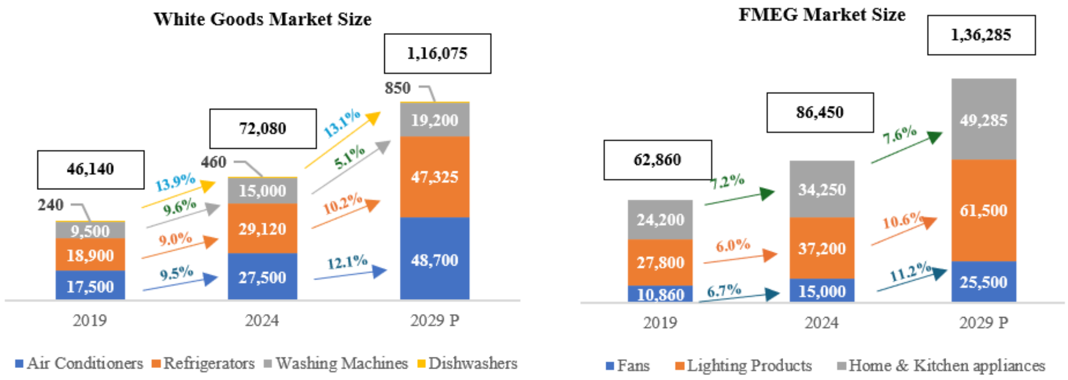
Source: Secondary Research and Technopak Analysis
Note: The Consumer Durables & Appliances market comprises of white goods, FMEGs, Consumer Electronics, and IT & communications. In this report, the focus has been on White goods and FMEGs only

Key Sub-segments

The white goods and fast-moving electrical goods (FMEG) segments play a pivotal role in the growth of overall consumer durables and appliances market in India. In the white goods category, air conditioners ("**A/Cs**"), refrigerators, washing machines, and dishwashers are projected to grow robustly, with the A/C and dishwasher segments leading with a CAGR of approximately 12.1% and approximately 13.1% respectively from Fiscal 2024 to Fiscal 2029. Overall, the white goods market is projected to grow at a CAGR of approximately 10.0% from ₹ 72,080 crores in Fiscal 2024 to ₹ 1,16,075 crore by Fiscal 2029.

The FMEG segment, which includes fans, lights, and home and kitchen appliances, is also witnessing substantial growth. The overall FMEG category is set to grow from ₹ 86,450 crore in Fiscal 2024 to ₹ 1,36,285 crore by Fiscal 2029, at a CAGR of approximately 9.5%. Within FMEGs, Indian home and kitchen appliances market is set to grow from ₹ 34,250 crore in Fiscal 2024 to ₹ 49,285 crore in Fiscal 2029, at CAGR of 7.6%. Such substantial growth of FMEG market is driven by increasing urbanization, rising disposable incomes, and a shift towards modern and efficient appliances.

Indian White goods and FMEG Market – By Value (in ₹ crore) (Fiscal)



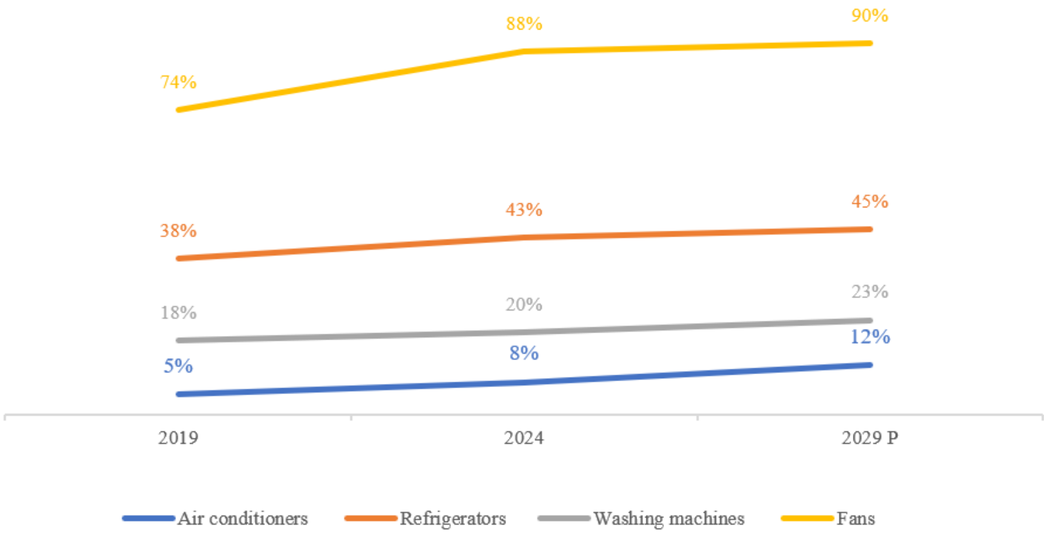
Source: Secondary Research, Technopak Analysis
Note: This does not include exports

Penetration Level of Key Sub-segments

The penetration levels of consumer durables in India illustrate a range of maturity across categories, with air conditioners ("**A/Cs**") showing historically low but steadily increasing penetration. A/Cs are projected to grow from 8% in 2024 to 12% by 2029, driven by factors like rising incomes and urbanisation, up from just approximately 5% in 2019. In contrast, refrigerators have maintained a stronger foothold, with penetration rising from approximately 38% in 2019 to approximately 43% in 2024, and further projected to reach approximately 45% by 2029, reflecting their role as essential household appliances.

Washing machines, while still comparatively less penetrated, have exhibited consistent growth driven by shifts in consumer lifestyles. Their penetration is expected to climb from approximately 18% in 2019 to approximately 20% in 2024 and reach approximately 23% by C2029. Fans continue to dominate as a household necessity, with penetration growing from approximately 74% in 2019 to approximately 88% in 2024 and projected to achieve approximately 90% by 2029. Notably, demand for fans has shifted towards energy-efficient models, driven by consumer awareness and regulatory norms, which is reshaping the market landscape for this category.

Penetration Level of Key Sub-segments



Source: Secondary Research, Technopak Analysis

Key Growth Drivers

In addition to the factors driving the Indian economy such as growing middle class, double income households, urbanisation, nuclearization etc., there are certain industry specific factors driving the consumer durables &

appliances market. These factors include:

Premiumisation and Product Upgradation

The consumer durables & appliances industry is witnessing the growing shift towards premiumisation and product upgradation. Owing to increase in disposable income, consumers are increasingly opting for fully automatic washing machines, inverter air conditioners (ACs), and larger frost-free refrigerators (above 270 litres) etc. reflecting a preference for enhanced functionality, efficiency, and modern features.

Growing Relevance of Energy Efficiency and Sustainability

The consumer durables and appliances industry are experiencing a growing demand for energy-efficient and eco-friendly home appliances, driven by heightened environmental awareness and rising energy costs. This trend underscores the increasing consumer preference for sustainable products that not only help reduce carbon footprints but also offer significant cost savings on energy consumption. Additionally, certifications such as BEE (Bureau of Energy Efficiency) ratings and BIS (Bureau of Indian Standards) registration have become critical factors influencing purchasing decisions. Consumers are now prioritizing appliances that meet these regulatory standards, as they serve as trusted indicators of energy efficiency, quality, and compliance with safety norms.

Smart and Interconnected Appliances

The rise of IoT-enabled products is transforming the consumer durables & appliances industry, with smart appliances offering features such as single-point control, voice command operability, and smart adjustments for enhanced convenience and efficiency. This shift is rapidly gaining popularity among consumers, as they seek more intuitive and connected home experiences. The penetration of smart appliances is expected to grow significantly, reaching approximately 10% by 2028, up from 4% in 2023.

The Increasing Emphasis on Aesthetics

The consumer durables and appliances industry are increasingly emphasizing aesthetics alongside functionality. Consumers are seeking products with innovative designs and vibrant colour options that enhance the visual appeal of their homes. Additionally, the growing trend toward customizable appliances allows buyers to align products with their personal style and interior décor, making aesthetics a key factor in purchase decisions.

Regulatory, Macro & Overall Business Environment Imperatives impacting the Consumer Durables and Appliances Market in India

Government Expenditure on Infrastructure

Various policy interventions have been undertaken by government of India ("**GoI**") in the infrastructure sector to boost India's GDP and economic growth. These include:

- **National Infrastructure Pipeline (NIP)**: Under the National Infrastructure Pipeline (NIP), India has allocated ₹ 111 lakh crore for infrastructure development between Fiscal 2020 and Fiscal 2025. The investment is distributed across key sectors, including renewable energy (24%), roads and highways (18%), urban infrastructure (17%), and railways (12%), with the aim of supporting India's goal of becoming a USD 5 trillion economy by Fiscal 2026.

- **Capex by GoI**: Capital investment of approximately ₹ 11 lakh crore on infrastructure sector (approximately 3.4% of GDP) has been announced by GOI in Budget 2024-2025.

- **Pradhan Mantri Awas Yojana (PMAY):** With an objective of providing affordable houses to all, under PMAY, approximately 15 million to 20 million new houses have been planned to be constructed in the next 3 to 4 years. The government has also allocated ₹ 1.5 lakh crore to ensure affordable housing for women and marginalised communities.

- **Pradhan Mantri Awas Yojana-Urban (PMAY-U) 2.0:** The government has launched PMAY-U 2.0 in Fiscal 2024, under which financial assistance will be provided to 1 crore urban poor and middle-class families through States/Union Territories (UTs)/PLIs to construct, purchase or rent a house at an affordable cost in urban areas in 5 years. The Government Assistance of ₹ 2.30 lakh crore will be provided under the Scheme. Under PMAY-U, 1.18 crore houses have been sanctioned while more than 85.5 lakh houses have already been constructed and delivered to the beneficiaries.

Urbanisation and Smart Cities

In the last decade, the urban population in India has grown at an annual rate of 2.4%. The urban population of India is projected to reach approximately 41% by 2030 from 31% in 2010. Further, the number of metropolitan cities in India are estimated to increase from 46 as per Census 2011 to 68 in 2030.

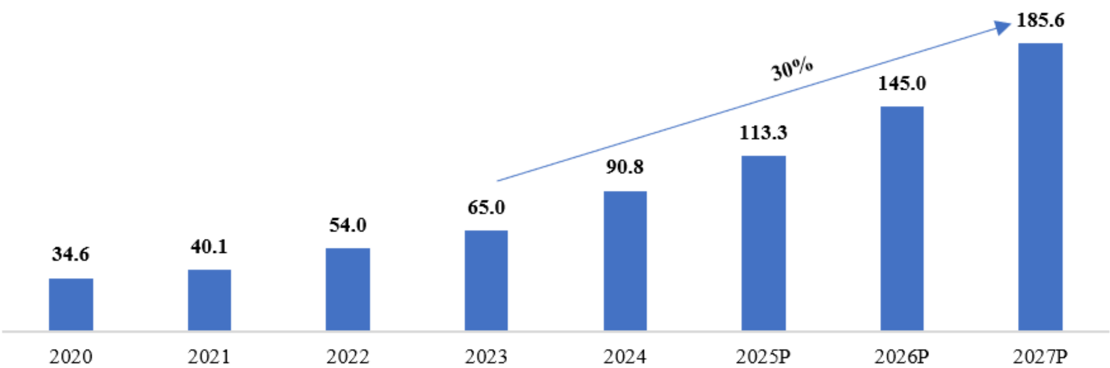
The Smart City Project was launched in June 2015 by GoI with a plan to build 100 smart cities across India,. As of 3rd July 2024, the 100 Cities have completed 7,188 projects (90% of total projects) amounting to ₹ 1,44,237 crore as part of the mission. The balance 830 projects amounting to ₹ 19,926 crore are also in advanced stages of completion. On the financial progress, the mission has an allocated GoI budget of ₹ 48,000 crore for the 100 Cities. As on date, GOI has released ₹ 46,585 crore (approximately 97% of the allocated GoI budget) to 100 cities..

Climate Change and Built Environment

At the UN Climate Change Conference in 2021, India committed to achieving net-zero emissions by 2070, aiming to reduce projected carbon emissions by 1 billion tonnes and decrease the carbon intensity of its economy by 45% by 2030. Transforming the built environment, which contributes nearly 40% of global energy-related greenhouse gas emissions, is central to achieving these targets. With rising heat levels and pollution in India driving the demand for consumer durables, the industry is pushing towards innovation and managing escalating energy needs sustainably. With half of the buildings projected to exist in India by 2050 yet to be constructed, there is a significant opportunity to incorporate climate-friendly, energy-saving solutions into new developments. This alignment with sustainability goals highlights the critical role of consumer durables in addressing evolving consumer needs while mitigating climate impacts.

One of the most effective solutions to combat climate change is to reduce greenhouse gas emissions and decrease reliance on fossil fuels. Harnessing renewable energy offers significant benefits in addressing climate change issues. India ranks 4th globally in renewable energy capacity, with notable achievements in wind and solar power. The country has set an ambitious target of 500 GW of non-fossil fuel-based energy by 2030, representing the world's largest renewable energy expansion plan.India's solar capacity has surged 30-fold in the past nine years, reaching 90.76 GW by September 2024, with a potential of 748 GW. The country's renewable energy capacity has grown by 128% since Fiscal 2014, supported by initiatives such as the "Development of Solar Parks" scheme.

Solar Energy Capacity Forecast (Fiscal)



Source: Secondary Research

Policy Reforms

Various policy reforms have been incorporated by GoI to boost production, exports and promote ease of doing business. Some of these policies include:

- **PLI Scheme:** Under PLI scheme, GoI aims at achieving large-scale electronics manufacturing in India. Investment of ₹ 1.23 lakh crore has been realized till March 2024. There is a PLI Scheme specifically for white goods manufacturers in India under which, GoI proposes a financial incentive to boost domestic manufacturing and attract large investments in white goods manufacturing value chain, with an objective of removing sectoral disabilities, creating economies of scale, enhancing exports, creating a robust component ecosystem and employment generation. This scheme is expected to be implemented from Fiscal 2022 to Fiscal 2029 with a budgetary outlay of ₹ 6,238 crore. A total of 57 firms with committed investment of approximately ₹ 6,000 crore have been provisionally selected as beneficiaries under this scheme.

- **Integrated Power Development Scheme ("IPDS"):** IPDS envisages strengthening of sub-transmission and distribution network including metering at all levels in urban area. Till November 2024 projects worth ₹ 17,825.63 crore have been sanctioned under IPDS, against which, ₹ 16,358.3 crore have been released towards projects.
- **Export reforms:** Various conducive export policies have been announced by GoI. For example, the New Foreign Trade Policy 2023-2028 aims to achieve USD 2 trillion in exports by 2030, with initiatives to support SMEs in expanding their global reach. Remission of Duties or Taxes on Export Products (RoDTEP) scheme has been introduced which rebates various central, state, and local duties/taxes on exported products. Advance Authorization Scheme and the Export Promotion Capital Goods (EPCG) Scheme are being implemented to enable duty free import of raw materials and capital goods for export production.
- **Impact of Budget:** The Budget 2024 held substantial implications for the consumer durable industry by potentially lowering GST rates to 5% or 12% from 18%, enhancing disposable income, encouraging domestic manufacturing, and promoting the digitization of retail. However, the overall effectiveness of these measures will depend on broader economic conditions and the government's ability to manage inflation and supply chain challenges**.**

Digitalisation

Digitalisation is transforming the way businesses work. There has been increased adoption of digital technologies in workplaces. Additionally, various initiatives have been launched by GoI to boost digital infrastructure such as Digital India and Bharatnet, leading to higher demand for internet connectivity and for new-age technologies such as 5G. These trends are going to play a significant role in the growth of the electrical industry.

- **Bharatnet:** BharatNet is India's large-scale rural broadband project, providing high-speed internet to Gram Panchayats ("**GPs**"). Implemented by Bharat Broadband Network Limited (BBNL), it enables e-health, e-education, and e-governance. As of October 2024, the project has connected 2,14,679 GPs, laid 6,92,082 km of Optical Fibre Cable (OFC), and installed 1,04,574 Wi-Fi hotspots. Executed in two phases, it is funded by ₹ 42,068 crore, with ₹ 39,825 crore disbursed, significantly contributing to the Digital India initiative.

- **Digital India:** The Digital India program aims to transform India into a digitally empowered society and knowledge-based economy, focusing on digital access, inclusion, empowerment, and bridging the digital divide. Key initiatives include Common Services Centres (CSCs) and Digital Villages. As of March 2023, 5.2 lakh CSCs, offering over 400 services, were functional across India, with 4.1 lakh at the GP level. The Digital Village Pilot Project, launched in October 2018, covers approximately 700 GPs/villages, providing digital services such as health, education, and financial services.

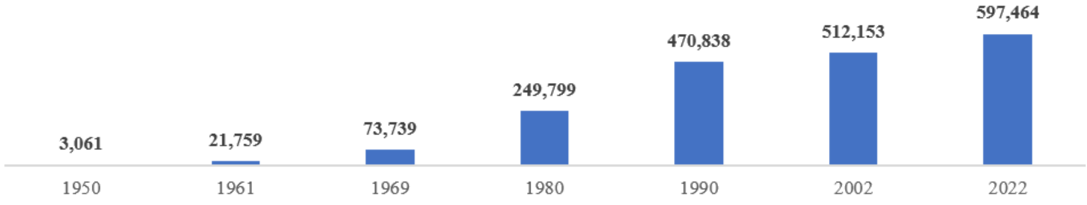
Rural Electrification

The betterment of road connectivity of villages and rural areas with the towns and cities has improved the standard of living of rural households. With this, the demand for basic electricity has also grown over time in rural areas, thus increasing the demand for new supply of consumer durables and appliances.

The Deendayal Upadhyaya Gram Jyoti Yojana ("**DDUGJY**") was launched by the GoI on December 3, 2014, with an objective to provide electricity supply to rural India and electrify the non-electrified villages in India. Further, the Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya ("**Saubhagya**") was launched in October 2017 for electrification of rural and urban poor households in India.

The number of electrified villages has increased from 3000 villages in 1950 to 6 lakhs village in 2022. As per the report by Ministry of Power, GoI, a total of 2.9 crore households have been electrified till March 2023.

Number of Villages Electrified in India



Source: Press Information Bureau (PIB)

Electrification in India has increased over time with the support from schemes like DDUGJY, Saubhagya and IPDS, which has given the electrical market a major boost. It has opened new markets for companies in the white goods and FMEG industry, that can now sell their products into the rural parts of India as well. The expansion of rural electrification is expected to significantly increase the demand of electrical products, as new power lines and infrastructure need to be set up and maintained.

Potential Growth Areas

Rural Markets

The rural market represents a significant opportunity for consumer durables due to its large demographic and emerging economic potential. Comprising approximately 65% of India's population, rural areas are poised to see substantial growth in both household income and consumption. Projections indicate that the average rural household income will reach ₹ 2.4 lakh by Fiscal 2025-2026, reflecting an increase in purchasing power. Moreover, rural consumption is expected to grow at a CAGR of approximately 9.7% between 2020 and 2030, further underscoring the untapped potential of this market for companies in the consumer durables sector. As improving economic conditions enhance the financial capacity of rural consumers, businesses have a unique opportunity to cater to their evolving needs and preferences.

Export Markets

Indian consumer durables and appliances exports have grown significantly across key categories between 2019 and 2023. Air conditioners led with approximately 14% CAGR, reaching USD 314.2 million in 2023. Washing machines and small kitchen appliances followed with CAGRs of approximately 15% and approximately 18%, respectively, while refrigerators grew modestly to USD 231.7 million. Fans recorded an approximately 11% CAGR, and water purifiers reached USD 167.9 million, showcasing India's growing footprint in the global consumer durables market.

The USA offers immense growth potential for Indian exports in consumer durables, particularly electronic goods, supported by a robust bilateral trade relationship. In Fiscal 2023, trade between the two nations reached a record USD 128.78 billion. India's total exports to the USA were valued at USD 78.54 billion in 2023. Exports of consumer durables and appliances to the USA were notable, with air conditioners accounting for approximately 14% of India's total air conditioner exports, while washing machines and fans represented approximately 31% and approximately 11%, respectively, of total exports in their categories.

The consistent increase in exports to the USA underscores its critical role as a lucrative market for India, offering significant opportunities for further expansion.

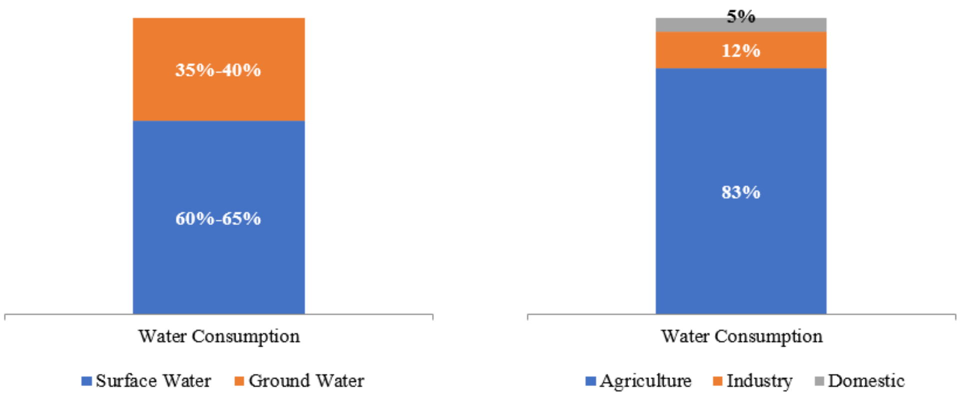
OVERVIEW OF THE WATER PURIFIER INDUSTRY IN INDIA

An Overview of India's Water Challenges and Opportunities

India, constituting approximately 18% of the world population, has access only to approximately 4% of its water resources, thereby making it one of the most water-stressed countries in the world. Rapid industrialisation, urbanisation, excessive agricultural usage, and population growth have further strained its freshwater resources. Out of the total water consumption in India, approximately 60% to 65% is from surface water, and about approximately 35% to 40% is from groundwater. The agricultural sector consumes around approximately 83% of the total water consumption in India, with the industrial sector consuming about approximately 12%, and the remaining approximately 5% is being consumed domestically.

With a population exceeding 1.4 billion people, India's demand for purified water is substantial. To meet this growing demand, it is estimated that India extracts approximately 230 billion cubic meters of groundwater annually, more than any other country in the world. Projections indicate that the demand for water will be twice the available supply by 2030. This intensive usage not only contributes to water scarcity but also increases the risk of groundwater depletion and contamination. However, the supply is stressed by the deteriorating state of the country's water sources, as pollution from industrial, agricultural, and domestic sources has significantly diminished water quality. To put this into perspective, the Central Pollution Control Board (CPCB) reported that over 60% of India's groundwater sources are contaminated with pollutants exceeding safe limits, rendering groundwater unfit for consumption. Among the contaminants, high total dissolved solids (TDS) levels are particularly concerning due to their adverse health impacts. According to the Bureau of Indian Standards (BIS), the permissible limit for TDS in drinking water is 500 mg/L, however, TDS levels in many regions across India have exceed these limits. This underscores the gravity of the situation and the growing requirement for reliable water purification methods.

India's Water Consumption Story (Post-2020)



Source: Technopak Analysis

A significant challenge faced by India is the lack of access to clean drinking water to nearly a quarter of its population. While the government's primary focus has been on improving water supply and distribution, the treatment aspect has mainly centered on removing turbidity* and using sand filtration rather than comprehensive purification. The water provided by the government often contains microbial and chemical impurities due to outdated infrastructure and intermittent water supply. For instance, barely 4 Indian states such as Goa, Telangana, Gujarat, and Haryana and 3 Union Territories of Puducherry, Daman & Diu and Dadra & Nagar Haveli and Andaman & Nicobar Islands, have consistent access to clean drinking water.

**Turbidity refers to the cloudiness or haziness of water caused by the presence of suspended particles such as dirt, sediment, algae, or microorganisms.*

Groundwater pollution poses an additional challenge in India. Groundwater under agricultural land is contaminated by excessive usage of insecticides and pesticides, while industrial regions see groundwater tainted by industrial chemicals. In rural areas with limited access to treated municipal water, millions of people rely on well water. This dependence on groundwater sources exposes them to the harmful effects of unchecked use of fertilizers, pesticides, and the discharge of industrial waste, all of which seep into underground aquifers. Common pollutants found in groundwater include arsenic, lead, fluoride, nitrate, selenium, uranium, iron, and manganese. According to Ministry of Jal Shakti, in groundwater, arsenic has been reported in parts of 230 districts in 25 states and fluoride has been reported in 469 districts in 27 states. Another serious risk is the microbial contamination of water, referring to the presence of harmful microorganisms such as bacteria, viruses, and parasites in water sources. This contamination can arise from various sources, including sewage discharge, agricultural runoff, and inadequate water treatment. Ingesting water containing these micro-organisms can lead to waterborne diseases such as diarrhea, cholera, etc., resulting in a range of health issues. Annually, nearly 37.7 million people in India contract water borne diseases.

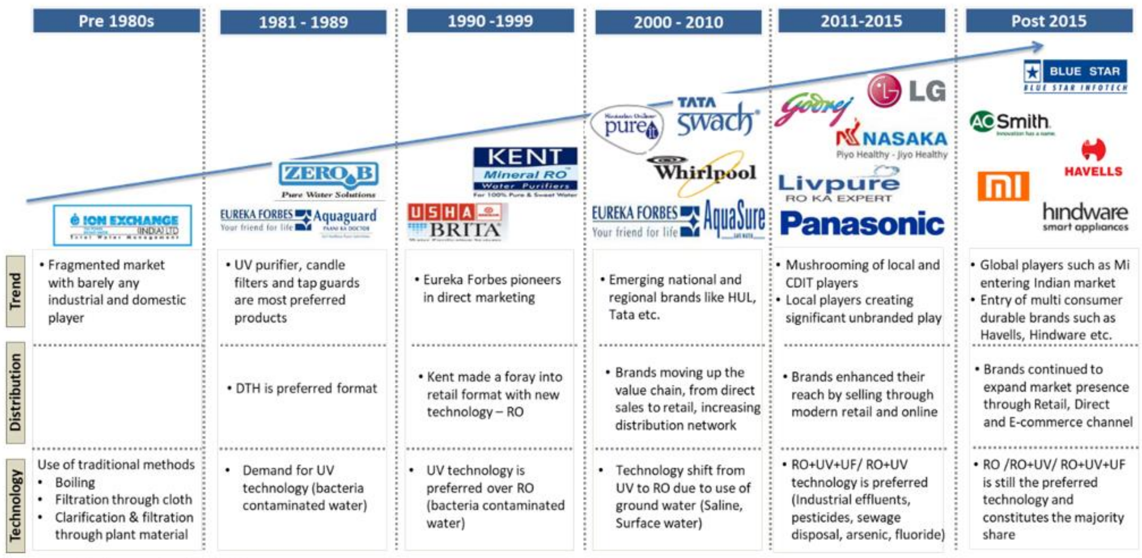
Henceforth, water purification is essential to ensure safe and clean water for drinking and other purposes. Various water purification methods, such as filtration, sedimentation, chlorination, distillation, ultraviolet treatment, reverse osmosis etc. are employed to remove contaminants from water. However, an electric water purifier is a better option as it employs manifold purification methods (reverse osmosis and/or ultraviolet treatment), thereby making it the most efficient and cost-effective option. Therefore, the water purifier industry in India, which is not just a convenience but a necessity category, would be driven by a combination of alarming statistics and the urgent need for safe drinking water. Consequentially, the penetration rate of water purifiers in India is going to increase from approximately 7% to approximately 9% in the next five years.

Market Evolution of Water Purifiers in India

The water purifier market has evolved over the last three decades, with national and regional brands driving this evolution

In pre-1980s India, traditional methods such as boiling and filtration through cloth dominated water purification, and the market hardly had any players. Between 1980 and 2000, the overall industry evolved with the introduction of UV and gravity water purifiers. Kent's Promoter, Chairman and Managing Director, Mahesh Gupta introduced a water purifier using RO technology to the water purification industry in India in 1999. From 2000 to 2015, national brands like Pureit (acquired by AO Smith in 2024), LG, Livpure etc., and various regional brands entered the water purifier market. The industry shifted from UV to RO water purifiers, witnessing innovations such as combining UV and/or UF with RO technology. The distribution channel dynamics shifted from direct sales to retail sales, and brands entered the e-commerce segment between 2011 and 2015. Post 2015, channel dynamics continued shifting towards retail, contributing over 60% of the market share. Multi-consumer durable brands like Blue Star, Havells, Hindware, and global players like Mi, Cuckoo, AO Smith entered the water purifier segment. Currently, the Indian water purifier (product) market is characterized by branded play, with branded players contributing approximately 83% to the market.

Market Evolution of Water Purifiers in India (Pre 1980s to 2023)



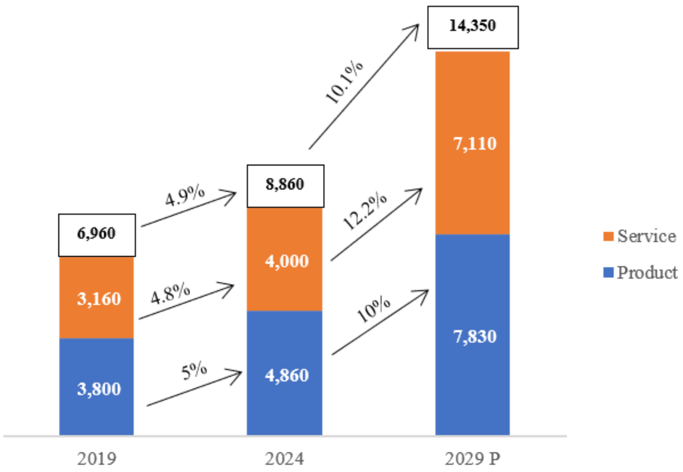
Source: Technopak Analysis

Water Purifier Market Size

The Indian water purifier market has exhibited continuous growth over the years. It has grown at a CAGR of approximately 4.9% from ₹ 6,960 crore in Fiscal 2019 to ₹ 8,860 crore* in Fiscal 2024 and is further expected to grow at a CAGR of approximately 10.1% till Fiscal 2029 to reach a market value of ₹ 14,350 crore.
**All the market value figures in this report are at the consumer price level, unless otherwise specified.*

The high growth rate of the water purifier market can be attributed to various factors, including increasing population, rising disposable income, growing water contamination, a surge in cases of water-borne diseases, increasing health consciousness among individuals, and the growth in electrification. As awareness of water contamination and the benefits of purified water increases, it is expected that more households will invest in water purifiers, driving market growth. In particular, Tier-2 cities in India are expected to experience higher growth in the near future.

Indian Water Purifier Market- By Value (in ₹ crore) (Fiscal)

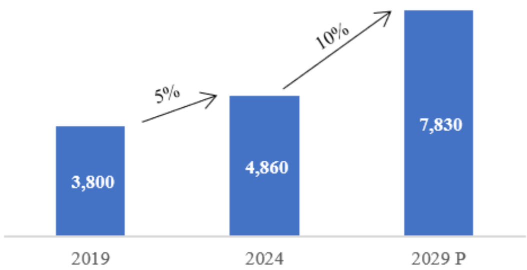


Source: Technopak Analysis
Note: This does not include exports.
Market size at consumer price level is the addition of mark up of industry level channel margins to the market size at wholesale level, which is on the manufacturer's realization.

<u>*Water Purifier (Product) Market in India*</u>

The Indian water purifier product market has exhibited continuous growth over the years. It has grown at a CAGR of approximately 5% from ₹ 3,800 crore in Fiscal 2019 to ₹ 4,860 crore in Fiscal 2024 and is further expected to grow at a CAGR of approximately 10% till Fiscal 2029 to reach a market value of ₹ 7,830 crore.

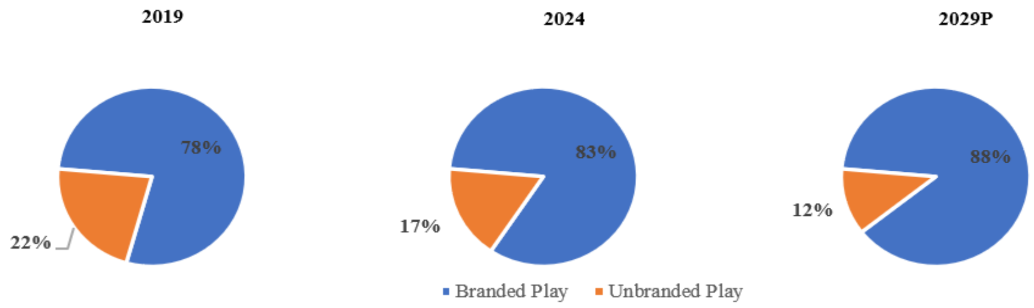
Indian Water Purifier Product Market- By Value (in ₹ crore) (Fiscal)



Source: Technopak Analysis

The water purifier product market in India has steadily transitioned towards branded play, with branded players commanding a substantial 83% market share as of Fiscal 2024. Within this branded market, the top 5 to 7 leading players hold close to 90% market share. The shift towards branded play over unbranded play is influenced by factors on both the demand and supply sides. On the demand side, increasing health awareness among consumers and increase in availability and access to piped water are key drivers of this shift. On the supply side, technological interventions, brand-building initiatives by major players, the implementation of GST, and robust distribution network servicing extensive retail footprints contribute to the transformation towards branded play. As of Fiscal 2024, branded play accounted for nearly 83% (approximately ₹ 4,035 crore) of the water purifier product market in India. This marks a significant increase from the market share of around 78% (approximately ₹ 2,960 crore) recorded in Fiscal 2019, showcasing a notable growth trajectory for the branded market. The branded play is estimated to capture approximately 88% (approximately ₹ 6,890 crore) market share by Fiscal 2029.

Share of Branded Play in Indian Water Purifier (Product) Market- By Value (in %) (Fiscal)



Source: Technopak Analysis

Key Sub-categories of Water Purifiers

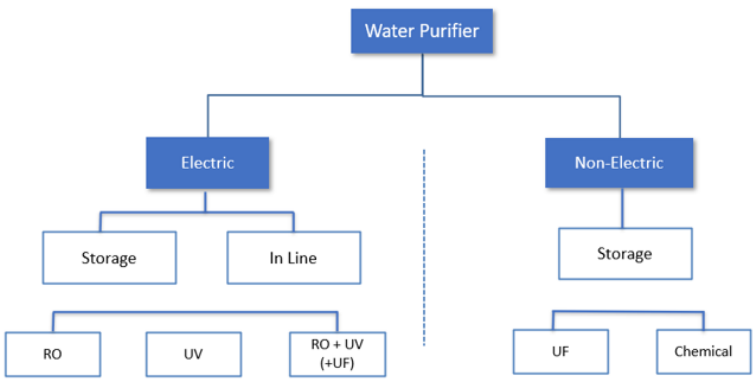
By Need for Electricity

The Indian water purifier market can be segmented based on the need for electricity into Electric and Non-Electric categories. Electric water purifiers require electricity to operate and utilize RO, UV, or a combination of both RO+UV technology to provide pure and clean drinking water. RO water purifiers reduce Total Dissolved Solids ("**TDS**") and enhance taste, making them suitable for areas with medium to high TDS levels in the fresh water supply. On the other hand, UV water purifiers remove sediments, microbials, and improve the water odor, making them applicable in areas with a low level of TDS in the fresh water supply. Filters of electric water purifiers typically need replacement once a year.

Non-electric water purifiers operate without electricity and employ gravity-based mechanisms to purify water. They use a variety of filters like sediment filters, carbon filters, Ultra Filtration (UF) and/or chemical technology to remove impurities and bacteria, ensuring water purification. Non-electric water purifiers are particularly preferred in situations where inline water supply and electricity are not available. While these water purifiers do not enhance the taste and color of the water, they are suitable for use when the TDS level is low, i.e., within consumable limits. Filters of non-electric water purifiers typically require replacement every 3-6 months.

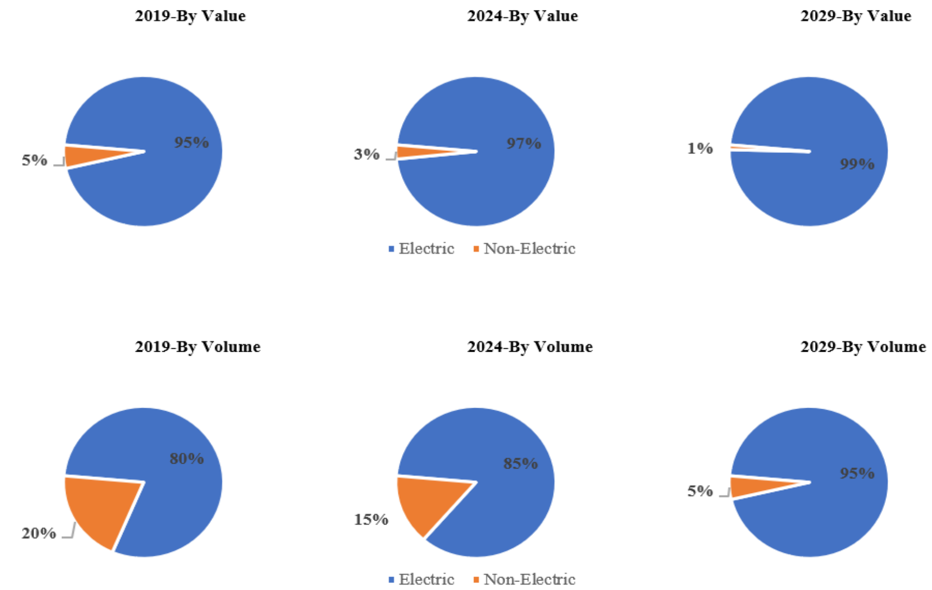
Electric water purifiers exhibit superior water purification efficiency compared to non-electric water purifiers. As of Fiscal 2024, electric and non-electric water purifiers accounted for approximately 97% (₹ 4,715 crore) and approximately 3% (₹ 145 crore) respectively, of the overall Indian water purifier product market by value. It is projected that by Fiscal 2029, electric and non-electric water purifiers will constitute approximately 99% (₹ 7,750 crore) and approximately 1% (₹ 80 crore) respectively, of the overall Indian water purifier product market by value. In terms of volume, the market size of electric and non-electric water purifiers was approximately 3.6 and approximately 0.6 million units as of Fiscal 2024. By Fiscal 2029, the market size of electric and non-electric water purifiers is projected to be approximately 5.1 and approximately 0.2 million units, respectively.

Sub-categories of Water Purifier based on Need for Electricity



Source: Technopak Analysis

Break up of Water Purifier Product Market in India based on Need for Electricity-By Value and By Volume (Fiscal)



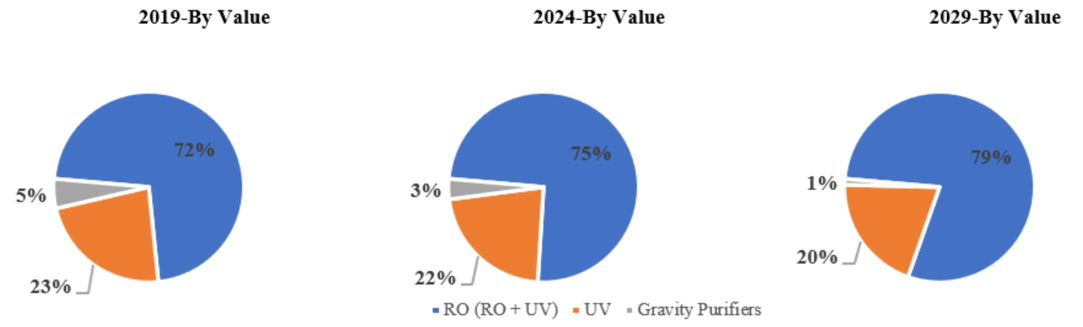
Source: Technopak Analysis

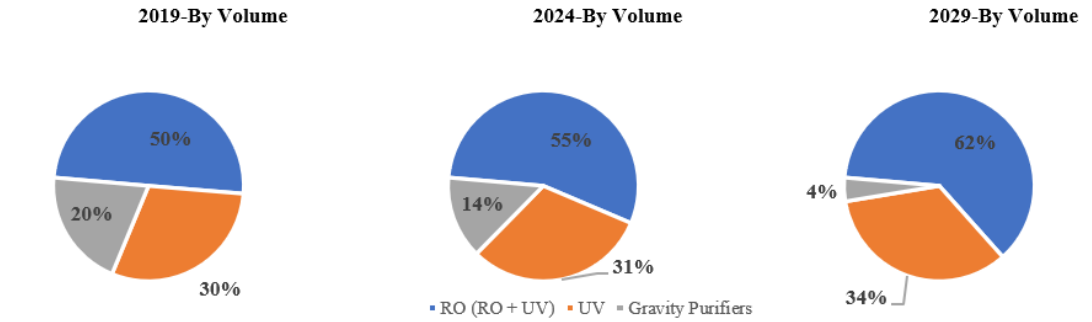
By Technology Type

The Indian water purifier market can be segmented based on technology type into Gravity purifiers, RO purifiers, and UV purifiers. Gravity purifiers operate using gravity as their underlying principle and use activated carbon, UF (Ultra Filtration) and/or chemical technology to purify the water. They are non-electric in nature. RO purifiers purify water by passing it under high pressure through a semi-permeable membrane, effectively filtering out dissolved solids, bacteria, and other impurities. They are particularly suitable for cases where water has a high level of TDS in it. There has been further innovation in the RO technology by adding UV and/or UF components. UV purifiers use a small lamp emitting UV waves to kill germs and bacteria present in the water, thereby rendering pure and safe drinking water. They are primarily used in areas where the water supply has a TDS of less than 500. These water purifiers do not use any chemicals in the purification process, preserving the taste, pH, or other properties of water. Kent and Eureka Forbes are some of the leading brands offering water purifiers encompassing all these technology types. In the gravity purifier segment, Kent is a leading brand, which launched ultra filtration (UF) based non-electric gravity purifier, with the ability to remove cysts along with bacteria, backed by a patent in 2009. It employs a chemical-free approach, eliminating the risks of disinfection by-products (DBPs), thereby making it safer for long-term use.

As of Fiscal 2024, RO purifiers, UV purifiers, and gravity purifiers constituted approximately 75% (₹ 3,625 crore), approximately 22% (₹ 1,065 crore) and approximately 3% (₹ 170 crore), respectively, of the Indian water purifier product market by value. It is projected that by Fiscal 2029, RO purifiers, UV purifiers, and gravity purifiers will constitute approximately 79% (₹ 6,185 crore), approximately 20% (₹ 1,565 crore) and approximately 1% (₹ 80 crore) respectively of the overall Indian water purifier product market by value. The reason for the increase in market size of RO water purifiers between Fiscal 2024 and Fiscal 2029, can be attributed to the TDS level of drinking water exceeding the permissible limit of 500 mg/L in majority of the regions across India. In terms of volume, the market size of gravity purifiers, RO purifiers and UV purifiers was approximately 0.6, approximately 2.3 and approximately 1.3 million units, respectively, as of Fiscal 2024. By Fiscal 2029, the market size of gravity purifiers, RO purifiers and UV purifiers are projected to be approximately 0.2, approximately 3.3 and approximately 1.8 million units, respectively.

Break up of Water Purifier Product Market in India based on Technology Type- By Value (Fiscal)





Source: Technopak Analysis

Comparison of RO versus UV versus Gravity Water Purifier

Feature	RO Purifier	UV Purifier	Gravity Purifier
Removes Dissolved Impurities	Yes	No	No
Remove/Kills Microorganisms	Yes	Yes	Partially
Removes Suspended impurities	Yes	Yes	Yes
Requires Electricity	Yes	Yes	No
Pricing Range	Higher than UV, Gravity	Lower than RO	Lowest

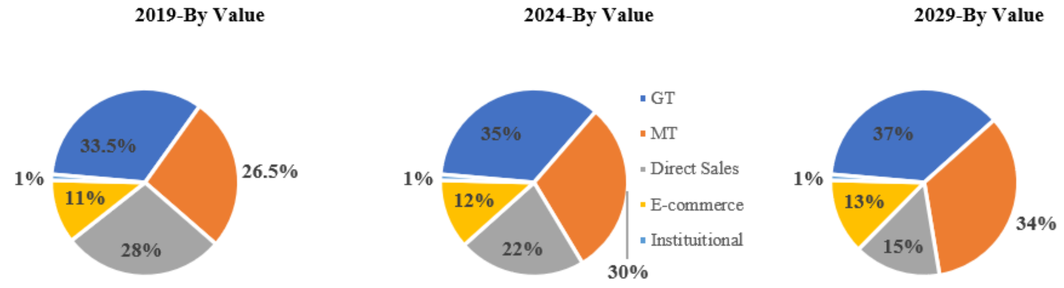
Source: Technopak Analysis

By Distribution Channel Type

Sales channel mix for water purifiers in India consists of direct sales, retail sales, e-commerce, and institutional sales. The retail sales channel further consists of general trade (distribution and trade) and modern trade. The water purifier segment is a retail sales-led category wherein a large and efficient distribution and retailer network plays a key role in capturing the market. The retail sales channel also helps water purifier players to reach out to more customers and improve their brand presence. The e-commerce sales channel provides players with access to larger part of India (multiple cities/states) without the need for having physical store. Direct sales channels are cost-effective (as there are no intermediaries) and help companies to better understand their customers' needs and get transparent feedback from them. This eventually helps them improve their product and services, thereby increasing their top-line and bottom-line. However, this channel of sales is labor intensive, has limited outreach and requires high investment in sales and marketing team, which has pivoted the industry towards offline and online retail.

As of Fiscal 2024, two types of retail sales – general trade and modern trade constituted approximately 35% and approximately 30% respectively of the overall sales mix. Retail sales are expected to continue to be a substantial channel of sales in upcoming years also. Direct sales and e-commerce sales channel constituted approximately 22% and approximately 12% of the sales mix respectively. Institutional sales constituted only approximately 1% of the sales mix. By Fiscal 2029, general trade and modern trade are projected to constitute approximately 37% and approximately 34% respectively of the overall sales mix. Direct sales and e-commerce sales channels are expected to constitute approximately 15% and approximately 13% of the sales mix respectively by Fiscal 2029, followed by institutional sales constituting only approximately 1% of the sales mix.

Break up of Water Purifier Product Market in India based on Distribution Channel- By Value (Fiscal)

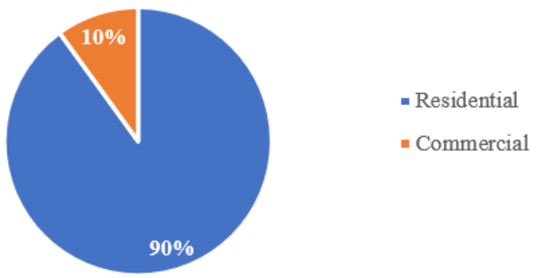


Source: Technopak Analysis

By End Use Type

Based on end use, the Indian water purifier product market can be segmented into residential and commercial segment. As of Fiscal 2024, residential segment accounts for approximately 90% (₹ 4,375 crore) of the Indian water purifier product market by value, whereas commercial segment accounts for approximately 10% (₹ 485 crore). Both the segments are going to witness substantial growth in future. Urbanisation, rising disposable income of people, growing water contamination, increasing cases of water-borne diseases and increasing health consciousness among individuals are going to drive the growth of water purifiers in the residential segment. An uptick in the number of schools, colleges, offices, hotels etc. is going to drive the growth of water purifiers in the commercial segment.

Break up of Water Purifier Product Market in India by End Use- By Value (Fiscal 2024)

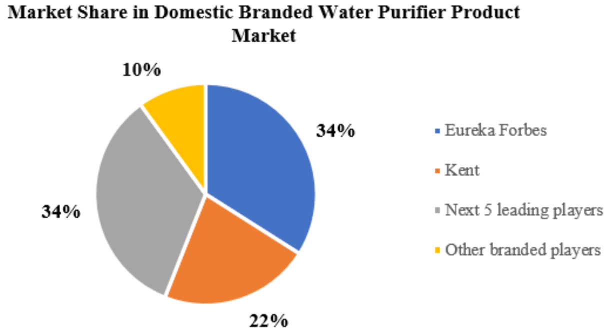


Source: Technopak Analysis

Key Players in the Industry

Nearly 83% (approximately ₹ 4,035 crore) of the water purifier product market in India is controlled by branded play. In the branded market, five-seven leading brands command approximately 90% market share and the balance of approximately 10% is controlled by challenger brands. Within the branded water purifier product market, basis revenue from operations in Fiscal 2024, Eureka Forbes is the market leader with approximately 34% market share by value, followed by Kent garnering approximately 22% share of the market. Next five leading brands in the market constituted approximately 34% market share, followed by other branded players constituting approximately 10% of the market.

Market share of Key Players in Branded Domestic Water Purifier Product market in India- By Value (Fiscal 2024)



Source: Technopak Analysis
Note: Next 5 leading brands include LG, Pureit, Livpure, Bluestar, A.O. Smith. Other branded players include Havells, Panasonic, Whirlpool.

To capture a higher share in the water purifier product market, it is important for players to employ a multi-channel distribution strategy. It provides them with deeper penetration into the market. Leading water purifier brands are present across multiple sales channels such as general trade, modern trade, direct sales, e-commerce etc.

Revenue Split across Different Sales Channels of Leading Players in Water Purifier Industry

Brand	Direct Sales	Retail Sales	E-Commerce	Institutional
KENT Health Care PRODUCTS	11%	75%	13%	1%
EUREKA FORBES	26%	58%	15%	1%

Source: Technopak Analysis,

Players in the water purifier industry undertake different manufacturing strategies to attain maximum productivity while being efficient at the same time. Brands, for which water purifier is a core business rely on in-house/own manufacturing. Because of lack of availability of fine membranes and pumps in India, majority of the brands import these critical components from other countries such as USA, Korea etc. Brands, for which water purifier is an extended category (non-core business), usually rely on contract manufacturing, wherein they outsource production and assembly to other original equipment manufacturers (OEMs). A few brands also import the final finished goods from other countries.

Manufacturing Strategies of Key Players in Water Purifier Industry

	In-house Manufacturing		Contract Manufacturing	Imports
Key players	KENT Health Care PRODUCTS	EUREKA FORBES	Panasonic	LG Life's Good
Manufacturing Strategy	Fully manufactured in-house, along with key components like membrane, pumps etc., with limited imports of other components	Largely manufactured in-house with limited technological imports from South Korea	Outsources manufacturing of membrane, filters, etc., and assembly of parts to OEMs	Imports final finished product (water purifier) from its plant in South Korea

Source: Technopak Analysis, NA – Not Available
Note: Some of the OEMs in the water purifier industry are Ronch Polymers, GenPure, Ion Exchange.

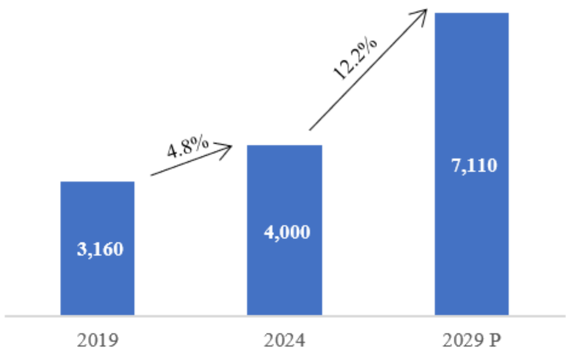
<u>*Water Purifier (Service) Market in India*</u>

Water purifier is a highly serviceable product. It contains filters and membranes which remove bacteria, viruses, dissolved salts etc. from water. Therefore, cleaning of the water purifier at regular intervals and replacement of filters with new ones after their life has expired, is essential for smooth functioning. To give an example, an electric water purifier requires 2 to 4 service visits in a year under normal operating conditions and needs filter replacement once a year.

Servicing forms an integral part of the product lifecycle of water purifiers and constitutes a larger portion of its total cost of ownership (TCO). On average, service costs constitute more than approximately 60% of the overall spending on the water purifier. Hence, water purifier service industry entails huge business opportunity in India. In order to tap this huge market, leading brands are offering annual maintenance contract ("**AMC**"), service visits on chargeable basis and selling spare parts such as motors and consumables such as filters, cartridges etc. to their service franchisees, who in turn sell it to the end consumers. Their go-to-market route is through franchisees and partners. The sales mix between AMC and spare parts and consumables varies from company to company. The availability of a large and extensive service network serves as a competitive advantage for leading brands like Kent and Eureka Forbes, as they are able to cater to a broad segment of customers in the market.

The Indian water purifier service market has exhibited continuous growth over the years. It has grown at a CAGR of approximately 4.8% from ₹ 3,160 crore in Fiscal 2019 to ₹ 4,000 crore in Fiscal 2024 and is further expected to grow at a CAGR of approximately 12.2% till Fiscal 2029 to reach a market value of ₹ 7,110 crore.

Indian Water Purifier Service Market- By Value (in ₹ crore) (Fiscal)

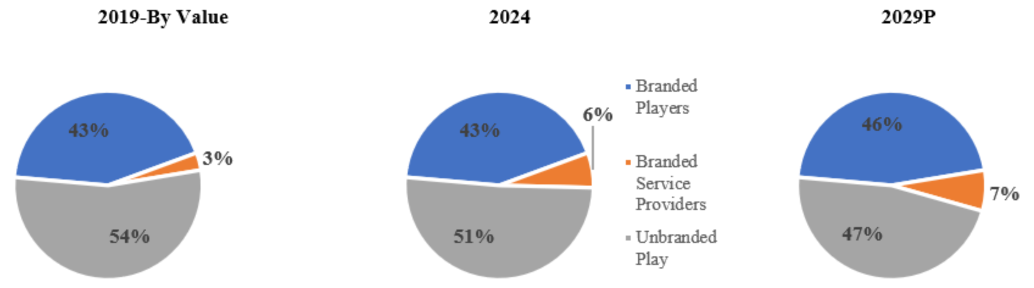


Source: Technopak Analysis

The industry dynamics of water purifier services is equally distributed between branded and unbranded play with branded play having nearly 49% of the market share as of Fiscal 2024. Within branded play, there are branded players like Kent, Eureka Forbes, LG Electronics etc., offering both product and services and then, there are branded service provides such as Urban Company, Jeeves (by Flipkart) etc. which focus only on servicing of water purifiers. As of Fiscal 2024, branded players constituted nearly 43% (approximately ₹ 1,705 crore) and branded service providers constituted approximately 6% (approximately ₹ 255 crore) respectively of the water purifier services market. Among branded players, brands like Kent derive majority of their service revenue through selling of spare parts and consumables to their service franchisees, while brands like Eureka Forbes derive most of their service revenue by offering AMC and service visits on a chargeable basis. In addition to the service providers of unbranded water purifiers, there are also many unlicensed service providers in the unbranded service market, which provide servicing of branded water purifiers, at a rate cheaper than the branded players. This has led to the unbranded service segment eating away the share of branded water purifier players. This signifies an opportunity for branded players to generate additional revenue and maximize Customer Lifetime Value (CLTV).

As of Fiscal 2024, branded players controlled nearly 43% (approximately ₹ 1,705 crore) of the water purifier service market in India, whereas branded service providers controlled nearly 6% (approximately ₹ 255 crore) of the market. The branded players and branded service providers are estimated to capture approximately 46% (approximately ₹ 3,280 crore) and approximately 7% (approximately ₹ 480 crore) respectively of the water purifier service market by Fiscal 2029.

Share of Branded Play in Indian Water Purifier Service Market- By Value (in %) (Fiscal)



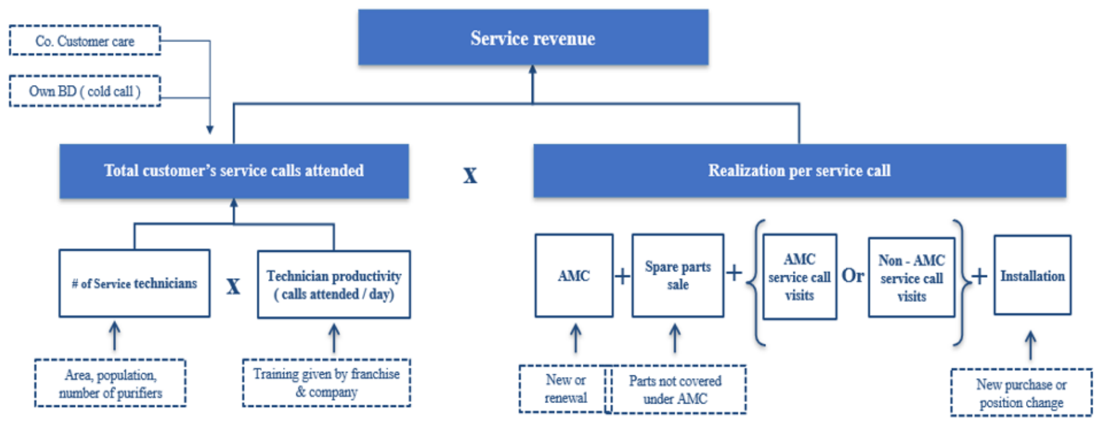
Source: Technopak Analysis

Key segments of Water Purifier Service Market

By Business Model Type

To cater to the service demand of water purifiers, companies employ three types of business models. They offer Annual Maintenance Contract ("**AMC**"), service visits on chargeable basis and sell spare parts and consumables to their service franchisees, who in turn sell it to the end consumers. AMC is a contract between the brand or the service franchise and the customer, where the customer pays a certain amount to the brand/service franchise annually, which in turn offers 3 to 4 times service throughout the year. A water purifier AMC offers services like normal cleaning, replacement of spare parts like motors, of consumables like filters, membranes, and of other electrical parts. Depending on the price, AMC may include a part or all of these services. Customers must renew AMCs on an annual basis. Companies also offer service visits on a chargeable basis to those customers who do not opt for AMCs. For both AMCs and service visits on a chargeable basis, companies rely on indirect service network through third-party providers (franchisees and partners). Brands outsource the servicing of water purifiers to a franchise, which shares service revenue with the company. There are exclusive service franchisees and multi-brand service franchisees in the market. Exclusive service franchisees are authorized to provide service to the respective brand's water purifiers only, whereas multi-brand service franchisees render service on behalf of more than one brand. Total number of service calls received by a company are either through their customer care/website or generated by their business development team through cold calling. The service calls are then sent to the respective franchise based on pin code or address. Then the service technician, trained by the franchise and company, visits the customer's house to service the water purifier. Brands sell spare parts and consumables to their service franchise, which further sells it to the consumers at a margin. For service visits on chargeable basis or for AMCs, which do not cover replacement of all the parts of water purifier, technicians on behalf of franchise, install the respective spare part or consumable and charge the customer for the same.

Service Business Model- Water Purifiers

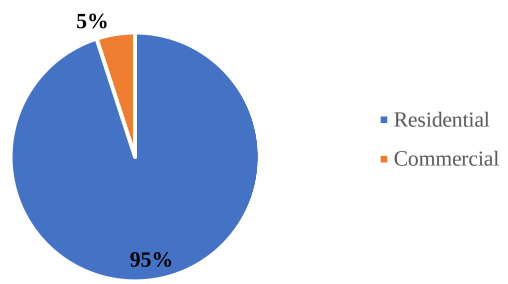


Source: Technopak Analysis

By End Use Type

Based on end use, the Indian water purifier service market can be segmented into residential and commercial segments. As of Fiscal 2024, residential segment accounts for approximately 95% (₹ 3,800 crore) of the Indian water purifier service market by value, whereas commercial segment accounts for approximately 5% (₹ 200 crore). Both the segments are going to witness substantial growth in future. All the growth drivers of water purifier products market in residential segment such as urbanisation, rising disposable income of people, growing water contamination, rising cases of water-borne diseases and increasing health consciousness among individuals are going to drive the growth of water purifiers service market as well. Likewise, all the growth drivers of water purifiers product market in commercial segment such as increase in the number of schools, colleges, offices, hotels etc. are also going to drive the growth of water purifiers service market in the commercial segment.

Break up of Water Purifier Service Market in India by End Use- By Value (Fiscal 2024)



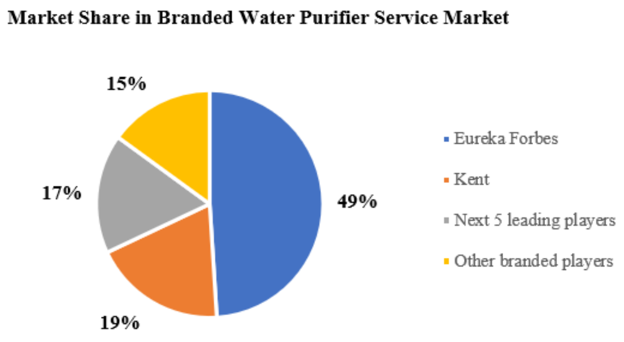
Source: Technopak Analysis

Key Players in the Industry

Nearly 43% (approximately ₹ 1,705 crore) of the water purifier service market in India is controlled by branded water purifier players. Within that, five-seven leading brands command approximately 85% market share and the balance of approximately 15% is controlled by challenger brands. Within the branded water purifier service market*, basis revenue from operations in Fiscal 2024, Eureka Forbes is the market leader with approximately 49% market share by value, followed by Kent garnering approximately 19% share of the market. Next five leading brands in the market constituted approximately 17% market share, followed by other branded players constituting approximately 15% of the market.

**Here, branded water purifier service market excludes the share of the market held by branded service providers.*

Market share of Key Players in Branded Water Purifier Service Market in India- By Value (Fiscal 2024)



Source: Technopak Analysis
*Note: *Here, branded water purifier service market excludes the share of the market held by branded service providers.*
Next 5 leading brands include LG, Pureit, Livpure, Bluestar, A.O. Smith. Other branded players include Havells, Panasonic, Whirlpool.

To capture a higher share in the water purifier service market, it is important for players to have an extensive service network entailing qualified service technicians, responsive consumer support and offer all types of service business model. The mix between AMCs, chargeable service business and sale of spare parts and consumables varies from company to company. For instance, Kent derives most of its service revenue from the sale of spare parts and consumables to their service franchisees, whereas Eureka Forbes derives most of its service revenue from AMCs and chargeable service business. In addition to that, various initiatives by leading brands for authentication of genuine consumables and spare parts and educating consumers to identify genuine products, have helped them in capturing away the share of service market from unlicensed service providers. Among all the branded players, Kent is the only brand in the market, offering a one-year product warranty along with 4 years of free service to its customers on certain water purifier products.

Revenue split from services across different business model of leading players in Water Purifier Service Industry

Brand	AMC & Chargeable Service Business	Sale of Consumables and Spare Parts
KENT Health Care PRODUCTS	✓✓	✓✓✓
EUREKA FORBES	✓✓✓	✓✓

Source – Technopak Analysis

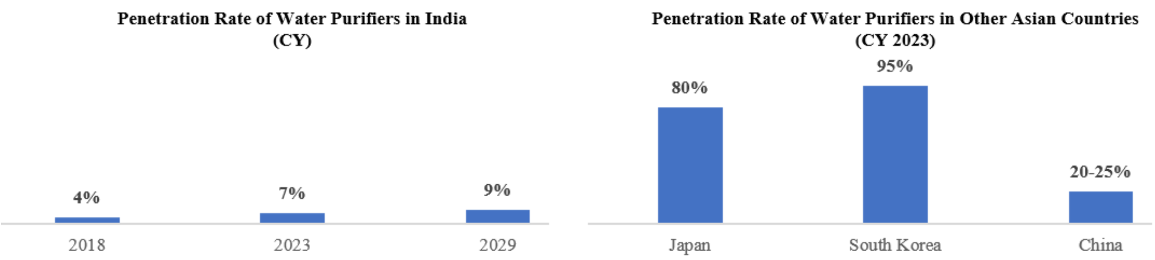
Note- "✓" represents approximate share of different service business models in total sales, ✓✓✓- Share of >=50%, ✓✓-Share of 15-50%, ✓-Share up to 15%

Penetration Data and Benchmarking with Other Asian Countries

Consumers in India are gradually becoming more aware of the significance of water purifiers in their lives and the health benefits they offer. This awareness is compelling them to purchase more water purifiers. The lower adoption of domestic water purifiers is closely tied to income. People tend to buy appliances that enhance health and quality of their life, once their income reaches a certain level. As a result, developed countries like Japan and South Korea have a higher adoption rate of around 80% to 90% for water purification products, while countries like China and India have a lower adoption rate of around 5% to 25%, owing to their lower per capita disposable income.

As of 2023, the penetration rate of water purifiers in India is approximately 7%, up from 4% in 2018. This is projected to reach approximately 9% by 2029. In the past, the Indian water purifier market was driven by a fair mix of Electric Water Purifiers ("**EWPs**") and Non-Electric Water Purifiers ("**NEWPs**"), which is currently driven primarily by EWPs constituting approximately 97% of the total market by value. By 2029, the entire market would be driven only by EWPs.

Penetration Rate of Water Purifiers in India and Other Asian Countries



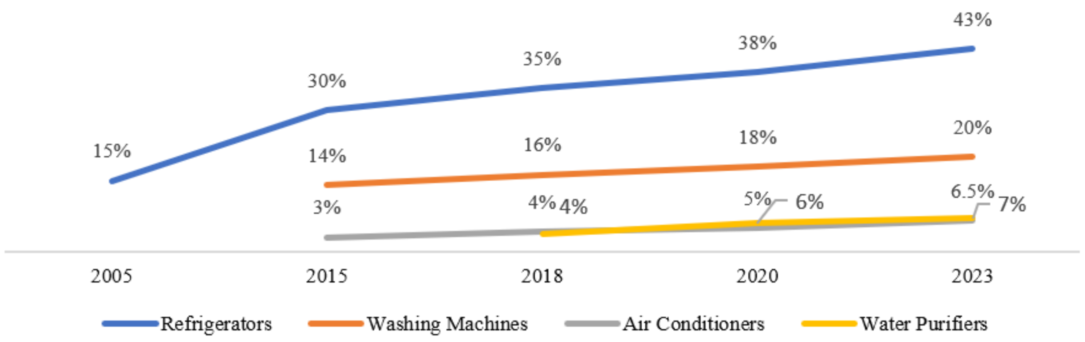
Source: Technopak Analysis

Penetration Journey of Water Purifiers against Other Durables

The demand for household appliances in India is on an upswing, driven by factors like urbanisation, rising income levels, and evolving lifestyles. While urban areas, with a concentration of working professionals and nuclear families, exhibit the highest demand of water purifiers, rural and semi-urban regions are also witnessing a growing appetite for household appliances, supported by increasing awareness and rising income levels. With the Indian economy's continued growth, the demand for household appliances is expected to surge in the years ahead.

At present, the penetration of water purifiers in India remains relatively low, with only about 7% of households currently utilizing these solutions. This low penetration rate underscores a significant potential for growth, indicating that a substantial portion of the population are yet to adopt water purification solutions. On the other hand, air conditioners, which is purely a convenience-based category, has a penetration rate of approximately 6.5% in 2023 having increased from approximately 3% in 2015. Various need-cum-convenience based categories such as refrigerators and washing machines have exhibited substantial growth in penetration rate over the period of time. Refrigerators have a penetration rate of around 43% as of 2023, having increased tremendously from only 15% in 2005. Likewise, the washing machine category exhibited a strong growth in penetration rate from around 14% in 2015 to approximately 20% in 2023. Similar to other consumer durables, electric water purifiers are also expected to exhibit a strong growth rate in penetration rate in future. Additionally, the level of penetration in water purifiers is low compared to other non-need-based categories like air conditioners, refrigerators, washing machines etc. This signifies substantial room for growth in future for a need-based category like water purifier, given the existing barriers and challenges are solved.

Penetration Journey of Household Appliances



Source: Technopak Analysis

Key Trends driving the Water Purifier Industry

Macro-level Trends

Government Regulations and Initiatives
Various policy reforms have been incorporated by the Government of India (GoI), aimed at enhancing water quality and accessibility. Such interventions are going to have a big impact on the water purifier industry. Few of them are:

- **Jal Jeevan Mission:** The Jal Jeevan Mission, initiated in 2019, focuses on providing clean and safe drinking water to rural households in India. It aims to enhance public health and sanitation by extending functional piped water connections to remote areas, reducing the need for water collection, and improving overall quality of life. The scheme has achieved remarkable success by providing safe drinking water access to over 120 million rural households through tap connections. Notably, the coverage of functional household piped water connections in rural areas has surged from a mere 17% to approximately 78% as of July 2024.

- **Rural Electrification**: The Deendayal Upadhyaya Gram Jyoti Yojana ("**DDUGJY**") introduced by GoI was launched on December 3, 2014, with an objective to provide electricity supply to rural India and electrify the non-electrified villages in India. Furthermore, the Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya ("**Saubhagya**") was launched in October 2017 by GoI for electrification of rural and urban poor households in India. As per the report by Ministry of Power, GoI, a total of 2.9 crore households have been electrified till March 2023 out of which seven states namely, Assam, Chhattisgarh, Jharkhand, Karnataka, Manipur, Rajasthan, and Uttar Pradesh reported 100% household electrification as on March 31, 2021. More than 11.8 lakh households remain to be electrified, which is expected to be completed over the next few years.

The simultaneous expansion of electricity and tap water connections through such government initiatives are going to serve as a powerful driving force for the water purifier product market.

Deteriorating quality of Water

Quality of water across India is declining due to factors such as pollution, industrial waste, agricultural runoff etc. Pollutants like lead, arsenic, microplastics etc. are being detected in both urban and rural water supplies. These have led to rise in waterborne diseases and severe health risks. Therefore, for drinking and other household purposes, water purification is highly essential. Owing to this, the sale thereby the market for water purifier is going to grow in future.

Growing proportion of orders on E-commerce from Tier-2,3 cities

With increased internet penetration, rise of online shopping platforms and better logistics network beyond metropolitan cities, orders on e-commerce platforms such as Amazon, Flipkart etc. have substantially increased from Tier-2 and Tier-3 cities in recent years. As far as water purifiers are concerned, availability of a wide range of products from various leading brands, across different price points and technology types on platforms, coupled with growing awareness of health benefits of using water purifier among the consumers, is driving the demand in these cities. As a result, leading brands such as Kent, which comply with BIS standards, will have greater opportunities to grow and capture a larger market share in such cities.

Technological Advancements

Rapid advancements in water purification technologies are opening up new options for consumers. Innovations such as advanced filtration techniques, smart purification systems, and integration with the Internet of Things (IoT) are gaining traction. Kent was the first company to introduce wall mounted RO technology-based water purifiers in India backed by its 9 patents in this space. To that extent, Kent pioneered the consumer water purification space because other players followed suit making RO based consumer water purifiers as the dominant product of the water purifier category. Kent also introduced India's first IoT-enabled water purifier, backed by a patent in 2016, allowing users to monitor and maintain their purifiers via a mobile app. In 2010, it also introduced India's first patented water purifier with a removable storage tank allowing consumers to clean it easily ensuring better hygiene and user convenience. In 2014, Kent innovated a patented zero-water-wastage technology, which store both, purified and rejected water for reuse and subsequentially enhanced it in 2019 to pump rejected water back into household tanks.

Increasing Service Demand from Consumers

Consumers are becoming more aware about the importance of servicing in smooth functioning of water purifiers in its entire lifecycle. As a result, there has been an increase in service demand for water purifiers from the customer's side.

Consumer Behaviour Trends

Health and Wellness Focus

Nowadays, consumers are becoming health-conscious, and hygiene focused because of which they are willing to spend more on products with advanced technological features, ensuring the purity and safety of their drinking water. Such behaviour is going to drive the demand for water purifiers. For example, Kent Ultra Storage equipped with double purification process, first by UV followed by UF membrane is available at ₹ 8,099, thereby enabling the lower income consumers to access the water purifier category.

Preference for Convenience

Convenience remains a significant driver of consumer behaviour. Consumers seek compact and user-friendly water purifiers that require minimal maintenance and offer hassle-free operation. For example, Kent Pearl Star-B is known for real time monitoring of purified water quality, filter's life, RO flow rate etc. and zero water wastage technology. It utilizes multiple purification processes of RO+UV+UF+TDS Control to make water 100% pure. It also has a transparent detachable storage tank for hassle free cleaning & hygienic consumption.

Preference for Hassle-free Maintenance

Consumers are also seeking hassle-free maintenance solutions. They are more likely to engage with service providers that offer convenient scheduling, timely visits, and efficient repairs.

Demand for Transparent Pricing

Transparency in pricing for services and replacement parts is becoming increasingly important to consumers. Service providers that offer clear and competitive pricing tend to gain more trust.

Opportunities, Risks, and Challenges in the Water Purifier Industry

Opportunities

Market Growth

The Indian water purifier market has demonstrated consistent growth, with a valuation of approximately ₹ 8,860 crore in Fiscal 2024. It is projected to grow at a CAGR of approximately 10% between Fiscal 2023 and Fiscal 2029, offering substantial market expansion opportunities.

Health and Awareness

Rising health concerns among Indian consumers, because of rising cases of waterborne diseases in India, has led to a considerable portion of the population willing to spend more on water purifiers, to ensure the safety of their drinking water. This mindset of consumers offers a promising market for water purifiers in India.

Technological Advancements

The adoption of advanced water purification technologies, including Reverse Osmosis (RO) systems and Ultraviolet (UV) purifiers, presents opportunities for manufacturers to introduce innovative and efficient products.

Regulatory Compliance

Changing rules on water quality and environmental impact can lead to compliance hurdles and increased production expenses. This can serve as an impediment for unbranded players and other branded players. However, for leading players like Kent and Eureka Forbes, these changes serve as an opportunity, as they have the necessary product certifications, required capital and employ an in-house manufacturing strategy. BIS certification for domestic water purification systems has become mandatory from November 10, 2024 pursuant to the Water Purification System (Regulation of Use) Rules, 2023. As a result,, smaller and unknown brands are expected to lose market share, and imports of finished goods are expected to decline. BIS Standards for Water Purifiers (IS 16240) establish the water purifier performance and safety criteria for RO-based water treatment systems. These guidelines ensure that water purifiers efficiently eliminate impurities and contaminants, guaranteeing clean and safe drinking water. Adhering to IS 16240 assists consumers in making informed decisions when choosing water purifiers. This regulatory change will ensure that only high-quality, certified water purifiers are available in the market, thereby reducing competition from unbranded players and allowing branded players to grow and capture a larger market share.

Urbanization

India's urban population has been consistently growing over the years and stood at about approximately 35.5% as of 2022. It is projected to reach approximately 40.9% by 2029. Further, the number of metropolitan cities in India are estimated to increase from 46 as per Census 2011 to 68 in 2030. Such rapid urbanization is going to drive the growth of water purifiers in India.

Risks

Competition

In India, the water purifier product market is highly competitive, with many brands having multiple models offering the latest technologies. The fierce competition may also result in price wars and reduced profits for brands.

Ability to Build a Service Network

Developing an extensive service network is a prerequisite for any water purifier player to sustain in the market. Those who are not able to build a service network would be wiped off the market. In this respect, leading brands like Kent and Eureka Forbes have a competitive advantage over other players.

Supply Chain Disruptions

Supply chain issues caused by events like natural disasters or political problems can disrupt the procurement of certain components from other countries, thereby impacting the overall production process.

Challenges

Consumer Awareness

Many people in India aren't aware of the importance of water purifiers and the risks of untreated water. Some still prefer traditional boiling methods over using water purifiers. So, ongoing efforts are needed to educate them about the benefits of water purifiers for safe and clean drinking water.

Water Source Variability

In India, water sources display significant differences in contamination and quality. Some areas have relatively clean water, while other sources face higher levels of contamination. Creating water purifiers that can reliably and effectively treat such a wide range of water sources is a constant and demanding challenge for manufacturers.

Piped Water Availability

Many households in India still do not have access to piped water. Even though GoI has undertaken various initiatives to extend piped water connections to remote areas of the country, to achieve deeper level of penetration of water purifiers, there is still a long way to go.

Affordability

In addition to the upfront cost of water purifiers, there is also a high total cost of ownership ("**TCO**"), which includes additional maintenance, and operational expenses. TCO for a water purifier can range between ₹ 20,000 – ₹ 35,000 for 5 years.

Availability and Accessibility

Despite the extensive presence of over 2.3 lakh durable outlets selling small domestic appliances (SDAs) in general trade, water purifiers are available in a limited 26,000 of these outlets, thereby signifying the issue of lack of its availability in the market. Visibility and wider reach are critical for creating awareness and increased penetration of the category.

Counterfeit Spare Parts in the Market

As water purifier is a highly serviceable product, it requires cleaning, replacement of filters and other spare parts at regular intervals. There are many counterfeit and grey market spare parts, which are sold in the market. This poses a big challenge for the branded players, thereby denting their growth. Various initiatives are being taken by leading brands for authentication of genuine spare parts and educating consumers to identify genuine products.

Uncertainty of Franchisees/Partners

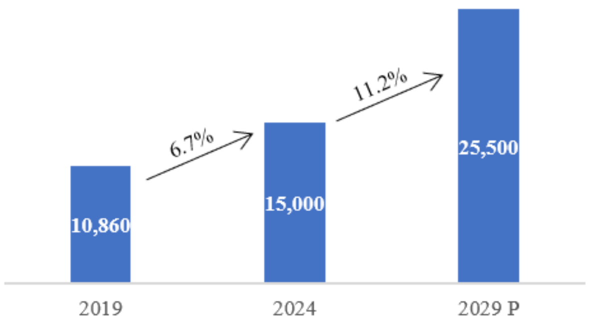
Companies are dependent on third party service providers called franchisees for delivering services to the customers. But there is no certainty about how long these service franchisees will operate in the market. In the future, they may close and vanish from the market because of financial or any other issues. That is why many leading companies are not willing to offer AMCs, even though it would help them build a long-standing relationship of trust and reliability with their customers.

FAN MARKET IN INDIA

Market Size and Growth

The total market for fans has grown at a CAGR of approximately 6.7% from ₹ 10,860 crore in Fiscal 2019 to ₹ 15,000 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 11.2% till Fiscal 2029 to reach a market value of ₹ 25,500 crore.

Fan Market in India- By Value (Fiscal) (in ₹ crore)



Source: Technopak Analysis
Note: This does not include exports

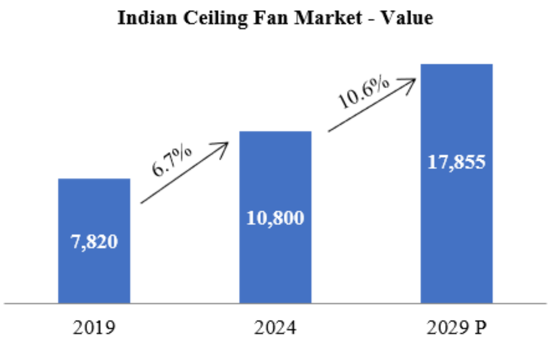
Key Sub-Categories of Fans

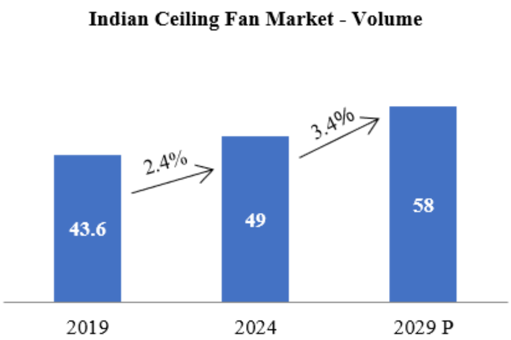
The fan market in India can be sub-divided into three key segments as ceiling fans, table, pedestal and wall (collectively, "**TPW**") fans and fans such as industrial and exhaust fans ("**Other Fans**"). In Fiscal 2024, ceiling fans accounted for approximately 72% of the fan industry in India, followed by TPW fans constituting approximately 20% of the industry, and other fans accounting for the balance 8% of the industry, based on value. It is projected that by Fiscal 2029, ceiling fans will be accounting for approximately 70% of the Indian fan market, followed by TPW fans comprising approximately 22% of the industry. Ceiling fans are primarily used in households and commercial establishments, whereas primary installation places for table fans are small shops and workplaces.

Ceiling Fan Market Size and Growth

The total market for ceiling fans in India has grown at a CAGR of approximately 6.7% from ₹ 7,820 crore in Fiscal 2019 to ₹ 10,800 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 10.6% till Fiscal 2029 to reach a market value of ₹ 17,855. In Fiscal 2024, approximately 49 million ceiling fans were sold in India, which is projected to grow at a CAGR of approximately 3.4% to reach approximately 58 million by Fiscal 2029.

Ceiling Fan Market in India- By Value (in ₹ crore) and Volume (in million) (Fiscal)





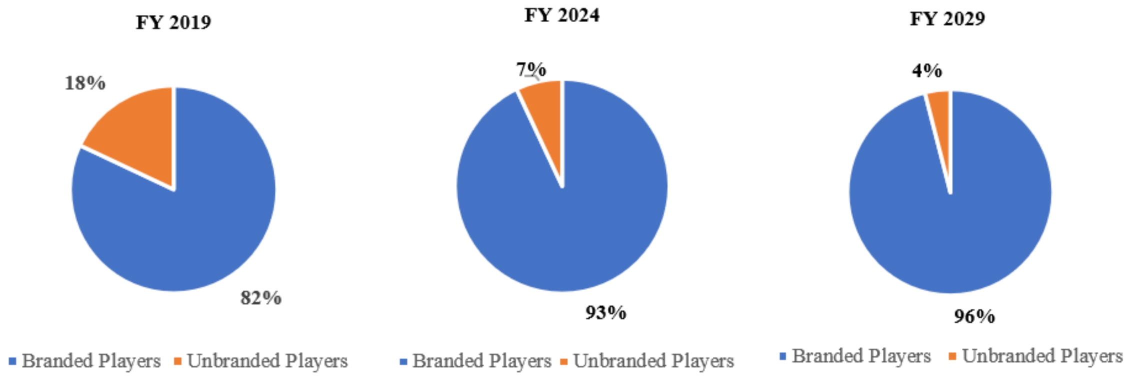
Source: Technopak Analysis
Note: This does not include exports

Branded versus Unbranded Share

Indian ceiling fan market is primarily dominated by branded play, controlling close to 93% of the market, out of which 5 to 6 top players garner approximately 83% market share. These include leading players such as Crompton

Greaves, Havells, Orient Electric, Bajaj Electricals, Usha, and Atomberg. The remaining share of branded play market is controlled by challenger brands like Kuhl by Kent RO Systems Limited, RR Kabel, Polycab etc. Branded play is projected to capture approximately 96% market share by Fiscal 2029.

Share of Branded Play in Indian Ceiling Fan Market- By Value



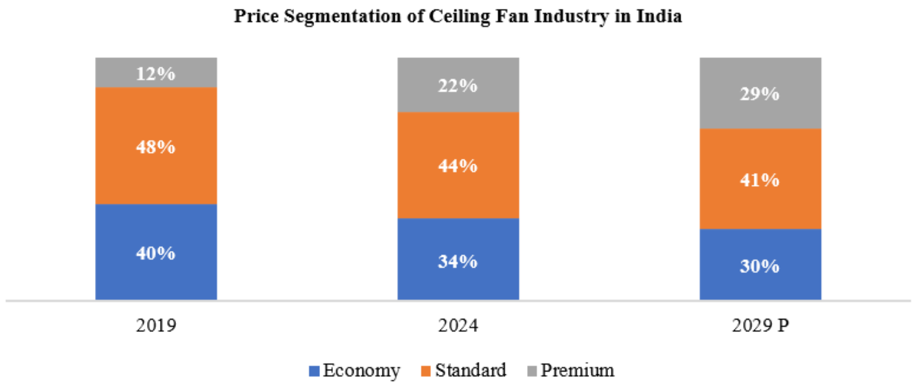
Source: Technopak Analysis

Market By Key Segments

As per price points, the entire ceiling fan market can be categorised into three price segments namely economy, standard and premium. In Fiscal 2024, the standard segment held a leading share of approximately 44%, followed by the Economy segment at approximately 34%. However, the fan industry in India is steadily shifting towards the premium segment, with approximately 22% market share in Fiscal 2024, as opposed to only approximately 12% market share in Fiscal 2019. It is projected to capture up to approximately 29% of the market by Fiscal 2029.

Price Segmentation of Ceiling Fans

Segment	Price Range	Key Features	Examples
Economy	< ₹ 1500	• Basic design and features • Lower energy efficiency (1 Star Rating) • Standard air delivery and speed • Manual controls (non-remote)	Bajaj Frore Deco Turbo 1200mm 1 Star Rated Ceiling Fan Ceiling Fan, Orient Electric Apex-FX Ceiling Fan
Standard	₹1500 - ₹ 4000	• Improved energy efficiency (BLDC motor) • Better build quality and design • Enhanced air delivery and durability • May include remote control functionality	KUHL Prima A4 1200mm Decorative Power Saving BLDC Ceiling Fan, Crompton Energion Hyperjet 1200mm BLDC Ceiling Fan
Premium	> ₹ 4000	• Advanced features like underlight, remote control, smart features (app control) • High-end energy-efficient BLDC motors • Superior air delivery, noise reduction • Premium design and aesthetics (stylish, modern)	KULH Platin D8 1200mm Stylish BLDC Ceiling Fan with Remote, Havells 1320mm Albus Underlight BLDC Ceiling Fan, Atomberg Studio+ 1200mm BLDC Ceiling Fan with Remote Control



Source: Secondary research, Technopak Analysis
Note: The above segmentation is as per Fiscal 2024 MOPs

Evolution of Technology of Fans

Premiumisation

The Indian ceiling fan market is witnessing a notable shift towards premiumisation, driven by increasing disposable incomes that have enhanced consumers' purchasing power. Buyers now prioritize not only functionality but also aesthetics, opting for technologically advanced and stylish fans that complement their home décor.

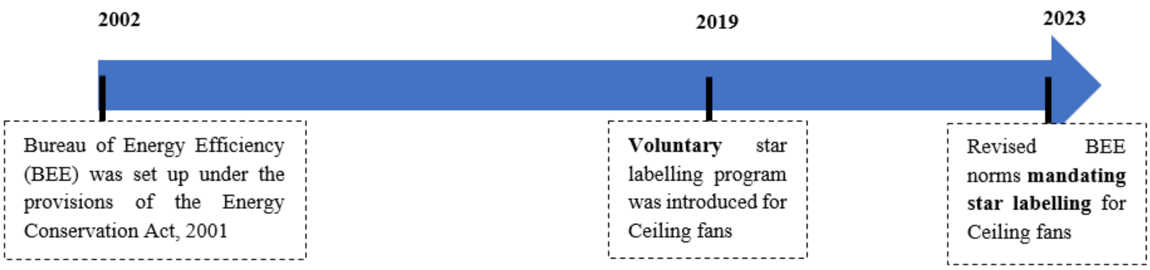
Smart and IoT-enabled fans are gaining popularity, offering features such as automatic speed adjustment based on room temperature and humidity, remote and mobile app control, and Wi-Fi connectivity. In addition, bladeless designs, air purification features, and enhanced colour options are reinforcing the appeal of premium ceiling fans.

Many leading and challenger players are launching premium and decorative fans. For instance, Crompton has launched Silent Pro Blossom silent fan with various personalisation options such as sleep mode and timer along with support of IoT configuration and Alexa compatibility. Havells has also launched a Stealth Puro Air premium ceiling fan having 3-stage filtration and air purification benefits. Kuhl offers a wide range of BLDC fans for energy efficiency with various features such as 8 blades, built in LED Lights and remote operations which are WiFi, IoT, and Alexa/Voice enabled.

Energy Efficiency

The shift toward energy efficiency in India's ceiling fan market has been transformative in recent years. Ceiling fans, a common fixture in Indian households, traditionally consumed a large portion of electricity. However, with the introduction of the Bureau of Energy Efficiency (BEE)'s star labelling program, the trend has shifted rapidly. In Fiscal 2018, only about 9% of ceiling fans in the market were star-rated, indicating limited awareness and adoption of energy-efficient models. This voluntary labelling program incentivized manufacturers to improve energy efficiency, and by Fiscal 2022, around 50% of ceiling fans were star-rated, reflecting a significant improvement.

In January 2023, the BEE introduced new guidelines mandating that all ceiling fans sold in India display a star rating. This transition to mandatory labelling is expected to greatly benefit players such as Kuhl and Atomberg who deal majorly in the BLDC fan segment.



Overview of Technological Changes Affecting the Industry: BLDC

Demand for energy-efficient fans has been rising as Indian consumers are getting more and more aware of the advantages of having energy efficient appliances. On an average, ceiling fan constitutes approximately 20% of the electricity consumed by an Indian household. Brushless Direct Current ("**BLDC**") technology makes ceiling fan highly energy efficient by reducing the energy consumption to almost one-third of a regular induction motor fan and leading to approximately 65% cost savings, saving approximately ₹ 2,102 per annum for households. BLDC motors offer several advantages over traditional motors, including higher efficiency, reduced noise, and longer lifespan due to their brushless design. These fans are rated as 5-star energy efficient fans. Owing to the shift in consumer mindset towards energy efficient fan, leading fan manufacturers such as Crompton Greaves, Orient Electric etc. have been extensively manufacturing BLDC fans since the past few years. BLDC fans constitute approximately 30% of their product mix in ceiling fans. Challenger brands like Kuhl have also introduced ceiling fans with Brushless Direct Current ("BLDC") motors, which consume ~24-38 watts of electricity compared to the 75 watts used by traditional fans currently sold in India, resulting in approximately 65% cost savings.

The total market for BLDC fans in India has grown at a CAGR of approximately 62% from ₹ 200 crore in Fiscal 2019 to ₹ 2,250 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 37% till Fiscal 2029 to reach a market value of ₹ 10,765, outpacing the overall fan market growth. As of Fiscal 2024, BLDC fans constituted approximately 15% of the overall fan market, which is projected to capture approximately 42% of the entire fans market by Fiscal 2029. This impressive growth can be attributed to favourable government regulations and incentives, environmental awareness and increasing disposable income. Similar to fans, India's tropical climate is also driving the demand for BLDC fans, as these are essential for maintaining comfort throughout the year. The demand for BLDC fans is also driven by growing awareness of the advantages, that is being offered by these fans such as higher efficiency, reduced noises etc., among the consumers, which is going to drive the future market growth.

Tail Winds for BLDC Segment

- The current projection of BLDC segment is approximately 41% share of the total fans market by Fiscal 2029, which may even grow in excess of approximately 50% of the total fan market by Fiscal 2029. This is chiefly due to discoms' subsidy scheme for BLDC technology that is in the process of getting rolled out. Therefore, its impact cannot be validated for its present performance. However, the scheme has the potential to accelerate the adoption of BLDC fans at a faster rate and that may push BLDC fans to emerge as the primary product of the fan market (capturing more than approximately 50% share of the total fan market by Fiscal 2029).

- BLDC focussed challenger brands like Kuhl, V-Guard, Polycab etc are growing at a significantly faster rate than the overall fan market. The advantage of these challenger brands is their nimbleness (low base) and that they carry no baggage of the cost of shift from the legacy of induction fans. This may allow challenger brands to play aggressive bets on distribution, marketing, and retail channels that may trigger both faster replacement from induction to BLDC and market expansion for BLDC fans.

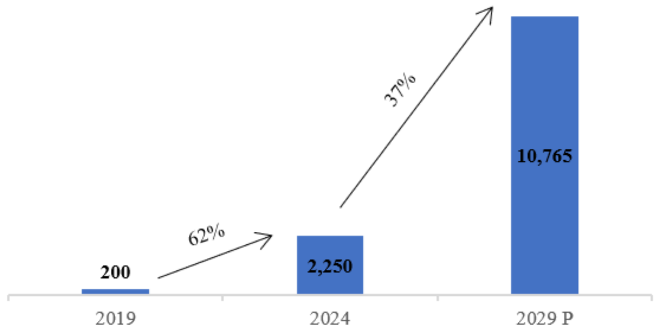
Henceforth, the below mentioned three scenarios are expected to play out for BLDC's share in the total fan's market by Fiscal 2029.

Scenarios for BLDC Fan Market in India (Fiscal 2029)

Scenario	Penetration Rate of BLDC Ceiling Fans (%)	Total BLDC Fans Market (in ₹ crore)
Base	41%	10,765
Moderate	48%	12,750
Aggressive	55%	14,690

Source: Technopak Analysis

BLDC Fan Market in India- By Value (Fiscal)



Source: Technopak Analysis
Note: This does not include exports

Energy Consumption Comparison- Ordinary Fans versus BLDC Fans

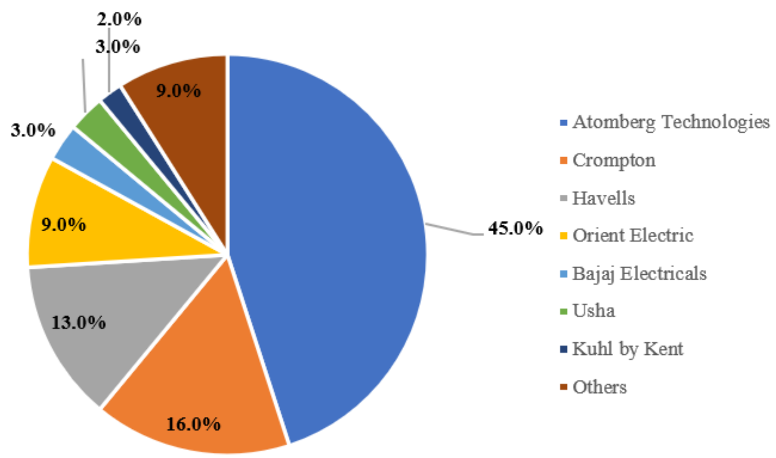
Type of Fan	Power Consumption (in watts)	Daily Electricity Consumption (units)	Yearly Electricity Consumption (units)	Yearly Costs (in ₹)
Normal	75	1.2	438	3942
BLDC	35	0.56	204.4	1840

Source: Secondary Research, Technopak Analysis
Note: Assuming 16 hours of daily consumption and a rate of ₹ 9/unit of electricity

Key Players in the BLDC Segment

Indian BLDC fan market is primarily dominated by 5 to 6 players, controlling close to approximately 90% of the market. This includes leading players like Atomberg, Crompton, Havells, Bajaj Electricals, Usha, Orient Electric etc. Atomberg is the market leaders in the BLDC fan segment having approximately 45% market share each by value, followed by Crompton (approximately 16% market share) and Orient Electric (approximately 13% market share). The remaining share of the market is controlled by challenger brands like Kuhl (approximately 2% market share), V-Guard, Polycab.

Market Share of Players in Domestic BLDC Fan Market in India- By Value (Fiscal 2024)



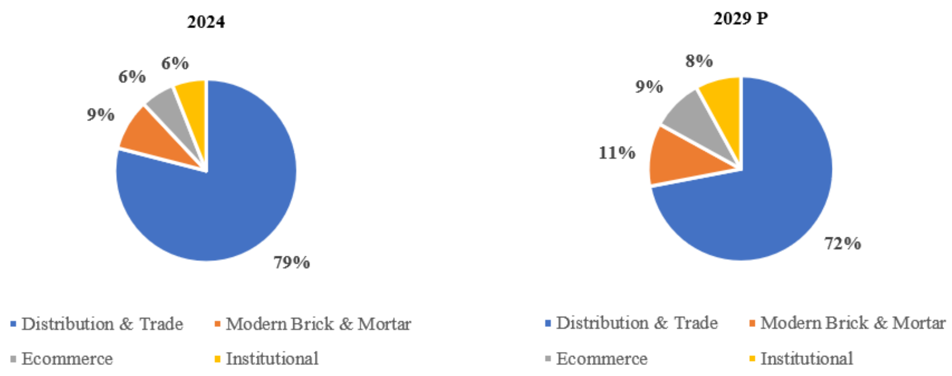
Source: Technopak Analysis

Sales Channel and Share of Each Channel

Sales channel mix for fans in India consists of traditional (distribution and trade), modern brick-and-mortar, e-commerce, and institutional sales channel. Fan segment is a distribution-led category wherein a large and efficient distribution network plays a key role in capturing the market. In Fiscal 2024, sales of fan through traditional channels are approximately 79% and it will continue to be a substantial channel of sales in upcoming years also.

Share of e-commerce sales channel is approximately 6% and is projected to increase to reach approximately 9% in the next five years. Modern brick-and-mortar store approximately have a sales mix of 9%. approximately 6% of the sales happen through institutional channels (private and government projects). The fan category is a distribution-led category where in the role of distributors and retail touchpoints are critical for capturing the market. Leading players like Crompton have close to 3,130 distributors spread across pan India and have approximately 2,69,794 retail touchpoints. Atomberg too has built a vast retail footprint of over 25,000 touchpoints and 400 service centres across the country. Kuhl has a strong distribution network of 150 distributors and 2,500 retailers.

Sale of Fans across Retail Channels (Fiscal)



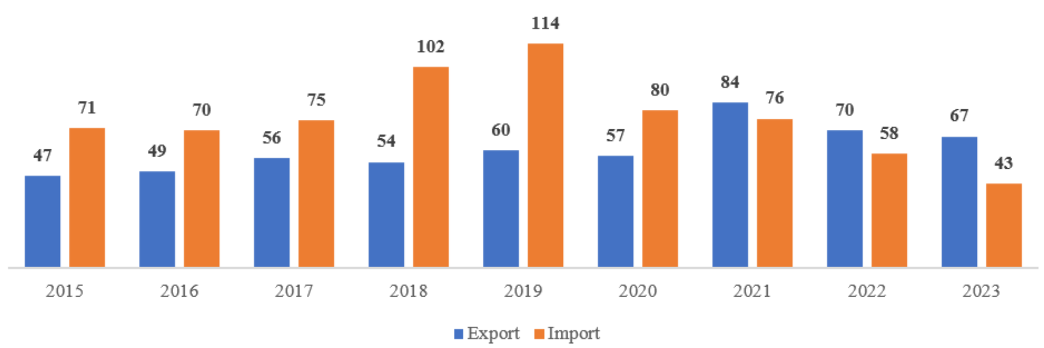
Source: Secondary research, Technopak Analysis

Export and Import of Ceiling Fans

India exported fans valued approximately USD 67 million. It majorly exports to UAE constituting approximately 43% of exports, followed by Nepal (15%) and Sri Lanka (6%). Approximately USD 38 million worth of fan products were imported from across the globe, where in China accounts for approximately 72% of the imports., which includes high end fans or very specialised fans at customised price points.

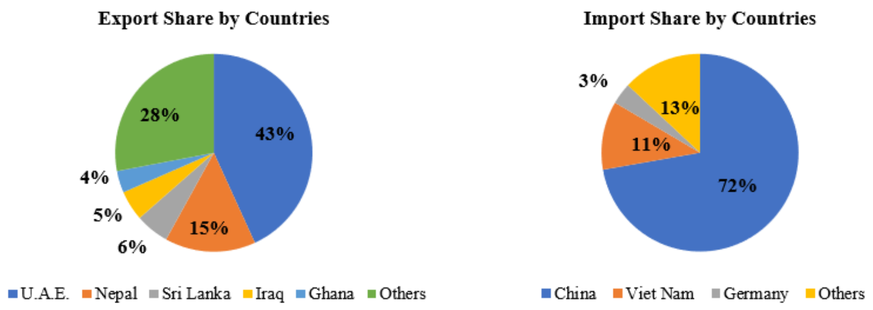
Many western countries are witnessing higher temperature than the standard norms during summers because of climate change. Such extreme temperature shift in temperate regions in the last few years, has witnessed a steady demand for products like fans to adjust to the new reality. Thus, going forward, climate change may unfold export potential in disruptive ways from these regions and markets, implying that the export potential of fan may witness growing opportunities in its favour.

Export and Import of Fans (in USD million)



Source: Secondary Research, Technopak Analysis; HS Code: 841451

Export and Import Share by Countries for Fans (2023)



Source – Secondary research and Technopak Analysis

Key Growth Drivers

Rural Electrification

Currently rural market comprises approximately 30% to 35% of the fan industry in India. The Government of India has implemented various schemes like the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to achieve the objective of providing uninterrupted power supply and universal household electrification in the country, which may also play a role in promoting the adoption of BLDC technology, as these motors align with energy efficiency and sustainability goals. As per CEA, total number of villages electrified in the country increased from approximately 5.1 lakhs in Fiscal 2002 to approximately 6 lakhs in Fiscal 2024. The rural market possesses a great potential for fans and its revenue share is expected to increase in the future.

Premiumisation

Indian fan market is witnessing increased demand for premium fans as consumers are showing more and more interest towards smart, easy-to-use, and technologically advanced products. Increase in disposable income have increased the purchasing power of customers, which in turn have accelerated the demand for premium fans in India. Smart and decorative ceiling fans are no longer a necessity but are viewed as an integral part of home interiors. Production of smart and Internet of Things (IoT)-enabled ceiling fans, enhanced design in terms of colour and aesthetics of ceiling fans, feature reinforcement through air purification and bladeless features are going to serve as the key drivers of premiumisation in the Indian fan market. This is driving the fan market towards premium segment, currently constituting approximately 22% market share as opposed to only approximately 12% market share in Fiscal 2019.

Shift towards Branded Play

Currently the share of branded market in India is approximately 93%. Owing to energy efficiency norms and heightened consumer awareness towards quality and safety, the Indian fan market is pivoting towards branded play and is expected to grow as high as approximately 96% by Fiscal 2029. Reduced urban replacement cycle as well as premiumisation are also playing a pivotal role in driving the market towards branded play.

Increase in Replacement Demand

Increase in disposable income and shift in consumer mindset from viewing a fan as a basic commodity to something that is going to add to the aesthetics and décor of the house, is driving the replacement demand of fans in India. In Fiscal 2024, approximately 4.5 million units of ceiling fans were sold as replacements. Replacement demand is expected to drive growth of both economy and premium segment fans. Additionally, various government initiatives such as to discoms' subsidy scheme for BLDC technology that is in the process of getting rolled out will also act as an impetus for the growth of the BLDC fans market in India as these motors align with energy efficiency and sustainability goals.

Increasing Urbanisation and Booming Real Estate

Urbanisation is fuelling India's economic growth, with urban areas contributing 63% to GDP and expected to house approximately 41% of the population by 2030. The shift from multi-generational to nuclear families is driving household formation, with the average household size decreasing from 5.2 in 2001 to 4.2 in 2023 and further projected to reduce to 3.9 by 2030. Booming residential real estate, which saw a 33% year-on-year growth in 2023 with a total sale of 4.1 lakh units in top eight cities, and increased construction activity, registering a 9.9% growth in 2024 further stimulate demand for household essentials like fans and lights, acting as a key growth driver for the fan market in India.

Key Risks and Challenges

Growth of substitute products like air conditioner and coolers

Substitute products for fans such as air conditioners and air coolers are witnessing an increase in demand, especially in residential and commercial spaces in urban areas. The present penetration rate of air conditioner is approximately 10%, which was approximately 3% to 4%, a decade ago. As these products are becoming more and more affordable, consumers are likely to opt for these alternatives, owing to their increase in disposable income.

Fluctuation in raw material prices

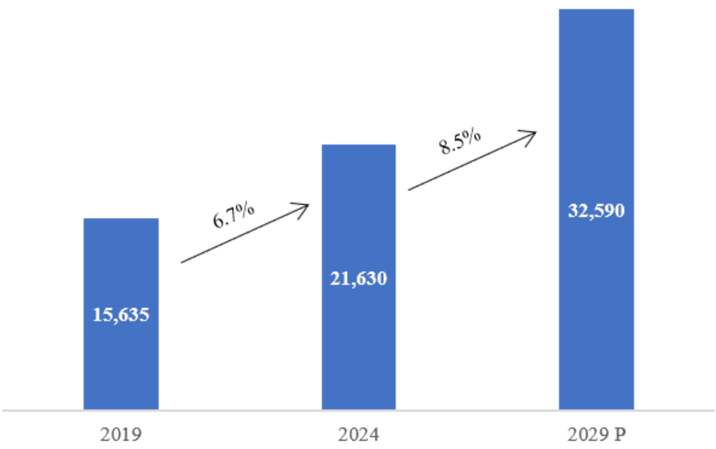
The prices of raw materials like copper, aluminium, and steel has been fluctuating. Whenever, there is a rise in the prices of raw material, it leads to an increase in overall cost. This increase is passed on to the consumer. The corresponding increase in price may lead to a reduction in sales volume. Based on overall industry dynamics and macroeconomic factors, the revenue (price*volume) and profitability of players is likely to be impacted.

KITCHEN APPLIANCES MARKET IN INDIA

Market Size and Growth

The total kitchen appliances market has grown at a CAGR of approximately 6.7% from ₹ 15,635 crore in Fiscal 2019 to ₹ 21,630 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 8.5% till Fiscal 2029 to reach a market value of ₹ 32,590 crore. This growth is fuelled by favourable demographic profile, growing middle-class, double-income households, urbanisation, nuclearization, higher disposable income, time constraints, increasing demand for premium smart kitchen appliances, regulatory compliance and the rise of quick commerce.

Total Kitchen Appliances Market in India- By Value (in ₹ crore) (Fiscal)

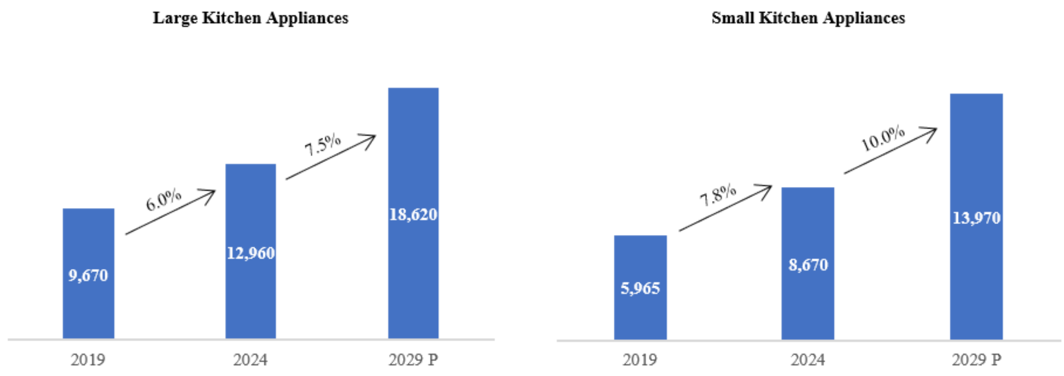


Source: Technopak Analysis
Note: This does not include exports

Key Sub-Categories of Kitchen Appliances

Based on product type, the Indian kitchen appliances market can be segmented into large appliances and small appliances. Large appliances consist of hobs, cooker hood, microwaves, ovens. and small appliances consist of grinder, juicer, food processor, toaster, air fryer, rice cooker. As of Fiscal 2024, large and small kitchen appliances constituted approximately 60% (₹ 12,960 crore) and approximately 40% (₹ 8,670 crore) respectively of the Indian kitchen appliances market by value. In the period between Fiscal 2019 and Fiscal 2024, the market of large kitchen appliances in India expanded from ₹ 9,670 crore to ₹ 12,960 crore, at a CAGR of approximately 6.0%, whereas the small kitchen appliances' market expanded from ₹ 5,965 crore to ₹ 8,670 crore, at a CAGR of approximately 7.8%. It is projected that by Fiscal 2029, large and small kitchen appliances would be constituting approximately 57% (₹ 18,620 crore) and approximately 43% (₹ 13,970 crore) of the Indian kitchen appliances market by value, growing at a CAGR of approximately 7.8% and approximately 10.0% respectively between Fiscal 2024 and Fiscal 2029.

Large and Small Kitchen Appliances Market in India- By Value (in ₹ crore) (Fiscal)

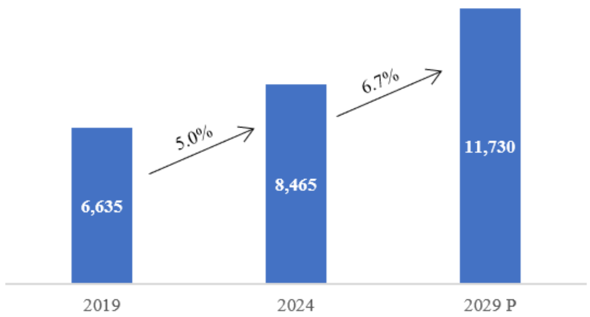


Source: Technopak Analysis
Note: This does not include exports

<u>Indian Cookware Market</u>

Indian cookware market has grown at a CAGR of approximately 5% from ₹ 6,635 crore in Fiscal 2019 to ₹ 8,645 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 6.7% till Fiscal 2029 to reach a market value of ₹ 11,730 crore.

Cookware Market in India - By Value (in ₹ crore) (Fiscal)

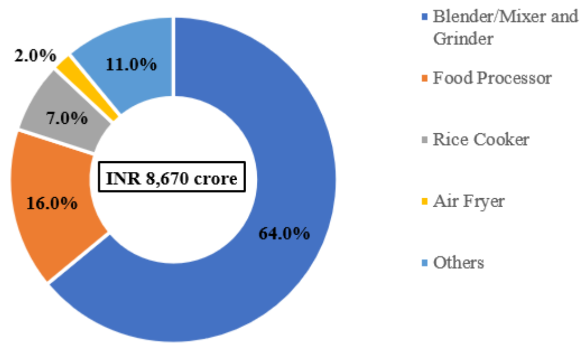


Source: Technopak Analysis
Note: Includes Cooking range of pans, cookers, kadhais etc made of steel, non-stick, cast iron, aluminium etc
Note: This does not include exports

Key Sub-Categories of Small Kitchen Appliances Market in India

In the small kitchen appliances segment, blender/mixer and grinder together constituted the majority share of approximately 64% as of Fiscal 2024. A blender/mixer is primarily designed for blending, mixing soft food items and liquids, whereas a grinder is primarily used for grinding hard food items into smaller particles or powder. A food processor is an electric kitchen appliance that cuts, slices and mixes food quickly. As of Fiscal 2024, food processors constituted approximately 16% of the small kitchen appliances market in India. Rice cookers, which are used to boil or steam rice, constituted approximately 7% of the Indian small kitchen appliances market. Bajaj Electricals, TTK Prestige, Havells etc. are some of the leading players in the kitchen and small domestic appliances market.

Small Kitchen Appliances Market Segmentation in India- By Value (Fiscal 2024)

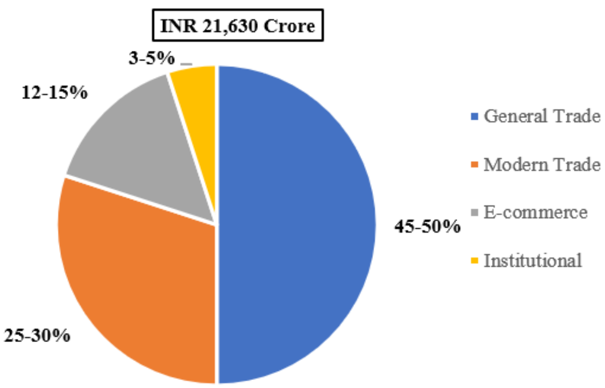


Source: Technopak Analysis
Note: Others include juicer, hand mixer, kettle, toaster, coffee marker, bread maker roti makers

Sales Channel and Share of Each Channel

Sales channel mix for kitchen appliances in India consists of general trade (distribution and trade), modern trade, e-commerce, and institutional sales. The kitchen appliances segment is a distribution-led category wherein a large and efficient distribution network plays a key role in capturing the market. As of Fiscal 2024, sales of kitchen appliances through general trade and modern trade sales channel constituted approximately 45% to 50% and approximately 25% to 30% of the sales mix respectively. The e-commerce sales channel and direct institutional sales constituted approximately 12% to 15% and approximately 3% to 5% of the sales mix respectively.

Break up of Kitchen Appliances Market in India based on Distribution Channel-By Value (Fiscal 2024)



Source: Technopak Analysis

Key Players in the Industry

The share of branded players in the small kitchen appliances market in India is on a steady rise, driven by evolving consumer preferences and increased brand awareness. As of Fiscal 2024, branded play controlled nearly 77% of the small kitchen appliances market in India. This represents an increase from the market share of around 73% recorded in Fiscal 2019, reflecting a notable growth trajectory for the branded market. The branded play is further projected to capture approximately 80% market share by Fiscal 2029. On the other hand, the cookware market in India has predominantly been unbranded in the past. In Fiscal 2019, branded play controlled nearly 37% of the cookware market in India. However, the market is slowly shifting towards branded play. The share of branded play rose to approximately 42% in Fiscal 2024 and is further projected to capture approximately 50% share of the market by Fiscal 2029. Some of the key players in the small kitchen appliances and cookware industry include TTK Prestige, Stovekraft, Havells, and Bajaj Electricals.

The growth in these industries is fuelled by consumers increasingly valuing quality, durability, and after-sales service, leading to a preference for reliable branded products. Furthermore, government initiatives promoting domestic manufacturing and self-reliance have helped brands strengthen their supply chains and reduce import dependency. Manufacturing strategies for key players in the industry have shifted towards greater in-house production and local material sourcing, demonstrating a strong commitment to self-reliance. These manufacturing shifts align with India's larger 'Make in India' vision, reducing vulnerability to global supply chain disruptions and enhancing cost efficiencies.

Key Growth Drivers

In addition to the factors driving the consumer durables and appliances market such as favourable demographic profile, growing middle-class and double-income households, urbanisation, nuclearisation etc., there are certain industry specific factors driving the small kitchen appliances market. These factors include:

Higher Disposable Incomes and Time Constraints

Higher disposable incomes and increasing time constraints have driven modern households to seek convenient and efficient cooking solutions. As busy lifestyles and health-consciousness rise, kitchen appliances provide fast, easy ways to prepare nutritious meals, reducing the burden on working professionals. Consequently, rising double income households are expected to contribute to the growth of the kitchen appliances market in India.

Increasing Demand for Premium and Smart Kitchen Appliances

Indian kitchen appliances market is witnessing increased demand for premium products having good functionalities. Additionally, there has been an increase in demand for smart kitchen appliances as consumers are willing to spend more to have a more comfortable experience while cooking. In addition to this, consumers are increasingly becoming health-conscious nowadays, because of which they prefer healthy cooking methods and are looking for appliances that support healthier meal preparation such as air fryers, blenders etc. The increase in demand for premium products with functionalities and growth in the number of health-conscious consumers together is also going to drive the kitchen appliances market in India.

Regulatory Compliance

Starting from March 2025, the Bureau of Indian Standards will enforce new regulations requiring all kitchen and home appliances sold in India, whether domestically produced or imported, to comply with BIS quality and safety standards. This regulatory change is expected to significantly reduce the volume of imports, as imported goods will now face stricter compliance requirements. This move is anticipated to create a more level playing field for domestic manufacturers, opening up substantial market opportunities for locally produced appliances.

The Rise of Quick Commerce

The trend of quick commerce is gaining momentum. Quick commerce, which focuses on the rapid delivery of goods, is becoming increasingly popular among consumers who prioritize convenience and speed. With its rapid delivery model, consumers can now easily access a wide range of small kitchen appliances, such as blenders, coffee makers, toasters etc. delivered to their doorstep within hours. This is going to serve as a significant growth driver for the small kitchen appliances market in India.

Key Risks and Challenges

Intensifying Competition and Changing Retail Landscape

The market has witnessed a high influx of emerging local players and well-established international brands. On one hand, international companies bring advanced technologies, brand equity, and high-quality standards. The shift toward online retail has intensified competition, especially for smaller brands struggling to establish a digital presence. On the other, new entrants, including e-commerce platforms with private labels, are driving down prices and pushing established players to offer aggressive discounts. This competition, pressuring established brands to lower prices, erodes margins and requires continuous investments in innovation, advertising, and marketing just to maintain visibility and relevance.

Evolving Consumer Preferences

Indian consumers are showing growing interest in energy-efficient, eco-friendly, and smart appliances, and demand for these products is gradually increasing in urban areas. However, manufacturers must invest in research and development to design such products while keeping them affordable for the Indian market. Failure to keep pace with consumer expectations risks brand obsolescence. Brands unable to innovate and offer appliances that meet new preferences, such as AI-integrated, app-controlled, or sustainable appliances, could lose relevance, especially among younger consumers who prioritize technology and sustainability.

SMALL HOME APPLIANCES MARKET IN INDIA

Market Size and Growth

Small home appliances refer to devices designed to help with household tasks such as cleaning, purifying air, and simplifying daily chores, ultimately saving time and enhancing convenience. These include products such as air purifiers, vacuum cleaners, and steam irons, among others. This market is poised for growth due to factors such as rising disposable incomes along with rising awareness about health and hygiene, supportive government policies, and an increasing preference for products that improve indoor air quality and cleanliness. The COVID-19 pandemic has further highlighted the importance of clean-living spaces, driving demand for these appliances.

Key players in the market, such as Dyson, Kent, Philips, Havells, and Eureka Forbes, are leveraging consumer demand by offering a wide range of home appliances with innovative features tailored to the Indian market's needs. For example, Dyson Purifier Cool Formaldehyde Air Purifier comes with formaldehyde detection and elimination, advanced HEPA H13 filtration, real time air quality monitoring and display along with connectivity and smart features. It is dual function designed and serves as a bladeless fan as well. Kent’s Zoom Turbo Vacuum Cleaner has a powerful BLDC motor for high efficiency, longer life, and quieter operations. It has a cordless design, advanced cyclonic technology, and quick charging capabilities. The focus for all players remains on delivering products that reduce effort, and offer energy savings, making them increasingly indispensable in modern Indian households.

Small Home Appliances Market in India

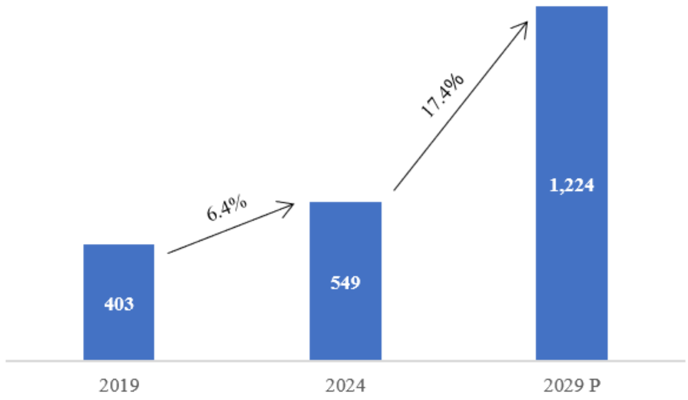
Source: Secondary Research

Key Segments in the Small Home Appliances Market

<u>*Vacuum Cleaner Market in India*</u>

The vacuum cleaner market in India is an evolving sector that offers a variety of products to meet the cleaning needs of consumers. Vacuum cleaners have become an integral part of modern cleaning routines. Their ease of use, convenience, and ability to save time make them a valuable tool in households, commercial spaces, and industrial settings. The Indian vacuum cleaner market has grown at a CAGR of approximately 6.4% from ₹ 403 crore in Fiscal 2019 to reach a market of ₹ 549 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 17.4% to reach a market value of ₹ 1,224 crore in Fiscal 2029.

Vacuum Market in India- By Value (in ₹ crore) (Fiscal)



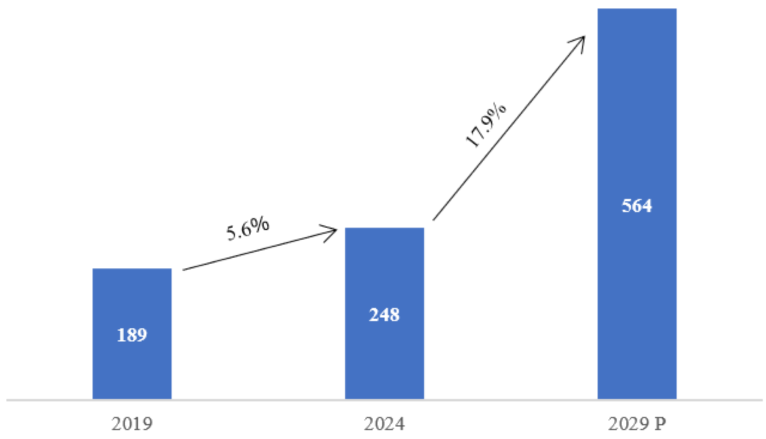
Source: Technopak Analysis

Air Purifier Market in India

In today's rapidly evolving world, the quest for a cleaner, safer, and healthier indoor environment has become more pertinent than ever. As the world grapples with rising concerns about air pollution, allergens, and airborne pathogens, the role of air purifiers has come into the spotlight. Factors such as increased industrial activities, urbanisation, traffic pollution, and emissions from factories and households are further driving this expansion.

The Indian air purifier market has grown from ₹ 189 crore in Fiscal 2019 to reach a market of ₹ 248 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 17.9% to reach a market value of ₹ 564 crore by Fiscal 2029.

Air Purifier Market in India- By Value (in ₹ crore) (Fiscal)

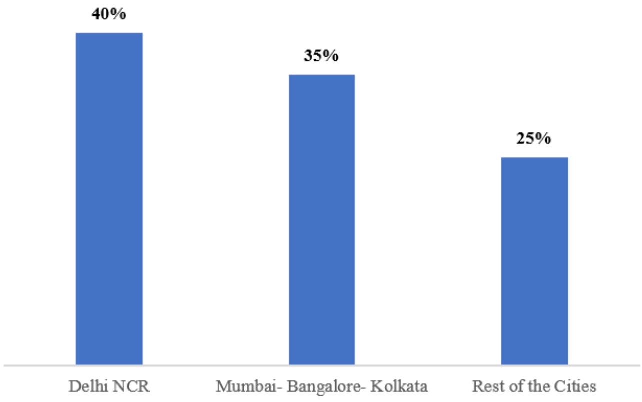


Source: Technopak Analysis

City-wise Penetration in the Indian Air Purifier Market

The Indian air purifier market is characterised by clustered demand opportunity concentrated in major urban centres. Notably, approximately 75% of the market demand is concentrated within the four major cities of Delhi NCR, Mumbai, Bangalore, and Kolkata. Among these, the Delhi NCR region stands out with approximately 40% of the demand attributed to the alarming deterioration of air quality, exacerbated by factors such as air pollution during festivals like Diwali and crop burning in the neighbouring states of Punjab, Haryana, and Chandigarh. Furthermore, during Fiscal 2024, the market showed demand expansion into tier 2 cities such as Jaipur, Lucknow, Chandigarh, Jalandhar, Ludhiana, and Karnal. This diversification of demand points to a broader nationwide recognition of the importance of clean indoor air.

Penetration of Air Purifiers Across Cities in India (Fiscal 2024)



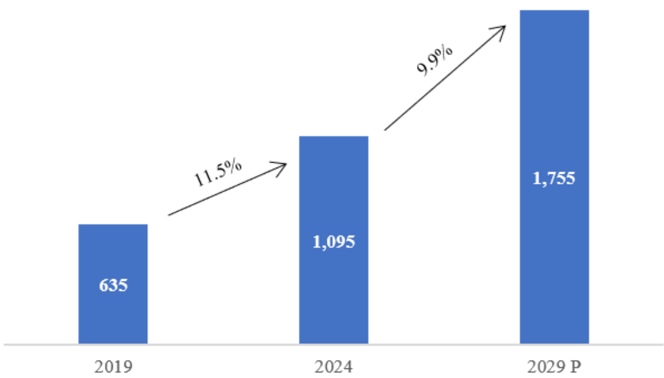
Source: Technopak Analysis
Note: Top 4 cities include Delhi, Mumbai Bangalore and Kolkata. Delhi-NCR – National Capital Region comprising Delhi and suburb cities of Gurgaon, Noida, Ghaziabad and Faridabad

<u>Water Softener Market in India</u>

Water softener is a filtration equipment which is used to convert hard water into soft water preventing scale buildup in appliances and improving water quality. This is particularly beneficial for regions with high levels of calcium and magnesium in the water, which can cause damage to plumbing and reduce the efficiency of water heaters and other appliances. Hard water involves metal elements such as calcium and magnesium ions, which are responsible for its hardness and are harmful for human use. A water softener removes calcium and magnesium from water through a process called ion exchange by filtering the water through resin or zeolite. Rising awareness of consumers regarding the ill effects of hard water and technological advancement are the major factors driving the growth of the market.

The Indian water softener market has grown at a CAGR of approximately 11.5% from ₹ 635 crore in Fiscal 2019 to ₹ 1,095 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 9.9% to reach a market value of ₹ 1,755 crore in Fiscal 2029.

Water Softener Market in India- By Value (in ₹ crore) (Fiscal)



Source: Technopak Analysis

<u>Water Softener Market Segmentation</u>

Indian water softener market is primarily segmented into two types: point-of-entry and point-of-use. The point-of-entry system is used at the main waterline where the water enters. The point-of-use system is installed at a single water connection, where the water is being used, like in the kitchen sink and bathroom.

As of Fiscal 2024, the share of point-of-entry is 75% of the total market, which is approximately ₹ 821.25 crore. The remaining 25% is contributed by the point-of-use system. Leading players like Kent offers both point-of-entry as well as point-of-use water softeners.

Key Trends

Technological Advancements and Smart Integration

Small domestic appliances market is witnessing an evident shift towards incorporation of technology and smart integration. For instance, retractable power cords for hassle-free storage and bagless vacuum cleaners using filters instead of bags are gaining popularity. Advanced features like HEPA filtration and IoT integration via AI driven algorithms with functions like self-docking, scheduling, and cleaning efficiency are coming up offering a smarter, hands-free cleaning experience. Air purifiers now feature real-time air quality monitoring and can be controlled remotely through smartphone apps. Advanced air quality sensors enable purifiers to detect and adjust settings based on specific pollutants. HEPA and electrostatic precipitator filters (e.g., Eureka Forbes's Dr.Aeroguard SCPR 660H) capture fine particles and allergens, while UV-C technology (e.g., Dyson, Honeywell) enhances sanitisation by killing bacteria and viruses. These technological advancements are enhancing the efficacy and appeal of small home appliances in India.

Seasonal and Cyclical Demand

Appliances like air purifiers and humidifiers experience cyclical demand, particularly during the festive seasons or during periods of high air pollution. Air purifiers, for example, see increased demand during months of heavy smog or after periods of Diwali when air quality deteriorates, especially in metropolitan cities.

Rising Demand from Tier-II and Tier-III Cities

While metropolitan cities remain key markets, there is a significant increase in demand for small domestic appliances in Tier-II and Tier-III cities. E commerce penetration and rising disposable incomes in these regions are driving this demand.

Compact and Multi-Functional Designs

Due to space constraints in urban homes, there is growing demand for compact, space-saving appliances. Additionally, multi-functional products that combine several features into one unit are becoming increasingly popular. For example, vacuum cleaners that also function as wet and dry cleaners, or air purifiers that come with added features like humidification.

Personalised and Customisable Settings

The demand for appliances that offer customisation is on the rise. Consumers now expect to have personalised settings in their devices, such as adjustable fan speeds in air purifiers or variable suction power in vacuum cleaners. This allows users to tailor the appliances' performance according to their specific needs and preferences.

Key Growth Drivers

As India's urban population grows, urban living spaces are becoming more compact, making efficient home appliances like vacuum cleaners and air purifiers essential. With the increasing number of nuclear families and higher disposable incomes, these devices offer convenience, time savings, and superior cleaning efficiency, meeting the needs of busy, tech-savvy urban residents. In addition to this, there are certain industry specific factors driving the small home appliances market which include:

Health and Wellness Focus

Growing awareness of health risks from poor air quality, such as respiratory illnesses and cardiovascular issues, has driven the demand for air purifiers, humidifiers, and water softeners. Air purifiers are now essential for urban households, where air pollution levels often exceed safe limits, while humidifiers are becoming popular to combat dry indoor air, particularly in air-conditioned environments. Water softeners are increasingly used in areas with hard water, protecting both health and household appliances from the damaging effects of mineral buildup. Companies are continuously innovating to meet these consumer needs. For instance, during the pandemic, Kent launched an oxygen enhancement product which increased the oxygen levels by approximately 5% to 6% in 2-3 hours within a room. This was to make available the therapeutic benefits of body relaxation, mood enhancement due to higher oxygen concentration.

Government Initiatives

The Indian government has launched several initiatives aimed at bolstering the domestic home appliances market and addressing air pollution concerns. The "Self-reliant India" or "Aatma Nirbhar Bharat Abhiyan" campaign was introduced to boost local manufacturing capacity, potentially leading to more cost-effective production of air treatment products. Furthermore, the National Clean Air Programme (NCAP) was launched by the Ministry of Environment, Forest and Climate Change (MoEFCC) at the start of 2019 to improve the air quality of 131 cities across 24 states/UTs in India. The program is also aimed at controlling and reducing air pollution through an expanded air quality monitoring network, improved pollution management, and raising public awareness about the benefits of air treatment systems. The government's Swachh Bharat Abhiyan (Clean India Campaign) and Clean Ganga Project, launched in 2014, emphasise cleanliness and environmental preservation. These initiatives not only promote cleanliness activities but also raise awareness about the importance of maintaining hygienic and pollution-free environments.

Ability to Create a Service Model

Companies are capitalising on the demand for after-sales services by offering annual maintenance contracts (AMCs), pay-per-visit models, and consumable sales (e.g., filters, accessories). Currently representing a very small segment of the overall market, the service market in India is projected to increase significantly in the next five years. Key considerations for the success of this service model should include a focus on providing high-quality service at competitive prices, comprehensive training programs for service technicians to handle appliance models and address customer concerns effectively, ensuring convenience through simplified service booking processes, and leveraging technology for efficient service management, performance tracking, and real-time customer updates. This integrated product-service model not only drives immediate sales but also nurtures long-term customer loyalty, positioning the industry at the forefront of a health-conscious market and ensuring sustained business growth.

Key Risks and Challenges

Perception and Awareness Gaps

A lack of awareness and preconceived notions around appliance effectiveness continue to challenge market growth. For example, vacuum cleaners are perceived as less effective than manual cleaning, and air purifiers face a limited understanding of their health benefits. For instance, air pollution concerns were often regarded as seasonal issues, particularly in the northern part of India and in major cities like Delhi NCR due to which approximately 80% of the sales in year happens in the months of Oct-Dec and 20% through rest of the year. However, the concerning air quality in today’s time has transformed it from a seasonal concern to a year-round problem that needs to be addressed. Despite this shift, consumer attitudes have been slow to adapt, and many have only recently begun to seek private, portable solutions for their living spaces. Another major hindrance to greater air purifier adoption is the inadequate awareness regarding respiratory diseases and the long-term health consequences of poor indoor air quality. With proper customer education this industry has tremendous potential for growth in the coming years.

High-Cost Barriers and Maintenance Expenses

Many small home appliances, especially air purifiers and advanced vacuum cleaners, come with high purchase and maintenance costs. Most consumers in India often perceive these products as luxury items, and additional expenses, such as filter replacements and periodic maintenance, can discourage adoption.

OPERATIONAL BENCHMARKING

Evolution of Players into Different Categories

Companies often evolve into different product categories to diversify their portfolios and capture new market opportunities. This expansion may start with core strengths, gradually delving into related product categories. To give an example, brands in consumer durables segment expand into complementary segments like home and kitchen appliances. Such evolution allows them to leverage existing expertise, brand recognition, and distribution networks to tap into wider consumer needs.

Players	Year of Establishment	Year of Expansion	Business Segment
Kent	1999	1999	Water Purifiers
		1999	Water Softeners
		2016	Air Purifier
		2017	Kitchen Appliances
		2022	Cookware
		2024	Vacuum Cleaner
Eureka Forbes	1982	1982	Vacuum Cleaner
		1984	Water Purifiers
		2017	Air Purifier
LG Electronics	1997	1998	Colour TVs
		1998	Air Conditioners
		1998	Washing Machines
		1999	Microwave ovens
		2000	Vacuum Cleaners
		2003	Mobile Phones
		2004	Desktop PC
		2006	Notebook computer
		2009	Air Purifier
		2013	OLED TV
Livpure	2012	2012	Water Purifiers
		2015	Air Purifier
		2020	Mattress
		2023	Chimney
Atomberg	2012	2016	Fans
		2023	Mixer Grinder
		2023	Smart Locks
Orient Electric	1954	1954	Fans
		2008	CFL, FTLs
		2011	Air Coolers
		2011	Water Heaters
		2011	Mixer Grinders
		2011	Toasters
		2011	Electric Kettles
		2011	Coolers
		2011	Induction Cookers,
		2011	Rice Cookers
		2011	Electric Irons
		2014	LED
		2021	Switch
A.O. Smith	2008	2008	Water Heaters
		2015	Water Purifiers
Havells	1958	1976	Rewireable switches & changeover switches
		1979	HBC Fuses
		1980	Energy Meters
		1987	MCBs
		1993	Control gear products
		1996	Wires & cables
		2003	CFLs, Fans, Lighting
		2010	Electrical Water Heaters
		2012	Kit Kat Switches
		2013	Self-Priming Monoblock Pumps
		2016	Solar business
		2017	Personal grooming business
Bajaj Electricals	1938	1964	Electric fans
		1994	Power tools, household appliances
		1998	Fans & die-cast components
		1999	Wind energy generation
		2001	Switches
		2005	Fans
		2007	CFLs
Crompton	2015	2016	Ceiling fans
		2017	LED Lightings
		2018	Water Heater
		2020	Air Coolers
		2022	Kitchen Appliances

Players	Year of Establishment	Year of Expansion	Business Segment
V-Guard	1977	1980	Stabilizers for Air Conditioners
		1992	Pumps
		1996	Wiring cables & water heaters
		1998	UPS
		2002	Solar water heaters
		2006	Electric fans
		2009	Inverters & batteries
		2011	Switchgears
		2012	Induction Cooktops
		2016	Smart water heaters
		2018	Modular switches & Air coolers
		2021	Smart Pumps

Evolution of Players into Different Categories

Source: Company Websites, Technopak Analysis

Certifications

Industry certifications play a crucial role in ensuring the quality, safety, and compliance of products in sectors such as water purifiers, fans, and small home and kitchen appliances. Many certifications such as ISO 9001 (quality management), ISO 14001 (environmental management), and ISO 45001 (occupational health and safety management) signify adherence to internationally recognized standards. NSF/ANSI 58 is an American National Standard for point-of-use reverse osmosis systems. Out of all the players manufacturing their water purifiers in India, Kent is the first and only player with NSF/ANSI 58 (an American national standard for point-of-use revenue osmosis systems) certification. Certain other certifications such as ISO 21702 (antiviral activity on plastics and other non-porous surfaces) and certifications by the BIS (Bureau of Indian Standards) ensure consumer safety and product performance in the Indian market. These certifications not only help companies adhere to regulatory standards but also boost consumer confidence in the safety and quality of their products. In water purifier category, amongst the industry peers, Kent has highest number of certifications.

Certifications of Key Players

Players	Certifications
Kent	NSF/ANSI 58, CE Certification, TUV SUD America, ROHS compliant, WQA Gold Seal Product Certification, ISO 9001, ISO 14001, ISO 45001, BIS Certified
Eureka Forbes	ISO 14001, 9001, GC Mark
LG Electronics	ISO 9001, 14001, 45001, NSF/ANSI 61 (1), NSF/ANSI 61 (2) *
Livpure	ISO 9001, 14001, CE Certification from UL Lab, Performance Test from Intertek, Performance Test from TUV SUD South Asia, Life Test from TUV SUD South Asia, Performance Test of Brahma, Brahma Neo & Livpure Fit from FICCI Lab, Food grade certification of WET components from FICCI Lab
Atomberg	NA
Orient Electrics	ISO 14001, 45001, 50001, 9001
Havells	ISO 27001, 9001, 14001, 50001, 45001, Zero Waste to Landfill Certification by Intertek, Various UL certifications for Lighting, Cables and Air Conditioners, SLSI Certifications for Fans, G-Mark Certifications for various Small Domestic Appliances
Bajaj Electricals	ISO 9001, 14001, 45001, Zero Waste to Landfill by Intertek
Crompton	ISO 9001, 14001, 45001, BIS certifications, BEE certifications
V-Guard	IS0 12615, 694, 12615, 8472

Source: Company Websites, Technopak Analysis
*Note: NA means data not available; *South Korean Plant*

Awards and Recognition

In India, several leading players in the consumer appliances industry have earned recognition and awards for their innovation, quality etc. Leading players in water purifier category such as Kent has been awarded as India's "Most Desired Water Purifiers Brand" for year 2024 and as India's "Most Desired Consumer Appliances Brand" for year 2024 by Trust Research Advisory (TRA). Leading players in BLDC fans category such as Atomberg has been awarded as the "Best Energy Efficient Appliance of the Year in the Ceiling Fan Category" under National Energy Conservation Awards - 2022 (NECA 2022). These awards reflect the trust and quality that these brands bring to the consumers of the Indian market.

Price Segmentation of Product Portfolio

As per price points, various product categories can be classified into three segments, namely economy, standard, and premium. Over the past few years, there is a steady shift towards the premium segment, with players providing top-tier features, advanced technology, and brand value for consumers seeking superior quality.

Price Segmentation for Key Product Categories (in ₹)

Product Category	Economy	Standard	Premium
Water Purifiers	<10,000	10,000 - 18,000	>18,000
Fans	<1,500	1,500 - 4,500	>4,500

Note: Price Segmentation basis MOP
Source: Technopak Analysis

Category Presence

Companies in consumer durables and appliances market face competition from both domestic and international players for their products. It is typically driven by several key factors, including product differentiation, pricing and product quality. As a result, companies expand their category presence to cater to a wider variety of consumers by diversifying their product offerings and adapting to changing market trends. This often involves launching new product lines, modifying existing products to appeal to different demographic segments, and entering adjacent markets. For instance, leading players such as Kent derive approximately 83.74% of their revenue from water purifier category, which is their core category. They have also expanded their product portfolio to kitchen and home appliances, fans and water softener category, which help them garner approximately 10.66%, 2.61% and 2.19% respectively of their total revenue from operations. Strategic initiatives such as innovation in design and functionality, collaborations with other brands, and targeted marketing campaigns also help companies reach varied consumer groups. Within the water purifier category, leading players like Kent and Eureka Forbes are present across all price segments. Amongst its peers, Kent has the largest number of SKUs in the overall water purifier category as well as in the premium segment. As per the consumer research conducted by Avance, Kent brand is identified to be synonymous with the RO water purifier category in the Indian market. In the fans category, leading players like Crompton, Havells, and Orient Electric are present across all price segments. These players are incessantly increasing their focus on the BLDC segment. Kuhl focuses only on BLDC fans, with most of their SKUs falling into the premium segment. While Kent's BLDC fan business is still at a nascent stage, the 'Kuhl' brand has already become a challenger brand in the branded fan market.

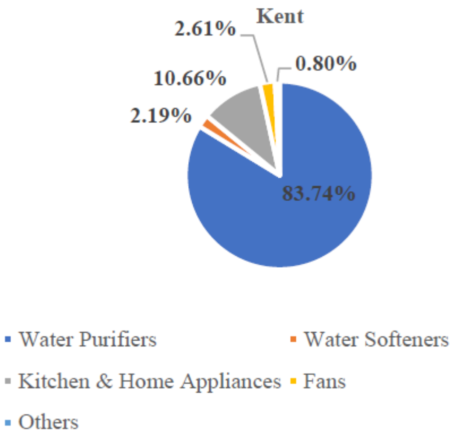
Category Presence of Key Players Across Product Categories

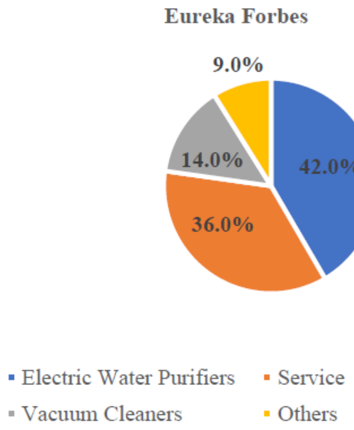
Players	Water Purifier	Fans	Small Kitchen Appliances	Small Domestic Appliances	Others	Primary Category
Kent	✓	✓	✓	✓	Cookware	Water Purifiers
Eureka Forbes	✓	-	-	✓	-	Water Purifiers
LG Electronics	✓	-	-	✓	Air Conditioners, monitors, projectors, laptops, TV	Refrigerators, Air Conditioners, Washing Machines & Microwave Ovens
Livpure	✓	-	-	✓	Mattress, beddings, air coolers, smart plugs	Water Purifiers
Havells	✓	✓	✓	✓	Lights, switches, pumps, switchgears	Switchgears, Cables, Lighting & fixtures
Atomberg	-	✓	✓		Smart locks	Fans
Orient Electric	-	✓	✓	✓	Lights, air coolers, water heaters, room heaters	Fans
Bajaj Electricals	-	✓	✓	✓	Lights, cookware, water heaters, room heaters	Fans, Consumer Appliances
A.O. Smith	✓	-	-	-	Water heaters, heat pumps	Water Purifiers, Water heaters
V-Guard	✓	-	✓	-	Wires, cables, modular switches	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches

Players	Water Purifier	Fans	Small Kitchen Appliances	Small Domestic Appliances	Others	Primary Category
Crompton	-	✓	✓	✓	Lights, pumps, water heaters	Fans

Source: Company Websites, Technopak Analysis

Revenue Split of Key Players Across Product Segments (Fiscal 2024)





Source: Annual Report, Technopak Analysis,
Note: Others revenue for Kent includes vacuum cleaner, air purifiers, humidifier etc., and others revenue for Eureka Forbes includes non-electric water purifier, air purifiers, water softener, B2B water products etc.
For other peers in water purifier category, Data not available. For remaining players, peer to peer comparison cannot be done as their core categories are different.

Key Players Presence Across Price Segments and Respective SKUs and Price Range (in ₹) (Water Purifiers)

Players	SKU				Price Range
	Total Count	Economy	Standard	Premium	
Kent	51	9	21	21	1,749-23,500
Eureka Forbes	36	10	15	11	1,999-32,000
LG Electronics	24	NA	NA	NA	NA-28,490
Livpure	14	2	9	3	7,090-24,790
Havells	27	6	12	9	7,990-25,590
A.O. Smith	28	-	8	20	11,600-33,100

Source: Company Websites, Technopak Analysis
Note: Segmentation basis MOP from company websites
Note: NA means data not available

Key Players Presence Across Price Segments and Respective SKUs and Price Range (in ₹) (Fans)

Players	SKU				Price Range
	Total Count	Economy	Standard	Premium	
Kuhl	126	-	37	89	2,780-20,475
Havells	381	11	276	94	1,710-22,348
Atomberg	172	-	107	65	1,749-7,499
Orient Electric	252	9	169	74	1,119-27,239
Bajaj Electricals	181	-	94	87	1,699-18,000
V-Guard	100	NA	NA	NA	NA
Crompton	251	2	110	139	1,499-16,999

Source: Company Websites, Technopak Analysis
Note: Segmentation basis MOP from company websites
Note: NA means data not available

Manufacturing Facilities and Strategy

In-house manufacturing offers greater control over quality, production schedules, and intellectual property but requires significant investment in facilities and technology. Outsourcing manufacturing can reduce costs and increase scalability but may lead to challenges with quality control and supply chain reliability. Leading brands such as Kent fully manufacture in-house, along with key components like membrane, pumps, with limited imports of other components. Among the brands manufacturing water purifiers in India, Kent is the largest manufacturer with an annual capacity of 1.4 million units.

Manufacturing Strategy, Plant Locations, and Capacity of Key Players

Players	Manufacturing Strategy	Plant Location	Category	Capacity (in million)
Kent	Fully manufactured in-house, along with key components like membrane, pumps etc., with limited imports of other components	Roorkee, Noida	Water Purifier	1.4
Eureka Forbes	Largely manufactured in-house with limited technological imports from South Korea	Dehradun, Bengaluru	Water Purifier	1.15*
Livpure	Largely manufactured in-house with limited technological imports from other countries	Una (HP), Baddi (HP)	Water Purifier	1
LG Electronics	Imports final finished product (water purifier) from its South Korean plant	Pune, Greater Noida	Side by Side refrigerators	0.2
			Dual Inverter Air Conditioner Compressors	1
Havells	Manufactures all the parts of the product in-house and is not dependent on imports or third-party manufacturers.	Alwar, Baddi, Faridabad, Haridwar, Neemrana, Sahibabad, Ghiloth, Sri City, Andhra Pradesh, Tumkur	Wires & Cables	NA
			Switches & switchgears	NA
			Lightings	NA
			Fans	NA
			Water Purifier	1
			AC	NA
			Bulbs	8.4
			Panel Lights	0.24
			Industrial Lights	0.01
Atomberg	Largely manufactures all the products in-house with limited Imports from China.	Pune, Navi Mumbai	Fans	9
			Mixer Grinder	0.3
Orient Electric	Manufactures all the products in-house with limited Imports from China and Japan.	Telangana, Faridabad, West Bengal and Noida	Fans	NA
			Lights & Luminaries	NA
Bajaj Electricals	Largely manufactured in-house with limited technological imports from South Korea	Pune (40,000MT/yr), Chakan, Nashik, Aurangabad (Nirlep Aplliances)	Fans	NA
			LED	NA
A.O. Smith	Largely manufactures all the products in-house with limited Imports of components from their plant in China	Bengaluru	NA	NA
V-Guard	Manufactures inhouse with limited components exported from China	Coimatore, Kashipur, Kala Amb, Perundai, Roorkee, Sikkim	Fans	NA
			Wires & Cables	NA
			Switches & Switchgears	NA
Crompton	Manufactures inhouse with limited components exported from China	Goa, Vadodra, Ahmednagar, Baddi	Lightings	NA
			Fans	NA

Source: Company Websites, Technopak Analysis
**Note-As of Fiscal 2023*

Companies are focusing more on in-house manufacturing to enhance quality control, reduce costs, and minimise supply chain risks, thereby importing only limited specialised components. This approach helps them respond quickly to market needs while maintaining resilience against global disruptions and import-related challenges.

In House Manufacturing versus Outsourcing

Players	Inhouse Manufacturing	Imports/Outsourcing
Kent	✓✓✓	-
Eureka Forbes	✓✓	✓
LG Electronics	✓	✓✓
Livpure	✓✓	✓
Havells	✓✓✓	-
Atomberg	✓✓	✓
Orient Electric	✓✓	✓

Players	Inhouse Manufacturing	Imports/Outsourcing
A.O. Smith	✓✓✓	-
Bajaj Electricals	✓✓✓	-
V-Guard	✓✓	✓
Crompton	✓✓	✓

Source: Company Websites, Technopak Analysis

Key Mergers and Acquisitions

Key mergers and acquisitions ("**M&A**") in the consumer durables and appliances space often aim to consolidate market share, achieve vertical integration, or expand into new product lines. Notable examples include major players acquiring smaller, specialised companies to strengthen their portfolio and enhance innovation capabilities. For instance, acquisitions in the water purification and home appliance sectors have allowed larger companies to swiftly enter new markets without extensive R&D investments. For example, Advent acquired Eureka Forbes in 2021 to expand into the water purifiers market.

A company may acquire another to diversify its product offerings and quickly establish a foothold in a new segment, as demonstrated by Crompton when it acquired Butterfly Gandhimathi Appliances. This strategic move allowed Crompton to expand into the kitchen and home appliance sector, leveraging Butterfly's established product lines and market presence to broaden its portfolio and strengthen its competitive edge in the consumer goods industry.

Key Mergers and Acquisitions

Players	Key Acquisitions	Expansion	Year	Deal Amount (₹ Crore)
Advent	Eureka Forbes	Water Purifiers	2021	4,400
A.O. Smith	Pureit	-	2024	601
Havells	Promptec Renewable Energy Solutions	LED & Solar lighting	2015	65
	My Lloyd	Air Conditioners	2017	1,600
Bajaj Electricals	Nirlep Appliances Pvt Ltd	Home Appliances	2021	42.5
	Starlight Lighting	CFLs & LEDs	2021	60
	Trilux Lenze	Luminaires	2005	NA
Crompton	Butterfly Gandhimathi Appliances	Kitchen Appliances	2022	2,076
V-Guard	Simon Electric Pvt Ltd	Switches & Switchgears, Fan regulators, home automation	2021	27

Source: Company Websites, Technopak Analysis

Distribution Channel

Companies compete based on the quality of their after-sales service, which includes the availability of qualified personnel and responsive customer support. Sales channel mix for water purifiers in India consists of direct sales, retail sales, e-commerce, and institutional sales. The retail sales channel further consists of general trade (distribution and trade) and modern trade. The retail sales channel helps water purifier players to reach out to more customers and improve their brand presence. E-commerce sales channel provides players with access to larger part of India (multiple cities/states) without the need for having physical store. Direct sales channels are cost-effective (as there are no intermediaries) and help companies to better understand their customers' needs and get transparent feedback from them. This eventually helps them improve their product and services, thereby increasing their top line and bottom-line. Leading players like Kent and Eureka Forbes are present across all the distribution channels with Kent deriving approximately 66% of its revenue from GT and Eureka Forbes deriving approximately 38% of its revenue from MT.

Distribution across various Channels (for Water Purifiers only)

Players	Direct Sales	Retail Sales		E Commerce
		General Trade	Modern Trade	
Kent	11%	66%	9%	13%
Eureka Forbes	26%	20%	38%	15%

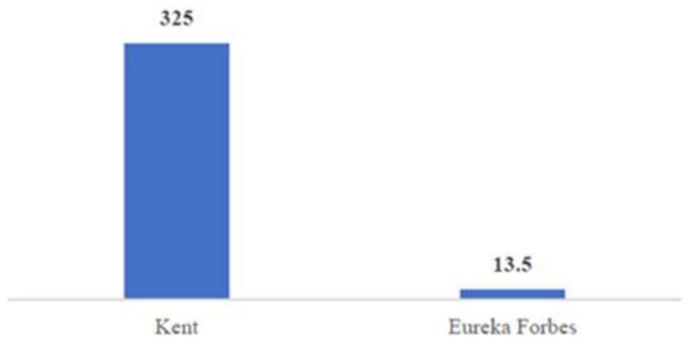
Players	Direct Sales	Retail Sales		E Commerce
		General Trade	Modern Trade	
LG Electronics	-	35%	60%	5%
Pureit	-	35%	60%	5%
Livpure	-	35%	60%	5%
Havells	-	35%	60%	5%

Source: Company Websites, Technopak Analysis

Exports versus Domestic Markets

Exports allow companies to access global markets, diversify their revenue streams, and enhance brand visibility. However, they also face challenges such as regulatory compliance and currency risks. Kent has successfully navigated these challenges by exporting to regions including Asia, Africa, Europe, the Middle East, and SAARC countries. In water purifier category, among branded players, Kent is the largest exporter, exporting products valued approximately ₹ 325 million in Fiscal 2024. On the other hand, its peers in the industry, had a negligible share of exports in their overall revenue.

Water Purifier Exports for Leading Players (in ₹ million)



Source: Company Annual Reports, Technopak Analysis

Marketing Spend & Marketing Yield

Marketing spend refers to the total financial investment a company allocates toward marketing activities, such as advertising, promotions, and digital campaigns, to increase brand visibility and drive sales. Marketing spend as a percentage of revenue from operations indicates the portion of a company's revenue dedicated to marketing efforts. This ratio helps assess how aggressively a company is investing in brand growth and customer acquisition relative to its overall revenue. Higher marketing spend percentages might suggest a focus on rapid market expansion or brand positioning, while lower percentages may reflect a mature market position or cost optimisation strategy. Companies often benchmark this metric against industry standards to gauge competitive positioning and ensure efficient allocation of resources. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, marketing spend as a percentage of revenue from operations for Kent were 13.16%, 13.25% and 11.33% respectively. In contrast, marketing spend as a percentage of revenue from operations for its peers such as Eureka Forbes were 9.45%, 9.11% and 8.83% for Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively.

Marketing Spend (in ₹ million) (Fiscal)

Player	2022	2023	2024
Kent	1,186.42	1,437.02	1,550.40
Eureka Forbes	337.21	1,899.99	2,067.75
Livpure	270.00	223.74	215.36
LG Electronics	7,554.00	8,899.00	9,408.00
Havells	2,468.20	4,374.00	5,273.60
Bajaj Electricals	2,326.84	2,922.52	2,098.43
Atomberg	378.15	570.47	739.96
Orient Electric	732.30	1,089.60	1,349.70
A.O. Smith	238.24	241.38	293.62
V-Guard	571.39	892.05	1,268.50
Crompton	894.50	1,458.00	2,171.60

Source: Annual Reports, Technopak Analysis
Note: All figures are standalone except for Kent RO, Havells, Crompton, V-Guard, Bajaj Electricals, and Eureka Forbes

Note: NA means Data Not Available, Na (1): can't be calculated due to one of the figures being 0, unavailability, negative numerator, denominator or both

Marketing Spend as a percentage of Revenue from Operations (%) (Fiscal)

Player	2022	2023	2024
Kent	11.33%	13.25%	13.16%
Eureka Forbes	8.83%	9.11%	9.45%
Livpure	12.46%	7.61%	4.92%
LG Electronics	4.49%	4.48%	4.41%
Havells	1.77%	2.59%	2.84%
Bajaj Electricals	4.83%	5.98%	4.52%
Atomberg	10.94%	8.84%	8.72%
Orient Electric	2.99%	4.31%	4.80%
A.O. Smith	7.18%	5.76%	6.29%
V-Guard	1.63%	2.16%	2.61%
Crompton	1.66%	2.12%	2.97%

Source: Annual Reports, Technopak Analysis
*Marketing Yield= (Marketing Spend/Revenue from Operations) *100*
All figures are standalone except for Kent RO, Havells, Crompton, V-Guard, Bajaj Electricals and Eureka Forbes (Fiscal 2023 and Fiscal 2024)
Note: NA means Data Not Available, Na (1): can't be calculated due to one of the figures being 0, unavailability, negative numerator, denominator or both

Marketing Activities

Marketing activities encompass Above-the-Line ("**ATL**") strategies, such as mass media advertising (TV, radio, print) aimed at broad audience reach. Below-the-Line ("**BTL**") activities focus on targeted, direct marketing efforts like events, promotions, and in-store activations to engage specific consumer segments. Digital initiatives leverage online platforms, including social media, SEO, and email marketing, to build brand awareness and drive customer engagement in the digital space. Kent has partnered with Bollywood actress Hema Malini as its brand ambassador for more than 20 years, to enhance its brand visibility and connect with a broader audience. The collaboration centers on promoting Kent's water purifiers and health-focused products by leveraging Hema Malini's trusted image and widespread appeal. This partnership highlights the brand's dedication to healthy living and advanced technology and has been successfully ongoing for over 20 years.

Presence in different kind of Marketing Activities

Players	ATL	BTL	Digital Initiatives
Kent	✓	✓	✓
Eureka Forbes	✓	✓	✓
LG Electronics	✓	✓	✓
Livpure	✓	✓	✓
Havells	✓	✓	✓
A.O. Smith	✓	✓	✓
Havells	✓	✓	✓
Bajaj Electricals	✓	✓	✓
Crompton	✓	✓	✓
V-Guard	-	-	✓

Source: Company Websites, Technopak Analysis

Brand Positioning

Brand positioning involves creating a distinct image and value perception in the minds of consumers to differentiate a brand from its competitors. It focuses on highlighting unique attributes and benefits that resonate with the target audience to build brand loyalty and recognition. Kent positions its brand by marketing its water purifiers as advanced technology solutions that emphasize zero water wastage and promote health benefits and purity. This brand positioning highlights their commitment to innovation and environmental sustainability, appealing to consumers seeking effective and eco-friendly water purification.

Brand Positioning

Player	Category	Theme of Marketing/Brand Campaigns	Taglines
Kent	Water Purifier	Focus on Health and Purity, Advanced Technology, and Zero Water Wastage	”Kent deta hai Sabse Shudh Paani” (Using since last 12 years)
	Fan (Kuhl)	Focus on Energy, Environment, and Technology	“Stylish Fans for Modern Homes”
Eureka Forbes	Water Purifier	Focus on Style, Convenience, Functionality, and Advanced Technology	“Where style meets technology” “Aquaguard- Paani Ka Doctor” “Paani Saaf Toh Hum Safe”
LG	Small Domestic Appliances	Focus on Health and Advanced Technology	“Life’s good”
Livpure	Water Purifier	Advanced Technology, Modern Design, and Value for Money	“Crafted for your well-being”
Havells	Fan	Advanced Technology and Health Benefits	“Enriching homes” “Look Up to Havells” for Havells (for BLDC Fans)
	Water Purifier	Advanced Technology and Energy Efficiency	“Sahi Paani Ka Sign Havells Alkaline”
A.O. Smith	Water Purifier	Advanced Technology, Innovation, and Reliability	“150 years of innovation”
Atomberg	Fan	Advanced Technology, Innovation, and Energy Efficiency	“Why not?”
Orient Electric	Fan	Energy Efficiency, Advanced Technology, and Smart Solutions	“Technology that cares” “Orient BLDC Ghumega, Toh India Jhumega” for BLDC fans
Bajaj Electricals	Fan	Trust, Reliability, and Durability	“Built for life” “Fan Nahi Fantastic” for fans
V-Guard	Fans	Reliability and Innovation	“Bring home a better tomorrow”
Crompton	Fans	Energy Efficiency and Innovation	“Transforming while performing” “Let’s Hangout Ghar Pe”

Source: Company Websites, Technopak Analysis

FINANCIAL BENCHMARKING

Revenue from Operations

Revenue from operations serves as the primary indicator for assessing a company's financial performance. This metric acts as the indicator of business success, illustrating the company's capacity to generate income through its core activities. It shows how efficiently the business is performing in its primary operations.

Revenue from Operations (in ₹ million) (Fiscal)

Revenue from operations serves as the primary indicator for assessing a company's financial performance. This metric acts as the indicator of business success, illustrating the company’s capacity to generate income through its core activities. It shows how efficiently the business is performing in its primary operations.

Player	2022	2023	2024	H1 2025	Y-o-Y growth (2022-2023)	Y-o-Y growth (2023-2024)	CAGR 2022-2024
Kent	10,473.67	10,843.94	11,781.85	6,371.88	3.54%	8.65%	6.06%
Eureka Forbes*	3,817.50	20,845.05	21,892.50	12,265.19	446.04%	5.02%	139.47%
Livpure	2,167.47	2,941.08	4,377.37	NA	35.69%	48.84%	42.11%
LG Electronics**	1,68,342.00	1,98,646.00	2,13,520.00	64,087.97	18.00%	7.49%	12.62%
Havells	1,39,384.80	1,69,107.30	1,85,900.10	1,03,455.20	21.32%	9.93%	15.49%
Bajaj Electricals	48,130.15	48,892.45	46,412.68	22,732.40	1.58%	-5.07%	-1.80%

Player	2022	2023	2024	H1 2025	Y-o-Y growth (2022-2023)	Y-o-Y growth (2023-2024)	CAGR 2022-2024
Atomberg	3,457.49	6,451.39	8,486.17	NA	86.59%	31.54%	56.67%
Orient Electric	24,483.70	25,291.70	28,121.20	14,150.10	3.30%	11.19%	7.17%
Whirlpool	61,965.70	66,676.50	68,297.90	42,098.50	7.60%	2.43%	4.99%
V-Guard	35,001.86	41,271.90	48,566.70	27,710.90	17.91%	17.67%	17.79%

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports
Note: All figures are standalone except for Kent RO, Livpure, Havells, Bajaj Electricals, Eureka Forbes, Whirlpool, and V-Guard.
**The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022. High CAGR of Eureka Forbes is because of very low base in FY2022, owing to the said demerger.*
*** As the H1 2025 financials of LG Electronics were unavailable, Q1 2025 financials were used instead.*
NA means Data Not Available, Na (1): Can't be calculated due to unavailability, negative numerator, denominator or both

EBITDA and EBITDA Margin

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) assesses a company's operational performance by excluding expenses not related to its core activities. It provides a view of profitability based solely on the company's primary operations.

The EBITDA margin is derived by dividing EBITDA by revenue from operations. This ratio reveals the portion of revenue that is converted into EBITDA, showcasing how efficiently the company operates and its profitability before considering financial costs and non-cash accounting adjustments. In Fiscal 2024, Kent registered the highest EBITDA margin of approximately 15.45% among key industry peers.

EBITDA (in ₹ million) and EBITDA Margin (%) (Fiscal)

Player	2022		2023		2024		H1 2025	
	EBITDA	EBITDA Margin	EBITDA	EBITDA	EBITDA	EBITDA Margin	EBITDA	EBITDA Margin
Kent	2,008.09	19.17%	1,493.83	13.78%	1,820.02	15.45%	659.26	10.35%
Eureka Forbes*	183.37	4.80%	1,049.98	5.04%	1,834.96	8.38%	1,323.75	10.79%
Livpure	-446.35	-20.59%	-346.31	-11.78%	-94.76	-2.16%	NA	NA
LG Electronics**	17,087.00	10.15%	18,993.00	9.56%	22,249.00	10.42%	9,580.66	14.95%
Havells	17,604.20	12.63%	15,991.40	9.46%	18,426.20	9.91%	9,473.10	9.16%
Bajaj Electricals	2,369.24	4.92%	3,747.51	7.66%	2,596.88	5.60%	1,270.20	5.59%
Atomberg	-359.26	-10.39%	-1,275.73	-19.77%	-1,871.10	-22.05%	NA	NA
Orient Electric	2,313.20	9.45%	1,506.10	5.95%	1,630.00	5.80%	757.10	5.35%
Whirlpool	7,504.20	12.11%	3,703.40	5.55%	3,840.80	5.62%	2,979.50	7.08%
V-Guard	3402.29	9.72%	3201.20	7.76%	4267.10	8.79%	2,660.30	9.60%

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports.
EBITDA= (Finance Cost + Depreciation & Amortization expenses + Profit before Tax from continuing operations) - Other Income
EBITDA Margin = EBITDA /Revenue from operations
**The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022.*
*** As the H1 2025 financials of LG Electronics were unavailable, Q1 2025 financials were used instead.*
Note: NA means Data Not Available, Na(1): can't be calculated due to one of the figures being 0, unavailability, negative numerator, denominator or both

PAT and PAT Margin

Profit After Tax (PAT) and the PAT margin are crucial metrics for gauging a company's profitability after all operational and overhead expenses have been considered. These metrics provide a transparent perspective on the company's efficiency in managing its operations and producing net income. In Fiscal 2024, Kent registered the highest PAT margin of approximately 13.25% among key industry peers.

PAT (in ₹ million) and PAT Margin (%) (Fiscal)

Player	2022		2023		2024		H1 2025	
	PAT	PAT Margin	PAT	PAT Margin	PAT	PAT Margin	PAT	PAT Margin
Kent	1,546.80	14.25%	976.15	8.80%	1,669.83	13.25%	698.62	10.21%
Eureka Forbes*	26.15	0.68%	264.72	1.26%	956.50	4.35%	799.00	6.48%
Livpure	-449.08	-19.64%	-463.59	-15.54%	-167.22	-3.74%	NA	NA
LG Electronics**	12,056.00	7.08%	13,480.00	6.70%	15,111.00	7.01%	6,796.46	10.51%
Havells	11,964.70	8.49%	10,717.30	6.27%	12,707.60	6.75%	6,752.80	6.42%

Player	2022		2023		2024		H1 2025	
	PAT	PAT Margin	PAT	PAT Margin	PAT	PAT Margin	PAT	PAT Margin
Bajaj Electricals	1,244.07	2.55%	2,154.42	4.37%	1,358.77	2.87%	410.10	1.78%
Atomberg	-393.00	-11.30%	-1,383.56	-21.32%	-2,034.41	-23.53%	NA	NA
Orient Electric	1,266.40	5.16%	758.50	2.97%	752.70	2.66%	247.80	1.74%
Whirlpool	5,673.70	9.06%	2,240.10	3.30%	2,243.00	3.21%	1,987.80	4.61%
V-Guard	2,284.38	6.51%	1,890.50	4.56%	2575.80	5.27%	1,623.60	5.84%

Source: Annual Reports, Secondary Research, Technopak Analysis, MCA reports.
PAT= Profit before Tax from continuing operations – Tax expenses
PAT Margin= PAT from continuing operations/ Total Income
**The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022.*
*** As the H1 2025 financials of LG Electronics were unavailable, Q1 2025 financials were used instead.*
Note: NA means Data Not Available, Na(1): can't be calculated due to one of the figures being 0, unavailability, negative numerator, denominator or both.

Return on Equity

Return on Equity (ROE) assesses a company's profitability by measuring its ability to generate profit from shareholders' equity. This ratio is calculated by dividing Profit After Tax (PAT) by shareholders' equity. ROE offers critical insights into how well a company leverages investor funds to produce earnings and is a significant indicator of financial performance and management effectiveness.

Return on Equity (%) (Years in Fiscal)

Player	2022	2023	2024	H1 2025
Kent	10.67%	6.46%	9.95%	4.24%
Eureka Forbes*	0.06%	0.65%	2.26%	1.85%
Livpure	Na(1)	Na(1)	Na(1)	NA
LG Electronics**	21.92%	30.94%	40.06%	15.26%
Havells	19.93%	16.18%	17.06%	8.65%
Bajaj Electricals	7.30%	11.30%	9.43%	2.80%
Atomberg	-25.80%	-62.73%	Na(1)	NA
Orient Electric	23.40%	12.97%	11.78%	3.81%
Whirlpool	16.21%	6.11%	5.84%	5.20%
V-Guard	16.17%	11.76%	14.20%	8.41%

Source: Annual Reports, Technopak Analysis
Return on Equity= Profit after Tax (PAT)/Total Equity
Note: All figures are standalone except for Kent RO, Livpure, Havells, Bajaj Electricals, Eureka Forbes, Whirlpool, and V-Guard.
**The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022.*
*** As the H1 2025 financials of LG Electronics were unavailable, Q1 2025 financials were used instead.Note: NA: Not Available, Na(1): can't be calculated due to one of the figures being 0, unavailability, negative numerator, denominator or both.*

Marketing Spend & Marketing Yield

Marketing spend refers to the total financial investment a company allocates toward marketing activities, such as advertising, promotions, and digital campaigns, to increase brand visibility and drive sales. Marketing spend as a percentage of revenue from operations indicates the portion of a company's revenue dedicated to marketing efforts. This ratio helps assess how aggressively a company is investing in brand growth and customer acquisition relative to its overall revenue. Higher marketing spend percentages might suggest a focus on rapid market expansion or brand positioning, while lower percentages may reflect a mature market position or cost optimization strategy. Companies often benchmark this metric against industry standards to gauge competitive positioning and ensure efficient allocation of resources. In Fiscal 2024, Kent registered the highest marketing spend as a percentage of revenue among key industry peers, at approximately 13.16%.

Marketing Spend (in ₹ million) (Fiscal)

Player	2022	2023	2024	H1 2025
Kent	1,186.42	1,437.02	1,550.40	1,288.99
Eureka Forbes*	337.21	1,899.99	2,067.75	NA
Livpure	270.00	223.74	215.36	NA
LG Electronics	7,554.00	8,899.00	9,408.00	NA
Havells	2,468.20	4,374.00	5,273.60	3,030.30
Bajaj Electricals	2,326.84	2,922.52	2,098.43	NA

Player	2022	2023	2024	H1 2025
Atomberg	378.15	570.47	739.96	NA
Orient Electric	732.30	1,089.60	1,349.70	NA
Whirlpool	720.30	657.30	570.30	NA
V-Guard	571.39	892.05	1268.50	NA

Source: Annual Reports, Technopak Analysis
Note: All figures are standalone except for Kent RO, Livpure, Havells, Bajaj Electricals, Eureka Forbes, Whirlpool, and V-Guard.
**The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022.*
Note: NA means Data Not Available, Na (1): can't be calculated due to one of the figures being 0, unavailability, negative numerator, denominator or both

Marketing Spend as a percentage of Revenue from Operations (%) (Fiscal)

Player	2022	2023	2024	H1 2025
Kent	11.33%	13.25%	13.16%	20.23%
Eureka Forbes*	8.83%	9.11%	9.45%	NA
Livpure	12.46%	7.61%	4.92%	NA
LG Electronics	4.49%	4.48%	4.41%	NA
Havells	1.77%	2.59%	2.84%	2.93%
Bajaj Electricals	4.83%	5.98%	4.52%	NA
Atomberg	10.94%	8.84%	8.72%	NA
Orient Electric	2.99%	4.31%	4.80%	NA
Whirlpool	1.16%	0.99%	0.84%	NA
V-Guard	1.63%	2.16%	2.61%	NA

Source: Annual Reports, Technopak Analysis
*Marketing Yield= (Marketing Spend/Revenue from Operations) *100*
Note: All figures are standalone except for Kent RO, Livpure, Havells, Bajaj Electricals, Eureka Forbes, Whirlpool, and V-Guard.
**The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022.*
Note: NA means Data Not Available, Na(1): can't be calculated due to one of the figures being 0, unavailability, negative numerator, denominator or both

Exports vs Domestic Markets

Exports enable companies to access global markets, diversify revenue, and boost brand visibility, but come with challenges such as regulatory compliance and currency risks. Kent leverages this by exporting to regions including Asia, Africa, Europe, the Middle East, and SAARC countries. In Fiscal 2024, Kent reported export sales valued at ₹ 342.87 million, highlighting its significant international presence.

Revenue Split into Exports and Domestic Markets (in ₹ million) (Fiscal)

Players	2022		2023		2024	
	Exports	Domestic	Exports	Domestic	Exports	Domestic
Kent	352.17	10,121.50	337.54	10,506.39	342.87	11,438.98
Eureka Forbes	23.85	3,793.65	78.60	20,766.45	13.48	21,879.02
Livpure	370.68	21,303.98	245.19	29,165.65	638.59	43,135.07
LG Electronics	8,183.23	160,158.77	9,544.63	189,101.37	9,884.68	203,635.32
Havells	5,044.40	134,340.40	4,855.80	164,251.50	6,032.30	179,867.80
Bajaj Electricals	1,220.14	46,910.01	643.87	48,248.58	716.24	45,696.45
Atomberg	0.00	34,574.91	0.00	64,513.94	0.00	84,861.65
Orient Electric	138.01	2310.36	114.43	2,414.74	131.19	2,680.93
Whirlpool	3,245.40	58,720.30	3,087.30	63,589.20	2,890.90	65,407.00
V-Guard	100.72	34,901.14	51.60	41,220.30	122.60	48,444.10

Players	2022		2023		2024	
	Exports	Domestic	Exports	Domestic	Exports	Domestic
Kent	3.36%	96.64%	3.11%	96.89%	2.91%	97.09%
Eureka Forbes	0.62%	99.38%	0.38%	99.62%	0.06%	99.94%
Livpure	1.71%	98.29%	0.83%	99.17%	1.46%	98.54%
LG Electronics	4.86%	95.14%	4.80%	95.20%	4.63%	95.37%
Havells	3.62%	96.38%	2.87%	97.13%	3.24%	96.76%
Bajaj Electricals	2.54%	97.46%	1.32%	98.68%	1.54%	98.46%
Atomberg	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%
Orient Electric	5.64%	94.36%	4.52%	95.48%	4.67%	95.33%
Whirlpool	5.24%	94.76%	4.63%	95.37%	4.23%	95.77%

Players	2022		2023		2024	
	Exports	**Domestic**	**Exports**	**Domestic**	**Exports**	**Domestic**
V-Guard	0.29%	99.71%	0.13%	99.87%	0.25%	99.75%

Note: Exports expressed as a percentage of revenue from operations
Note: All figures are standalone except for Kent RO, Livpure, LG Electronics, Havells, Bajaj Electricals, V-Guard, Eureka Forbes, and Whirlpool.
Source: Company Websites, Technopak Analysis

OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 24 for a discussion of the risks and uncertainties related to those statements and "**Risk Factors**", "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 26, 245 and 315, respectively, for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "**Restated Consolidated Financial Information**" on page 245. Also see, "**Definitions and Abbreviations**" on page 1 for certain terms used in this section. Unless otherwise stated or the context otherwise requires, references in this section to "we", "us", or "our" are to Kent RO Systems Limited on a consolidated basis while "our Company" or "the Company" are to Kent RO Systems Limited on a standalone basis.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India" dated January 9, 2025 (the "**Technopak Report**") prepared and issued by Technopak Advisors Private Limited, appointed by us pursuant to an engagement letter dated October 7, 2024 and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with the Offer. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. A copy of the Technopak Report is available on the website of our Company at https://www.kent.co.in/ir/offer-documents/. For further information, see "**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**" on page 54. Also see, "**Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data –Industry and Market Data**" on page 22.*

Overview

Our brand 'Kent' is well-established and is recognized as the pioneer in introducing reverse osmosis ("**RO**") technology in the water purifier product category in India. (*Source: Technopak Report*) Our Promoter, Chairman and Managing Director, Mahesh Gupta introduced a water purifier using RO technology to the water purification industry in India in 1999. (*Source: Technopak Report*) Our water purifiers have received the NSF/ANSI 58 (an American national standard for point-of-use revenue osmosis systems) certification, making us the first and only water purifier manufacturer in India to obtain this certification. (*Source: Technopak Report*) We have developed our brand 'Kent', to the extent where it has become synonymous with the RO water purifier category in the Indian market. (*Source: Technopak Report*) We have leveraged the recognition we built in the water purification industry and diversified our product offerings to cater to various household needs, driving our growth. This includes selling kitchen and home appliances and water softeners under our brand 'Kent' and brushless direct current ("**BLDC**") fans under our brand 'Kuhl', all designed and manufactured with the same commitment to quality and innovation that defines our water purifiers. Our purpose is to innovate for better living by creating solutions that promote health, sustainability, and comfort. Through advanced technologies and responsible practices, we strive to address essential needs, empowering individuals and families to live healthier and more sustainable lives.

Over the years, we have introduced a range of innovative products to address real-world challenges and cater to evolving consumer requirements. We focus on practical, user-centric solutions to differentiate us from competition and fuel our growth. Our commitment to innovation in the water purifier product category has extended beyond mere water purification. We expanded our water purifier product portfolio to include non-electric purifiers, internet of things ("**IoT**")-enabled devices, and zero-water-wastage technologies, addressing a wide range of consumer challenges. For example, in 2005, we innovated water purifiers with patented mineral RO technology to retain essential minerals in purified water, balancing health benefits with improved taste, addressing consumer residing in areas with low total dissolved solids ("**TDS**") levels. In 2010, we introduced India's first patented water purifier with a removable storage tank that allowed consumers to clean it easily ensuring better hygiene and convenience. (*Source: Technopak Report*) In 2012, we innovated our patented zero-water-wastage technology, which stored both, purified and rejected water for reuse and then later patented our enhanced model in 2019 to pump rejected water back into household tanks. In 2016, we innovated India's first patented IoT-enabled water purifier (*Source: Technopak Report*), allowing consumers to monitor and maintain their purifiers through a mobile application. We introduced fans with BLDC motors, which consume approximately 24 to 38 watts of electricity compared to the 75 watts used by traditional fans currently sold in India, resulting in approximately 65% cost savings. (*Source: Technopak Report*) We have also introduced various kitchen and home appliances, including steam-based electric egg boilers, high-speed mixers, infrared cooktops, multicookers and vegetable cleaners, all designed to enhance convenience and efficiency for consumers. This commitment to innovation is driven by our R&D team, which focuses on enhancing product design and performance. Our R&D team, comprising 12 employees as of September 30, 2024, includes qualified professionals from diverse backgrounds in engineering, science and technology. As of the date of this Draft Red Herring Prospectus, pursuant to the agreement dated April 1, 2023, as amended by addendum agreement dated January 1, 2025, with our Promoter, Chairman and Managing Director, Mahesh Gupta ("**Promoter Licensing Agreement**"), we have the right to use 15 registered patents under the Patents Act, 1970, 97 registered trademarks under the Trademarks Act, 1999, 69 registered designs under the Designs Act, 2000 and 20 registered copyrights under the Copyrights Act, 1957 in India. In addition, we have 27 registered trademarks outside India including in, Bhutan, Cambodia, China, Democratic Republic of the Congo, Egypt, European Union, Indonesia, Kuwait, Malaysia, Mauritius, Mexico, Nepal, OAPI, Oman, Sri Lanka, United Arabian Emirates, United Kingdom, USA, Saudi Arabia and Zanzibar. Further, we also have the right to use eight patents under the Patents Act, 1970, 28 trademarks under the Trademarks Act, 1999, nine designs under the Designs Act, 2000, and 7 trademarks in Bangladesh, Nepal, Sri Lanka and Nigeria, collectively, for which our Promoter, Mahesh Gupta has made applications before the respective authorities and are pending registration, as on date of this Draft Red Herring Prospectus.

We have strategically undertaken brand-building initiatives to increase the visibility and growth of our brands. Our multifaceted marketing approach includes television advertisements, cricket sponsorships, print media, digital media platforms, social media and celebrity endorsements. We have leveraged the popularity of cricket and sponsored major events such as international and bilateral cricket tournaments, domestic cricket tournaments, as well as teams participating in a prominent cricket league such as Punjab Kings and Sunrisers Hyderabad. Such initiatives help us connect with a larger consumer base and build a brand association with the sport. The appeal of our brands is further bolstered by our long-standing association with Hema Malini, a renowned actress and public figure in India, who has been serving as our brand ambassador over a decade. In the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, our advertisement and business promotion expenses expressed as a percentage of our revenue from operations were 20.23%, 13.16%, 13.25% and 11.33%, respectively. In contrast, the marketing spend as a percentage of revenue from operations for our peers such as Eureka Forbes were 9.45%, 9.11% and 8.83% for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. (*Source: Technopak Report*)

We operate four manufacturing facilities: one in Roorkee, Uttarakhand ("**Roorkee Facility**"), and three in Noida, Uttar Pradesh, located at A6, Sector 87 ("**Noida Facility I**"), A7, Sector 87 ("**Noida Facility II**") and Plot No. 3, Sector 155 ("**Noida Facility III**"). Our Roorkee Facility is dedicated to manufacturing water purifiers and water softeners, while our Noida Facility I focuses on manufacturing water purifiers and kitchen and home appliances, and our Noida Facility II is dedicated to manufacturing fans. Our Noida Facility III serves as a mother-warehouse for all our manufacturing facilities and is also used for manufacturing fans and water softeners. We also have a R&D laboratory at our Corporate Office. Our manufacturing approach integrates both in-house production and external sourcing, allowing us to maintain stringent control over quality and operational processes. Our manufacturing facilities have obtained the ISO 9001:2015 certification for quality management systems, ISO 14001:2015 for environmental management systems, and ISO 45001:2018 for occupational health and safety.

We have multi-channel sales network to ensure our products are accessible through various touchpoints. Our sales channels include channel partners (comprising retail distributors, direct dealers and direct sales distributors), large format retail chains, regional retail chains, canteen stores department ("**CSD**") and central police canteen ("**CPC**") stores, e-commerce websites, and quick commerce platforms. As of September 30, 2024, we had 1,898 channel partners and our products are available in 6 large format retail chains, 50 regional retail chains, 34 CSD and 92 CPC stores. As of September 30, 2024, our products were sold on six e-commerce websites and four quick commerce platforms. In the water purifier category, we were the largest exporter in Fiscal 2024 (*Source: Technopak Report*) and have been awarded as a Star Performer for exports in Fiscals 2014, 2015, 2018, 2019 and 2024 by Engineering Export Promotion Council of India. Between April 1, 2021 and September 30, 2024, we sold our water purifiers in more than 30 countries, including Nepal, Bangladesh, Kuwait and UAE, through our distributors. In the six months ended September 30, 2024 and Fiscals 2024, 2023, 2022, our revenues from the exports of our products were ₹157.64 million, ₹342.87 million, ₹337.54 million and ₹352.17 million, representing

2.47%, 2.91%, 3.11% and 3.36% of our revenue from operations, respectively. We have also entered into a trademark license agreement with Stanley Black & Decker, Inc., under which our Company has been granted a license to use its trademark in India and certain other countries for RO water purifiers.

We are the only brand in India that provides a one-year product warranty along with four years of free service to our customers on certain types of water purifiers. (*Source: Technopak Report*) As of September 30, 2024, we had over 1,800 service partners across 28 states and 6 union territories. This extensive network helps ensure that our after-sales services for our products are accessible to a broader consumer base. As of September 30, 2024, we had over 5,000 technicians to handle service requests, of which over 400 were employed by our Company and over 4,600 were employed by our service partners, covering more than 15,000 serviceable pin codes, ensuring our consumers receive timely service. In addition, we operated 32 service branches in the Delhi-NCR region to provide after-sales services in the region, as of September 30, 2024.

Our Promoters and Senior Management have been instrumental in the growth of our business and have helped us deliver strong financial performance. Our Promoter, Chairman and Managing Director, Mahesh Gupta holds a bachelor's degree in technology (mechanical engineering) from the Indian Institute of Technology, Kanpur, and has completed a specialised training course from the Indian Institute of Petroleum, Dehradun. He has been conferred an honorary doctorate in philosophy by Sri Sri University. He is also on the Board of Governors of the Indian Institute of Technology, Kanpur, and is a former president of the PHD Chamber of Commerce and Industry. Our Promoter and Joint Managing Director, Varun Gupta holds a bachelor's degree in science (computer engineering) from Purdue University and a master's degree in business administration from Columbia University, New York, while our Promoter and Non-Executive Non-Independent Director Sunita Gupta holds a bachelor's degree in arts (honours) from Delhi University.

We have received numerous awards and recognitions, highlighting our commitment to quality, innovation, and consumer satisfaction. These include India's Water Purifiers Most Desired Brand, 2024 by Trust Research Advisory, India's Most Trusted Brand 2024-25 by Marksmen Daily, Promising Urban Water Solutions Provider award at the Water Digest World Water Awards 2023-2024, the Best Domestic Water Purifier Award 2018-2019, and 2016-2017 (for Kent Superb), Best Domestic Water Purifier award 2007-2008 by Water Digest - UNESCO, Asia's Most Promising Brand – Household Products Home Appliances, 2016 by World Consulting & Research Corporation, USA, India's Most Trusted Water Purifier in the Brand Trust Report India Study 2014 (published by Trust Research Advisory) for our Kent brand, and the Golden Peacock Award for Eco-Innovation in 2007 by World Environment Foundation.

We have established operational drivers that have helped us deliver growth in terms of revenue and profitability. Our revenue from operations has increased at a CAGR of 6.06% between Fiscal 2022 and Fiscal 2024 while our profit after tax from continuing operations has increased at a CAGR of 3.90% between the aforesaid period. In Fiscal 2024, we achieved the highest EBITDA Margin and PAT amongst our peers which include Eureka Forbes, V-Guard, Livpure, LG Electronics, Havells, Bajaj Electricals, Atomberg, Orient Electric and Whirlpool). (*Source: Technopak Report*) While we avail working capital facilities for our operational needs, our Company has not taken any long-term loan facilities since its incorporation as we focus on maintaining a cash surplus. We are committed to sustainable growth and innovation, with a focus on creating long-term value creation for our stakeholders. We also maintain a healthy cash position for ensuring liquidity to support ongoing operations. The table below sets forth certain financial information for the periods/years indicated:

Particulars	As at and for the six months ended September 30, 2024	As at and for the years ended March 31,		
		2024	2023	2022
Revenue from Operations (₹ million)	6,371.88	11,781.85	10,843.93	10,473.67
Profit after tax from continuing operations (₹ million)	698.62	1,669.83	976.15	1,546.80
PAT Margin (%)[(1)]	10.21%	13.25%	8.80%	14.25%
EBITDA (₹ million)[(2)]	659.26	1,820.02	1,493.83	2,008.09
EBITDA Margin (%)[(3)]	10.35%	15.45%	13.78%	19.17%
Return on Equity (%)[(4)]	4.24%[(5)]	9.95%	6.46%	10.67 %
Cash and cash equivalents (₹ million)	179.86	191.73	108.35	127.85
Bank balances other than cash and cash equivalents (₹ million)	1,366.70	2,739.90	2,914.78	2,688.45
Investments (₹ million)	2,598.05	2,002.94	1,112.76	1,420.33

[(1)]PAT Margin is calculated as profit after tax from continuing operations divided by total income.
[(2)] EBITDA is calculated as profit before tax from continuing operations plus (a) finance costs and (b) depreciation and amortization expense, and (c) less other income.
[(3)] EBITDA Margin is calculated as EBITDA divided by revenue from operations.
[(4)] Return on Equity is calculated as profit after tax from continuing operations divided by total equity.
[(5)] Not annualized.

For reconciliation in relation to the EBITDA, EBITDA Margin, PAT Margin and Return on Equity, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations–Non-GAAP Measures***" on page 329.

Industry Opportunity

India is witnessing a substantial surge in consumption, propelled by rising affluence, urbanization, and an expanding middle class. (*Source: Technopak Report*) As per the Technopak Report, the Indian water purifier market has exhibited continuous growth over the years. It has grown at a CAGR of approximately 4.9% from ₹ 6,960 crore in Fiscal 2019 to ₹8,860 crore in Fiscal 2024 and is further expected to grow at a CAGR of approximately 10.1% till Fiscal 2029 to reach a market value of ₹14,350 crore. The high growth rate of the water purifier market can be attributed to various factors, including increasing population, rising disposable income, growing water contamination, a surge in cases of water-borne diseases, increasing health consciousness among individuals, and the growth in electrification. (*Source: Technopak Report*)

The total kitchen appliances market has grown at a CAGR of approximately 6.7% from ₹15,635 crore in Fiscal 2019 to ₹21,630 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 8.5% till Fiscal 2029 to reach a market value of ₹32,590 crore. (*Source: Technopak Report*) This growth is fuelled by favourable demographic profile, growing middle-class and double-income households, urbanisation, nuclearization, higher disposable income and time constraints, increasing demand for premium smart kitchen appliances, regulatory compliance and the rise of quick commerce. (*Source: Technopak Report*) Similarly, the total market for BLDC fans in India has grown at a CAGR of approximately 62% from ₹ 200 crore in Fiscal 2019 to ₹2,250 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 37% till Fiscal 2029 to reach a market value of ₹10,765 crore, outpacing the overall fan market growth. As of Fiscal 2024, BLDC fans constituted approximately 15% of the overall fan market, which is projected to capture approximately 42% of the entire fans market by Fiscal 2029. The demand for BLDC fans is driven by the growing awareness of the advantages, that is being offered by BLDC fans such as higher efficiency, reduced noises etc., among the consumers are also going to drive the future market growth. (*Source: Technopak Report*)

Our brand recognition, manufacturing and product development capabilities, and extensive distribution network, position us to capitalise on the growth opportunities. For further information on the key growth drivers in the water purifier, kitchen and home appliances and fans industries, see "***Industry Overview***" on page 119.

Our Strengths

1. Category pioneer in R O water purifiers in India, with a large user base

Our water purification business is driven by a commitment to ensuring access to clean and safe water, leveraging advanced technologies to address one of the most fundamental needs of healthy living. Our brand, 'Kent', is well-established and is recognized as the pioneer for introducing RO technology in the water purifier product category in India. (*Source: Technopak Report*) In 1999, our Promoter, Chairman and Managing Director, Mahesh Gupta founded M/s Kent R O Systems, a partnership firm, and introduced a water purifier using RO technology to the water purification industry in India in 1999. (*Source: Technopak Report*). Subsequently, our Company was incorporated in 2007 and took over the business of M/s Kent R O Systems. Over the years, we have broadened our product range in the water purifier product category, serving over 5.50 million consumers as of September 30, 2024. Amongst our peers, we have the largest number of stock keeping units ("**SKUs**") in the overall water purifier category as well as in the premium segment. (*Source: Technopak Report*) Our product offerings include mineral RO water purifiers, ultraviolet ("**UV**") water purifiers, gravity-based ultrafiltration ("**UF**") water purifiers, and Nectar Hydrogen Water Makers. These products cater to diverse needs and preferences across different price points and applications, ensuring advanced solutions for clean and safe drinking water for a broad consumer base. We also sell water softeners under our brand 'Kent'. These water softeners are designed to convert hard water into soft water, prevent scale buildup in appliances and improve water quality.

Wall-mounted RO Water Purifier

Under-the-counter RO Water Purifier

Gravity-based UF Water Purifier

UV Water Purifier

Nectar Hydrogen Water Makers

Water Softeners

Our water purifiers have received the NSF/ANSI 58 (an American national standard for point-of-use revenue osmosis systems) certification, making us the first and only water purifier manufacturer in India to achieve this certification (*Source: Technopak Report*), Bureau of India Standards ("**BIS**") certification for compliance with the Bureau of Indian Standards for water treatment and safety, the WQA Gold Seal certification for meeting standards for contaminant reduction and material safety, and CE certification for adherence to European health, safety, and environmental standards. In water purifier category, amongst our peers, we have highest number of certifications. (*Source: Technopak Report*) These certifications demonstrate our commitment to providing safe and reliable water purification solutions.

We have received numerous awards and recognitions in the water purifier product category, highlighting our commitment to quality, innovation, and consumer satisfaction. These include India's Water Purifiers Most Desired Brand, 2024 by Trust Research Advisory, India's Most Trusted Brand 2024-25 by Marksmen Daily, Promising Urban Water Solutions Provider award at the Water Digest World Water Awards 2023-2024, the Best Domestic Water Purifier Award 2018-2019, and 2016-2017 (for Kent Superb), Best Domestic Water Purifier award 2007-2008 by Water Digest - UNESCO, Asia's Most Promising Brand – Household Products Home Appliances, 2016 by World Consulting & Research Corporation, USA, India's Most Trusted Water Purifier in the Brand Trust Report India Study 2014 (published by Trust Research Advisory) for our Kent brand, and the Golden Peacock Award for Eco-Innovation in 2007 by World Environment Foundation.

2. Strong commitment to innovation

We have a strong commitment to innovation and have introduced several different products to address real-world challenges, focussing on practical and consumer-focused solutions. We focus on identifying market gaps, addressing consumer needs and introducing innovative solutions to distinguish us from our competitors. From introducing water purifiers with RO technology for Indian homes to creating energy-efficient fans and modern kitchen and home appliances, our product portfolio showcases our commitment to innovation. We have an R&D team, which focuses on enhancing product design and performance and has enabled us to deliver advanced solutions based on consumer needs and industry trends. Our R&D team, comprising 12 employees as of September 30, 2024, includes qualified professionals from diverse backgrounds in engineering, science, and technology. We have an R&D laboratory which is housed in our Corporate Office in Noida, Uttar Pradesh. As of the date of this Draft Red Herring Prospectus, pursuant to the Promoter Licensing Agreement, we have the right to use 15 registered patents under the Patents Act, 1970, 97 registered trademarks under the Trademarks Act, 1999, 69 registered designs under the Designs Act, 2000 and 20 registered copyrights under the Copyrights Act, 1957 in India. In addition, we have 27 registered trademarks outside India including in Bhutan, Cambodia, China, Democratic Republic of the Congo, Egypt, European Union, Indonesia, Kuwait, Malaysia, Mauritius, Mexico, Nepal, OAPI, Oman, Sri Lanka, United Arabian Emirates, United Kingdom, USA, Saudi Arabia and Zanzibar. Further, we also have the right to use eight patents under the Patents Act, 1970, 28 trademarks under the Trademarks Act, 1999, nine designs under the Designs Act, 2000, and seven trademarks in Bangladesh, Nepal, Sri Lanka and Nigeria, collectively, for which our Promoter, Mahesh Gupta has made applications before the respective authorities and are pending registration, as on date of this Draft Red Herring Prospectus.

Some of our key innovations and advancements are set forth below:

- *Water purifiers and water softeners*: Our commitment to innovation extends to advancements in water purification technology such as non-electric purifiers, IoT-enabled devices, and zero-water-wastage technologies. Since pioneering RO technology in Indian households in 1999, we have introduced (i) RO water purifiers with a wall-mounted design that save counter space and adapt to the layouts of Indian kitchens; (ii) water purifiers with a transparent casing that shows the filtration process, helping consumers gain confidence in the purification process; (iii) patented water purifiers with mineral RO technology in 2005 to retain essential minerals in purified water, balancing health benefits with improved taste, addressing consumers residing in areas with low total dissolved solids ("**TDS**") levels; (iv) patented non-electric water purifiers in 2009, using ultrafiltration membranes and gravity, for areas with limited or no electricity; (v) India's first patented water purifier with a removable storage tank in 2010 (*Source: Technopak Report*), allowing easy cleaning and ensuring better hygiene and user convenience (*Source: Technopak Report*); (vi) patented water purifiers with zero-water-wastage technology in 2012, which allows storing both, purified and rejected water for reuse, and introduced our enhanced model in 2019 to pump rejected water back into household tanks; (vii) India's first patented IoT-enabled water purifiers in 2016 (*Source: Technopak Report*), allowing users to monitor and maintain their purifiers using our mobile app; and (viii) integrated ultraviolet light-emitting diodes ("**UV LEDs**") into storage tanks of water purifiers in 2019 to periodically disinfect stored water, ensuring safety during periods of non-use. We also introduced patented mini water softeners tailored for bathrooms and washing machines to deal with hard water. Our bathroom softener was designed to fit a single tap, providing softened water for bathing and addressing issues such as hair damage, skin irritation, and soap inefficiency, while the washing machine softener reduces detergent usage, prevents hard water stains on clothes and extends the life of appliances.

- *Fans*: Our Kuhl fans business focuses on delivering energy-efficient cooling solutions designed to enhance comfort while promoting sustainability through innovative technology and superior performance. We introduced our fans with BLDC motors, which consume approximately 24 to 38 watts of electricity compared to 75 watts used by traditional fans currently sold in India, resulting in approximately 65% cost savings. (*Source: Technopak Report*). Our fans feature four, six, or eight blades, efficiently moving air at lower revolutions per minute ("**RPMs**") to reduce noise while delivering high airflow. Our fans also come with IoT connectivity, allowing users to control speed and timers using our mobile apps or voice assistants, and include digital remotes for added convenience.

- *Kitchen and home appliances*: We introduced (i) steam-based electric egg boilers in 2017, (ii) hand blenders in 2019 for whisking and kneading with high RPM and low power consumption; (iii) atta and bread maker in 2017, combining dough kneading and bread baking into one appliance for hygienic, homemade food; (iv) high-speed mixers and blenders in 2019 with 1200W motors to enhance kitchen efficiency and versatility; (v) infrared cooktops in 2021 to address the limitations of induction cooktops, which are incompatible with aluminium cookware; (vi) ceramic-coated sandwich makers in 2020 as a safer alternative to Teflon; (vii) 'Kent Multicooker', a compact, multipurpose appliance for boiling and steaming in 2022 to fit into modern kitchens with limited counter space; and (viii) wet grinders in 2023, designed for grinding batter for South Indian dishes, scraping coconut, and kneading dough, featuring a 150W motor and an encased rotating drum for safe operation and low noise.

3. Focused brand-building initiatives for enhancing brand equity

We have strategically undertaken brand-building initiatives to increase visibility and strengthen the appeal of our brands. We use a multifaceted marketing approach to enhance our brand's visibility and attractiveness across various platforms. Our approach includes leveraging television advertisements, cricket sponsorships, print media, digital media platforms, social media platforms, e-commerce platforms, and celebrity endorsements. These initiatives have helped us boost our visibility and reinforce our brand presence, capturing the attention of a diverse audience and enhancing our brand equity and driving growth.

- <u>Television</u>: We sponsor a variety of programs on general entertainment and news channels. This includes prime-time slots, reality shows, and special features during major events such as election results and the inauguration of Ram Mandir in India. By targeting these slots, we attempt to ensure that our brand reaches a wide and diverse audience, maximizing our exposure.

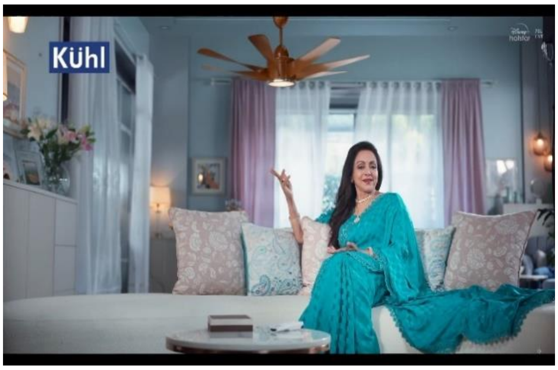
- <u>Cricket sponsorships</u>: Recognizing the popularity of cricket, we sponsor major events and teams. This includes tournaments such as the international and bilateral cricket tournaments, domestic cricket tournaments. We also sponsor teams participating in a prominent cricket league such as Punjab Kings and Sunrisers Hyderabad, which helps us connect with cricket fans and build a brand association with the sport.

- Print media: We utilize newspapers to reach a broad audience, ensuring that our brand message is consistently communicated. This traditional medium enables us to maintain a presence in the daily lives of our consumers, and assists in reinforcing our brand’s reliability and trustworthiness.

- Digital media platforms: We leverage the strength of digital media to reach consumers effectively. This modern medium allows us to customize our communication and target potential consumers near their purchase decisions. We leverage mediums such as e-commerce websites, quick commerce mobile apps, social media networks and over-the-top media service (“**OTT**”) mobile apps to market our products.

- Social media platforms: We engage with audiences on social media platforms, creating interactive and engaging content that builds our online presence.

- Celebrity endorsements: Our brand’s appeal is enhanced by our association with Hema Malini, a renowned actress and public figure, who has been serving as our brand ambassador over a decade. Her involvement helps build trust and credibility among consumers and make our brand more trustworthy.



The table below sets forth our advertisement and business promotion expenses, expressed as a percentage of revenue from operations for the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Advertisement and business promotion expenses (₹ *million*)	1,288.99	1,550.40	1,437.02	1,186.42
Revenue from Operations (₹ *million*)	6,371.88	11,781.85	10,843.93	10,473.67
Advertisement and business promotion expenses as a percentage of revenue from operations	20.23%	13.16%	13.25%	11.33%

In contrast, marketing spend as a percentage of revenue from operations for our peers such as Eureka Forbes were 9.45%, 9.11% and 8.83% for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. (*Source: Technopak Report*)

4. Capability to build new brands

We have a proven track record of building strong brands, as evidenced by the success of our 'Kent' brand, which has become synonymous with RO water purifiers (*Source Technopak Report*). Building on this expertise, we strategically diversified our business by entering the BLDC fan market with the 'Kuhl' brand in Fiscal 2023. To support this endeavour, we established our Noida Facility II with a built-up area of approximately 31,167.00 square meters which focusses on manufacturing fans. Within two years of the brand's inception, we launched over 120 SKUs of BLDC fans, showcasing our ability to rapidly scale production and diversify our product offerings. The table below sets forth the revenues from fans, expressed as a percentage of revenue from operations for the years/periods indicated:

Product Category	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations
Fans	403.24	6.33%	307.14	2.61%	112.00	1.03%	Nil*	Nil*

**As we started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.*

Our approach to brand building is rooted in leveraging our existing expertise, infrastructure, and deep understanding of customer needs. While our BLDC fan business is still at a nascent stage, the 'Kuhl' brand has already become a challenger brand in the branded fan market (*Source: Technopak Report*). This reflects our capability to create new brands and introduce products in entirely new categories. By leveraging our expertise, infrastructure, and customer insights, we are committed to delivering energy-efficient, sustainable solutions that meet consumer expectations, thereby driving growth in this new product category.

5. Leveraging our brand strength for a diverse product portfolio and increased consumer wallet share

We have strategically expanded our product range beyond water purifiers, leveraging our brand recognition to attract a wider consumer base and increase our share of their spending to foster our growth. Building on the recognition we have built in the water purification industry, we have introduced new product categories over the years to cater to various household needs. This expansion includes kitchen and home appliances and water softeners under our brand 'Kent' and fans under our brand 'Kuhl', all designed and manufactured with the same commitment to quality and innovation that defines our water purifiers. This approach has also helped us diversify our revenue streams and enhance our ability to meet the evolving demands of our consumers, thereby capturing a larger share of their spending.

- Water softeners: We introduced water softeners under our brand 'Kent' in 2010. These water softeners are designed to convert hard water into soft water, preventing scale buildup in appliances and improving water quality. This is particularly beneficial for regions with high levels of calcium and magnesium in the water. (*Source: Technopak Report*) Our water softeners use ion-exchange technology to remove these minerals, ensuring that the water is gentle on skin and hair, and helps maintain the longevity of household appliances.

- Fans: We started offering fans under our brand 'Kuhl' in 2023. We have developed Kuhl fans using BLDC motors, making them energy efficient. These fans consume which consume approximately 24 to 38 watts of electricity compared to the 75 watts used by traditional fans currently sold in India, resulting in approximately 65% cost savings. (*Source: Technopak Report*) These fans are designed to meet the needs of modern households, featuring remote control operation for convenient adjustments from a distance, energy efficiency to reduce electricity bills, and contemporary designs. All of our fans have received a five-star rating from the Bureau of Energy Efficiency and are certified by the Bureau of Indian Standards.

Kühl WINDZZ K3

Kühl JUWEL J3

Kühl ARCTIS A8

Kühl PLATIN D8

Kühl LUXUS C5

Kühl TWIST L3

- *Kitchen and home appliances*: We forayed into the kitchen and home appliances category in 2017 under our brand 'Kent'. Our products includes vacuum cleaners, air purifiers, electric kettles, air fryers, egg boilers, toasters, hand blenders, mixer grinders, bread makers and vegetable and fruit cleaners.

The table below sets forth the revenues from water purifiers, kitchen and home appliances, fan, and water softeners, expressed as a percentage of revenue from operations for the years/periods indicated:

Product Category	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations
Water Purifiers and water softeners	5,368.05	84.25%	10,124.16	85.93%	9,406.71	86.75%	9,099.83	86.88%
Fans	403.24	6.33%	307.14	2.61%	112.00	1.03%	Nil**	Nil**
Kitchen and home appliances	574.15	9.01%	1,256.09	10.66%	1,192.69	11.00%	1,275.64	12.18%
Others*	26.44	0.41%	94.46	0.80%	132.53	1.22%	98.2	0.94%
Total	**6,371.88**	**100.00%**	**11,781.85**	**100.00%**	**10,843.93**	**100.00%**	**10,473.67**	**100.00%**

* *Others include sale of scrap, export incentives, and other products.*
***As we started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.*

6. Streamlined manufacturing operations

Our approach to manufacturing includes a mix of in-house production and external sourcing, enabling us to maintain better oversight of quality and operational processes. For water purifiers, we produce key components such as sediment filters, carbon filters, RO membranes, and UV chambers in-house, ensuring stringent quality control at each stage. Similarly, for fans, we manufacture BLDC motors internally to meet specific performance standards. For kitchen and home appliances, we source products as completely built units ("**CBU**") (*i.e., fully assembled products ready for use*) or assemble them using semi-knocked-down ("**SKD**") (*i.e., partially disassembled products that require some assembly*) or completely knocked-down ("**CKD**") kits (*i.e., products disassembled into individual parts for full assembly*), with quality checks integrated into the assembly process. This combination of in-house manufacturing and external sourcing allows us to address diverse consumer needs, introduce new products, and enhance existing ones with emerging technologies while maintaining consistent quality standards.

We operate four manufacturing facilities. Our Roorkee Facility, with a built area of approximately 26,469.00 square meters, is dedicated to manufacturing water purifiers and water softeners, while our Noida Facility I, with a built-up area of approximately 31,073.00 square meters, focuses on manufacturing water purifiers and kitchen and home appliances, Noida Facility II, with a built-up area of approximately 31,167.00 square meters, is dedicated to manufacturing fans and our Noida Facility III, with a built-up area of approximately 23,621.00 square meters, serves as a mother-warehouse for all our manufacturing facilities and is also used for manufacturing fans and water softeners. Our manufacturing facilities are equipped with advanced machinery such as RO membrane rolling machines, sediment filter manufacturing machines, booster pump assembly line and BLDC motor winding machines, ensuring production standards and efficient operations. Our manufacturing facilities are ISO 9001:2015 certified for implementing quality management systems, ISO 14001:2015 certified for environmental management systems, and ISO 45001:2018 certified for occupational health and safety.

In addition, as of September 30, 2024, we have two manufacturing facilities, located at Noida, Uttar Pradesh with an aggregate built-up area of approximately 38,014.00 square metres which are under construction and we are in the process of acquiring one land parcel located at Noida, Uttar Pradesh admeasuring approximately 100,000 square meters. These facilities and land parcels will allow us to enhance our manufacturing capabilities for existing products and venture into new product categories in the future, making us future-ready for business growth and diversification.

Delivering strong financial performance with large reserves

We have consistently demonstrated strong financial performance. In Fiscal 2024, we achieved the highest EBITDA Margin and PAT amongst our peers which include Eureka Forbes, V-Guard, Livpure, LG Electronics, Havells, Bajaj Electricals, Atomberg, Orient Electric and Whirlpool). (*Source: Technopak Report*) This highlights our commitment to financial health, profitability, and resilience, enabling us to drive innovation and create long-term value. The table below sets forth certain financial information for the periods/ years indicated:

Particulars	As at and for the six months ended September 30, 2024	As at and for the years ended March 31,		
		2024	2023	2022
Revenue from Operations (₹ million)	6,371.88	11,781.85	10,843.93	10,473.67
Profit after tax from continuing operations (₹ million)	698.62	1,669.83	976.15	1,546.80
PAT Margin (%)[1]	10.21%	13.25%	8.80%	14.25%
EBITDA (₹ million)[2]	659.26	1,820.02	1,493.83	2,008.09
EBITDA Margin (%)[3]	10.35%	15.45%	13.78%	19.17%

[1] *PAT Margin is calculated as profit after tax from continuing operations divided by total income.*
[2] *EBITDA is calculated as profit before tax from continuing operations plus (a) finance costs and (b) depreciation and amortization expense, and (c) less other income.*
[3] *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

For reconciliation in relation to the EBITDA, EBITDA Margin, and PAT Margin, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations–Non-GAAP Measures***" on page 322.

We have retained our earnings and accumulated reserves in form of cash and equivalents, real estate infrastructure and investments in shares, debentures and bonds. While we avail short-term working capital facilities for our operational needs, our Company has not taken any long-term loan facilities since its incorporation as we focus on maintaining a cash surplus. We also focus on adopting a proactive approach to inventory management, maintaining sufficient stock levels to mitigate supply chain risks. We have invested in real estate by owning some of our manufacturing facilities, offices, and warehouses, while some are typically leased for a period of 99 years. We have also invested in residential real estates, which have been provided to our employees without any cost. This approach enhances employee satisfaction and encourages long-term retention, contributing to our growth. The table below sets forth certain financial information for the periods/ years indicated:

Particulars	As at and for the six months ended September 30, 2024	As at and for the years ended March 31,		
		2024	2023	2022
Book value of operational real estate (₹ million)	4,775.10	5,046.88	4,583.26	3,630.46
Book value of residential real estate (₹ million)	1,256.31	1,402.36	1,246.18	1,173.64
Cash and cash equivalents (₹ million)	179.86	191.73	108.35	127.85
Bank balances other than cash and cash equivalents (₹ million)	1,366.70	2,739.90	2,914.78	2,688.45
Investments (₹ million)	2,598.05	2,002.94	1,112.76	1,420.33

7. Multi-channel pan India distribution and service network and growing international presence

Over the years, we have established a robust multi-channel sales network to ensure our products are accessible through multiple touchpoints, stimulating our growth. This network includes channel partners (comprising retail distributors, direct dealers and doo-to-door sales representatives), large format retail chains, regional retail chains, CSD and CPC stores, e-commerce websites, and quick commerce platforms. We work closely with network distributors to ensure product availability across different regions in India, supported by a direct dealer network for better control over sales and consumer service, door-to-door sales for personalized service, availability of our products at large format retail stores for high visibility, partnerships with regional retail chains for strong local presence, sales on e-commerce platforms for convenience and wide reach, CSD and CPC stores to serve military and police personnel, quick commerce platforms for rapid delivery catering to urban consumers and our experience centres to offer hands-on product demonstrations and personalized service.

As of September 30, 2024, we had 1,898 channel partners across 28 states and 6 union territories and our products are available in 6 large format retail chains and 50 regional retail chains across 26 states and 5 union territories and 34 CSD and 92 CPC stores located in 22 states and 5 union territories. Furthermore, as of September 30, 2024, our products are sold on 6 e-commerce websites and 4 quick commerce platforms. As of September 30, 2024, we had over 1,800 service partners across 28 states and 6 union territories. This extensive network helps ensure that our after-sales services are accessible to a broader consumer base. As of September 30, 2024, we had over 5,000 technicians to handle service requests, of which over 400 were employed by our Company and over 4,600 were employed by our service partners, covering more than 15,000 serviceable pin codes, ensuring our consumers receive timely service. In addition, we operated 32 service branches in the Delhi-NCR region to provide after-sales services in the region, as of September 30, 2024.

In the last three Fiscals and the six months ended September 30, 2024, we sold our water purifiers in more than 30 countries, including Nepal, Bangladesh, Kuwait and UAE, through our distributors. In the water purifier category, we were the largest exporter in Fiscal 2024. (*Source: Technopak Report*) The table below sets forth the revenues from India and exports, expressed as a percentage of revenue from operations for the years/periods indicated:

Particulars	**Six months ended September 30, 2024**		**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ million)	**As a percentage of revenue from operations**	**Amount (₹ million)**	**As a percentage of revenue from operations**	**Amount (₹ million)**	**As a percentage of revenue from operations**	**Amount (₹ million)**	**As a percentage of revenue from operations**
Revenues from India	6,214.24	97.53%	11,438.98	97.09%	10,506.39	96.89%	10,121.50	96.64%
Revenue - Export	157.64	2.47%	342.87	2.91%	337.54	3.11%	352.17	3.36%
Total	**6,371.88**	**100.00%**	**11,781.85**	**100.00%**	**10,843.93**	**100.00%**	**10,473.67**	**100.00%**

8. Experienced Promoters and senior management team

We benefit from the experience of our management team which has knowledge in the manufacturing industry, including operations and business development. Our Promoter, Chairman and Managing Director, Mahesh Gupta holds a bachelor's degree in technology (mechanical engineering) from the Indian Institute of Technology, Kanpur, and has completed a specialised training course from the Indian Institute of Petroleum, Dehradun. He has been conferred an honorary doctorate in philosophy by Sri Sri University. He is also on the Board of Governors of the Indian Institute of Technology, Kanpur, and is a former president of the PHD Chamber of Commerce and Industry. Our Promoter and Joint Managing Director, Varun Gupta holds a bachelor's degree in science (computer engineering) from Purdue University and a master's degree in business administration from Columbia, University, USA, while our Promoter and Non-Executive Non-Independent Director Sunita Gupta holds a bachelor's degree in arts (honours) from Delhi University. We also have oversight from the Independent Directors on our Board of Directors.

In addition, our senior management team contributes to the overall strategic planning and business development of our Company and has been instrumental in the growth of our business and revenues. Our Key Managerial Personnel and Senior Management include our Chief Financial Officer, Sanjay Johri, Joint CFOs, Navin Kumar Rajvanshi and Ratan Srivastava, Company Secretary and Compliance Officer, Puneet Kumar Trivedi, Vice President – Channel Sales, Kuhl, Sreekumar Pillai, Associate Vice President - Channel Sales RO, Lokesh Gupta, Vice President – Customer Service RO, Puneet Juneja, Vice President – Human Resources, Sudeep Luthra, Head – Information Technology, Dheeraj Muku, and Vice-President – Procurement, Akashdeep Gupta. The strength of our Board and management team and their experience position us well to capitalize on future growth opportunities and better serve our stakeholders. For further details on our Board of Directors, Key Managerial Personnel and Senior Management, see "***Our Management***" on page 221.

Our Strategies

The strategies described below have been approved by way of a board resolution passed by our Board of Directors at their meeting held on January 21, 2025.

1. Continue to expand our business in the water purifier product category

We intend to leverage our brand recognition, manufacturing and product development capabilities and distribution network to capitalise on the growth opportunities in the water purifier product category. The table below sets forth our revenues from water purifiers and water softeners in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from water purifiers and water softeners (₹ *million*)	5,368.05	10,124.16	9,406.71	9,099.83
Revenue from water purifiers as a percentage of revenue from operations	84.25%	85.93%	86.75%	86.88%

As per the Technopak Report, the Indian water purifier market has exhibited continuous growth over the years. It has grown at a CAGR of approximately 4.9% from ₹6,960 crore in Fiscal 2019 to ₹8,860 crore in Fiscal 2024 and is further expected to grow at a CAGR of approximately 10.1% till Fiscal 2029 to reach a market value of ₹14,350 crore.

The penetration of water purifiers in India remains relatively low, with only about 7% of households currently utilizing these solutions. (*Source: Technopak Report*) This low penetration rate underscores a significant potential for growth, indicating that a substantial portion of the population has yet to adopt water purification solutions. (*Source: Technopak Report*) As awareness of water contamination and the benefits of purified water increases, it is expected that more households will invest in water purifiers, driving market growth. (*Source: Technopak Report*) In particular, Tier-2 cities in India are expected to experience higher growth in the near future. (*Source: Technopak Report*) These regions, often underserved by current market offerings, present a substantial opportunity for enhancing our market presence. (*Source: Technopak Report*) To capitalize on this, we intend to increase penetration by appointing more direct sales distributors sales representatives and direct dealers.

We also intend to leverage the growth of e-commerce in Tier-2 and Tier-3 cities to achieve higher market penetration. The rise of online shopping platforms has facilitated easier access to a wide range of products, including water purifiers, in these regions. (*Source: Technopak Report*) We intend to strengthen our e-commerce presence to provide convenient purchasing options for our consumers.

Further, with BIS certification for domestic water purification systems becoming mandatory from November 10, 2024 pursuant to the Water Purification System (Regulation of Use) Rules, 2023, smaller and unknown brands are expected to lose market share, and imports of finished goods are expected to decline. (*Source: Technopak Report*) This regulatory change will ensure that only high-quality, certified water purifiers are available in the market, thereby reducing competition from non-certified brands. (*Source: Technopak Report*) As a result, leading brands such as ours, which comply with BIS standards, will have greater opportunities to grow and capture a larger market share. (*Source: Technopak Report*)

2. Focus on growing our fan product category

We entered the BLDC fans product category under our brand "Kuhl" in Fiscal 2023 to capitalise on growing share of BLDC fans in the Indian market (*Source: Technopak Report*). The table below sets forth our revenues from the sale of fans in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from fans (₹ *million*)	403.24	307.14	112.00	Nil*
Revenue from fans as a percentage of revenue from operations	6.33%	2.61%	1.03%	NA

**As we started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.*

As per the Technopak Report, the total market for BLDC fans in India has grown at a CAGR of approximately 62% from ₹200 crore in Fiscal 2019 to ₹2,250 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 37% till Fiscal 2029 to reach a market value of ₹10,765 crore, outpacing the overall fan market growth. As of Fiscal 2024, BLDC fans constituted approximately 15% of the overall fan market, which is projected to capture approximately 42% of the entire fans market by Fiscal 2029. Our fans use BLDC technology, which consume approximately 24 to 38 watts of electricity compared to 75 watts used by traditional fans currently sold in India, resulting in approximately 65% cost savings. (*Source: Technopak Report*) BLDC motors offer several advantages over traditional motors, including higher efficiency, reduced noise, and longer lifespan due to their brushless design. (*Source: Technopak Report*) As awareness of these advantages increases, it is expected that more consumers will prefer BLDC-equipped fans, driving further market growth. (*Source: Technopak Report*)

Moreover, government initiatives such as providing uninterrupted power supply and universal household electrification in the country may also play a role in promoting the adoption of BLDC technology, as these motors align with energy efficiency and sustainability goals. (*Source: Technopak Report*) To capitalise on these growth opportunities, we intend to expand our distribution channels for BLDC fans by partnering with additional distributors and direct dealers.

3. Focus on growing our kitchen and home appliances products

We entered the kitchen and home appliances category under our brand 'Kent' in 2017 to leverage our existing sales network with complimentary products and support our growth. The table below sets forth our revenues from the sale of kitchen and home appliances in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from kitchen and home appliances (₹ *million*)	574.15	1,256.09	1,192.69	1,275.64
Revenue from kitchen and home appliances as a percentage of revenue from operations	9.01%	10.66%	11.00%	12.18%

According to the Technopak Report, The total kitchen appliances market has grown at a CAGR of approximately 6.7% from ₹15,635 crore in Fiscal 2019 to ₹21,630 crore in Fiscal 2024 and is further projected to grow at a CAGR of approximately 8.5% till Fiscal 2029 to reach a market value of ₹32,590 crore. (*Source: Technopak Report*) This growth is fuelled by favourable demographic profile, growing middle-class and double-income households, urbanisation, nuclearization, higher disposable income and time constraints, increasing demand for premium smart kitchen appliances, regulatory compliance and the rise of quick commerce. (*Source: Technopak Report*)

Further, starting from March 2025, the Bureau of Indian Standards will enforce new regulations requiring all kitchen and home appliances sold in India (electrical items intended for household usage), whether domestically produced or imported, to comply with BIS quality and safety standards. (*Source: Technopak Report*) This regulatory change is expected to reduce the volume of imports, as imported goods will now face stricter compliance requirements. This move is anticipated to create a more level playing field for domestic manufacturers, opening up market opportunities for locally produced appliances. (*Source: Technopak Report*) In addition to these market dynamics, the trend of quick commerce is gaining momentum. Quick commerce, which focuses on the rapid delivery of goods, is becoming increasingly popular among consumers who prioritize convenience and speed. (*Source: Technopak Report*) To capitalize on this growth opportunity, we intend to further enhance the availability of our kitchen and home appliances on quick commerce platforms and integrate additional quick commerce platforms within our distribution strategy. This approach will enable us to reach a broader consumer base, consequently driving growth in our sales. We also intend to continue to expand our product offerings in this category to meet the evolving requirements of consumers.

4. Capitalise on increasing demand from international markets to grow exports

In the last three Fiscals and the six months ended September 30, 2024, we sold our water purifiers in more than 30 countries, including Nepal, Bangladesh, Kuwait and UAE, through our distributors. The table below sets forth our revenues from exports, expressed as a percentage of revenue from operations for the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from exports (₹ *million*)	157.64	342.87	337.54	352.17
Revenue from exports as a percentage of revenue from operations	2.47%	2.91%	3.11%	3.36%

We intend to leverage the demand from international markets for our product categories by focussing on regions, including North America and the Middle East. This will help us diversify our revenue streams and expand our geographical footprint. Further, by enhancing exports of our products, particularly fans, to these markets, we intend to take advantage of the higher margins they offer, thereby enhancing our overall growth and profitability.

We may also pursue partnerships with global brands to sell our products under their names in international markets. For instance, For instance, we have entered into a trademark license agreement with Stanley Black & Decker, Inc. under which our Company has been granted a license to use its trademark in India and certain other countries for RO water purifiers. This agreement, effective from March 15, 2022, is valid until December 31, 2026, with an option for renewal until December 31, 2031, subject to meeting specific criteria.

BUSINESS OPERATIONS

Product Portfolio

Our product offerings primarily include water purifiers, kitchen and home appliances, fans, and water softeners.

Water Purifiers and Water Softeners

Below are some of the key types of water purifiers and water softeners we offer:

- *RO Water Purifiers*: Our RO water purifiers use multi-stage purification technology, including RO, UV, UF, and TDS control, to provide safe drinking water. They remove impurities such as chemicals, bacteria, and heavy metals while keeping essential minerals. With features such as zero water wastage and user-friendly designs, they cater to both residential and commercial needs.

KENT
Mineral RO™
Water Purifiers

- *Ultraviolet Water Purifiers*: Our UV water purifiers use UV technology to eliminate bacteria, viruses, and other pathogens, ensuring safe drinking water while retaining essential minerals. These purifiers are particularly suited for areas with low TDS levels.

KENT
Ultra Violet
Water Purifiers

- *Gravity-based Ultrafiltration Water Purifiers*: Our gravity-based water purifiers offer non-electric purification using ultrafiltration technology to remove harmful microorganisms while retaining essential minerals. These non-electric purifiers are ideal for areas with low TDS levels.

- *Nectar Hydrogen Water Makers*: It delivers water enriched with molecular hydrogen and increased alkalinity. The hydrogen infusion provides antioxidant benefits, while the alkaline water helps maintain the body's pH balance. These are designed to be compact and user-friendly, ensuring access to healthier drinking water every day.

- *Water Softeners:* Our water softeners use ion-exchange technology and non-electric/automatic regeneration technology to convert hard water into soft water, eliminating the need for manual regeneration. We offer a range of water softeners to meet different needs: the Kent Automatic Softener, designed for overhead tanks with capacities of 8, 25, 40, and 100 liters; the Kent Bathroom Water Softener, a non-electric device for individual bathrooms; and the Kent Washing Machine Water Softener, which improves washing efficiency through a four-step regeneration process using table salt. Each softener is designed to replace calcium and magnesium ions with sodium for reliable water softening.

KENT HOME Water Softener

- *Whole House Filters:* Our whole house filters are point-of-entry systems designed to provide clean water for the entire home. The Kent Sand Filter removes physical impurities, turbidity, and sand particles through a three-stage filtration process using fine sand, silex sand, and gravel media, purifying up to 3,000 liters of water without electricity. The Kent Iron Removal Filter, also non-electric, effectively eliminates iron from water, addressing issues such as unpleasant odors and reddish-brown discoloration, ensuring clean and safe water throughout the household

KENT HOME Water Softener

Fans

- *Ceiling Fans*: Our ceiling fans utilize BLDC motor for low energy consumption and high airflow. These fans are equipped with aerodynamic ABS blades, ensuring quiet operation. Some of our ceiling fans offer features such as Wi-Fi connectivity, remote control, reverse mode for winter use, and integrated lighting options.

- *Next Generation Desert Coolers*: Our desert coolers, including models such as Exzel H3 and H1, offer efficient cooling with modern features. They use ultrasonic mist humidifiers to enhance cooling without producing water droplets. Both models have remote control functionality and a digital display showing speed and humidity levels. These coolers have a water tank capacity that supports up to 8 hours of use.

- *Pedestal Fans*: Our pedestal fans provide optimal airflow and energy efficiency with advanced BLDC motor technology, ensuring quieter operation and reduced energy consumption. They feature multiple speed settings. Available in various models, these fans offer efficient cooling, remote control functionality, and oscillation for broader air distribution.

- *Wall Fans*: Our wall fans are designed to offer efficient cooling with compact functionality suitable for various indoor settings. They feature a BLDC motor for enhanced energy efficiency and reduced noise levels. Some of our wall fans come equipped with a remote control, touch screen, and digital display, enabling easy adjustments to settings. Their design includes a tilt mechanism and swivel function, ensuring flexible airflow direction.

- *Table Fans*: Our table fans are equipped with BLDC motors for energy savings, low noise, and effective cooling with high airflow. Some of our table fans include features such as touch-screen controls, digital displays, adjustable height, tilt mechanisms, and swivel functions, making them versatile for different usage scenarios.

Kitchen and Home Appliances

- *Egg boilers*: Our egg boilers are designed to boil up to 7 eggs at a time. It features a stainless steel body and heating plate for efficient heat transfer and durability. With just one button, it offers options for soft, medium, or hard-boiled eggs. The appliance also turns off automatically when the eggs are ready, ensuring safety and ease of use.

KENT Smart Chef Appliances

- *Mixer Grinders*: Our grinder and blender operate at high speeds, up to 30,000 RPM and are equipped with stainless steel blades for effective grinding and blending. The appliances come with multiple jars, including BPA-free and stainless steel options, to handle various tasks such as making smoothies, chutneys, and dosa batter. Safety features such as overheating and overcurrent protection, along with user-friendly controls such as smart touch panels and preset functions, enhance their functionality and ease of use.

KENT Smart Chef Appliances

- *Hand Blenders*: Our hand blenders feature motors ranging from 150W to 450W, ensuring rapid and effective blending. They come with variable speed controls, allowing users to adjust the speed according to their needs. The stainless steel construction ensures durability and suitability for both hot and cold blending. Additionally, these hand blenders are equipped with low noise operation and safety features such as overheating protection, making them a reliable and convenient choice for various kitchen tasks.

- *Cookware*: Our cookware range is designed to promote hygienic and efficient cooking. The Tri-Ply Cookware combines stainless steel and aluminum layers for quick, even heating, preventing direct contact with aluminum. This range includes kadais, frying pans, and saucepans. The stainless steel pressure cookers are made from high-grade stainless steel, resistant to corrosion and suitable for Indian cooking. The hard anodized cookware is non-reactive and can withstand high temperatures, ensuring no metal leaches into food.

- *Air Purifiers*: Our air purifiers use multi-stage filtration technology to remove pollutants, allergens, and harmful particles, improving indoor air quality. These purifiers feature advanced HEPA filters, UV sterilization, and activated carbon filters. Our air purifiers are designed to be energy-efficient, with low noise operation and smart features such as real-time air quality monitoring.

- *Air Fryers*: We offer a range of air fryers for healthier cooking. These air fryers can fry, grill, roast, and bake. They have adjustable temperature controls, capacities from 2.50 liters to 12 liters, and rapid heating technology. They also include safety features such as auto cut-off timers.

- *Electric Kettles*: We offer a range of electric kettles designed for efficient and safe boiling of water. These kettles feature a stainless steel inner body, a cordless rotating base, and a capacity of 1.80 liters. They are equipped with safety features such as auto cut-off functions to prevent overheating.

- *Vacuum Cleaners*: We offer a range of vacuum cleaners to meet different cleaning needs. The 'Kent Zoom' is a cordless, rechargeable vacuum with multiple attachments. The 'Kent Force Cyclonic' has cyclonic technology, a HEPA filter, and a high-power motor. The 'Kent Wet and Dry' is suitable for both wet and dry cleaning tasks. Our vacuum cleaners have features such as auto power cord retractors and low noise operation.

Manufacturing Facilities

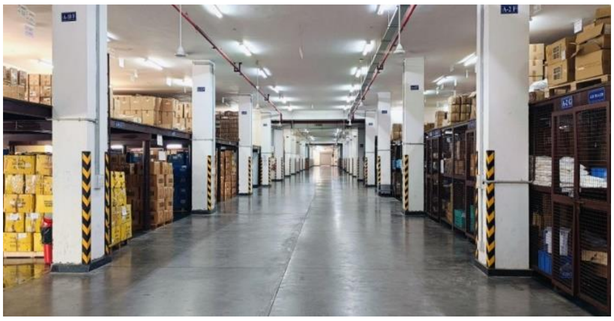
The table below sets forth details of our manufacturing facilities:

Facilities	Address	Land (Leased or owned)	Key products manufactured
Roorkee Facility	Khasra No. 93, Village Bantakhedi, Roorkee, Haridwar, Uttarakhand, 247 668, India	Owned	Water purifiers and water softeners
Noida Facility I	A – 06, Sector – 87, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201 301, India	Leasehold – 90 years from March 5, 2014	Water purifiers and kitchen and home appliances
Noida Facility II	A – 7, Sector – 87, Phase – II, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201 305, India	Leasehold – 90 years from March 31, 2016	Fans
Noida Facility III	Plot No 3, Sector 155, Noida – 201 310, Uttar Pradesh, 20130	Leasehold – 90 years from July 26, 2018	Water softeners and fans

Corporate Office and R&D Lab

Roorkee Facility

Noida Facility I



Noida Facility II

Noida Facility III

Key Manufacturing Processes

The following provides an overview of the production process at our manufacturing facilities:

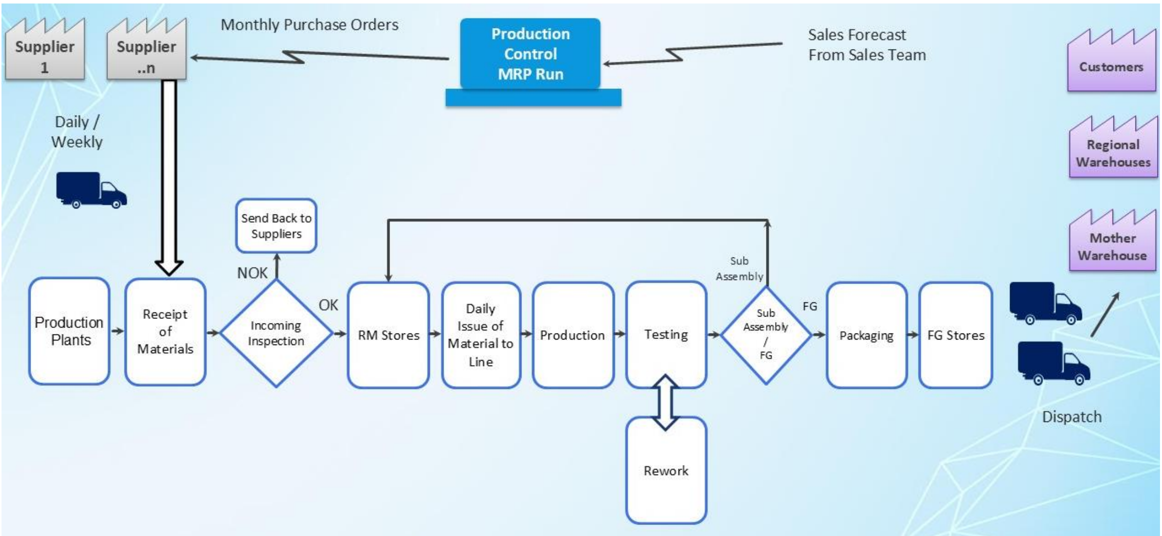
- *Production Planning*. We start our production planning by regularly assessing the demand for our products. Based on these assessments, we plan the procurement of raw materials and allocate the necessary resources for production. We closely monitor demand to ensure it aligns with supply and optimize production schedules.

- *Material and In-bound Logistics*. We source raw materials based on sales forecasts to maintain a steady supply and manage inventory efficiently. Considering the seasonal demand for some of our products, we allocate storage space accordingly. Initial quality checking is performed before materials are stored, ensuring that only quality-checked materials enter the production process. Once cleared, the materials are moved to the production line for assembly.

- *Production Management*. Our production process focuses on maintaining efficiency, quality, and consistency. Materials are assembled following standard operating procedures to meet quality standards. Quality checks are performed at multiple stages throughout the production process to identify and remove defective items early. Regular monitoring is carried out to address any operational issues and ensure the smooth functioning of the production line.

- *Worker and Safety Management.* Worker safety and operational efficiency remain integral to our process. Safety measures are implemented to maintain a secure work environment, and workers are assigned tasks based on their skills and experience. Training programs are conducted periodically to ensure teams are well-prepared to handle operations effectively and maintain productivity.

- *Finished Goods and Distribution*. Once production is completed, the finished goods are moved to the mother warehouse or distribution warehouses based on sales forecasts, ensuring timely delivery to meet customer demand.



Raw Materials

Our primary raw materials for manufacturing water purifiers, kitchen and home appliances, fans and water softeners are injection-moulded plastic components, die-casted aluminium components, RO membrane sheet & printed circuit board assemblies. We typically procure these materials through purchase orders and do not enter into any long-term agreements with our suppliers. The table below sets forth details of our cost of materials consumed as a percentage of our total expenses in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of materials consumed (₹ million)	2,342.89	4,015.07	3,656.89	3,402.41
Cost of materials consumed as a percentage of total expenses	39.40%	38.62%	37.43%	38.73%

Sales Channels

Our sales channels include channel partners (comprising distributors, direct dealers and direct sales distributors), large format retail stores, regional retail chains, CSD and CPC stores, e-commerce websites, and quick commerce platforms. The table sets forth details of our sales channels as of dates indicated:

S. No.	Sales Channels	Channel Partners			
		As of September 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
1.	Channel Partners	1,898	1,645	1,629	1,568
2.	Large format retail chains	6	5	4	5
3.	Regional retail chains	50	47	55	53
4.	Canteen stores department	34	34	34	34
5.	Central police canteens	92	108	114	118
6.	E-commerce websites	6	6	4	5
7.	Quick commerce platforms	4	2	Nil	Nil

The table sets forth details of our channel partners as of the dates indicated:

S. No.	Product Category	Channel Partners			
		As of September 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
1.	Water purifiers and water softeners	1,321	1,234	1,270	1,296
2.	Kitchen and home appliances	127	99	246	272
3.	Fans	450	312	113	Nil

After-sales services

We are the only brand in India that provides a one-year product warranty along with four years of free service for certain types of water purifiers. (*Source: Technopak Report*) We offer a comprehensive warranty of one year for kitchen and home appliances, and two years for fans. As of September 30, 2024, we had over 1,800 service partners across 28 states and 6 union territories. This extensive network helps ensure that our after-sales services are accessible to a broader consumer base. As of September 30, 2024, we had over 5,000 technicians to handle service requests, of which over 400 were employed by our Company and over 4,600 were employed by our service partners, covering more than 15,000 serviceable pin codes, ensuring our consumers receive timely service. In addition, we operated 32 service branches in the Delhi-NCR region to provide after-sales services in the region, as of September 30, 2024.

Our consumers can register and track service requests for installation, repair, and maintenance via the 'Kent Service Application', available for both Android and iOS devices. The application also provides a history of the product's service records. Additionally, consumers can contact the service team by calling the dedicated consumer service helpline which is available seven days a week, or by emailing the consumer service support team.

Quality Control and Employee Safety

The quality of our products and consumer satisfaction are importance to our business. We have established quality control systems, which are designed to ensure product design and production efficiency at our manufacturing facilities. Quality checks are undertaken for raw material and components and at packaging. We have implemented quality control measures, regular audits and assessment of suppliers to ensure quality standards are maintained.

Further, we have taken initiatives to reduce the risk of accidents at our manufacturing facilities, including (i) providing training and awareness programs on employee safety to all employees, including training on machines and the use of first aid and other procedures to deal with emergencies, and (ii) conducting periodic emergency mock drills in our manufacturing facilities.

Information Technology

We have integrated IT solutions and enterprise resource planning systems across critical operational areas such as raw material procurement, inventory management, sales and dispatch of finished products, distribution network and financial accounting. We believe that these systems allow us to streamline our processes while enhancing our monitoring and control functions. We also have a centralized customer relationship management ("**CRM**") system for our after-sales service operations. This system supports our contact center, service partners, and customer service employees, enabling seamless communication and better service. It also benefits customers through its integration with our customer service mobile applications and other digital channels, providing access to support and service updates. Our infrastructure is hosted on a secure cloud platform, allowing for scalability and consistent availability of services. To safeguard data integrity, we have implemented security systems designed to prevent data theft and cyberattacks, ensuring a reliable and protected operational environment. This integrated approach reflects our focus on leveraging technology to create value across our operations and customer interactions.

See, also "***Risk Factors – Technology failures could disrupt our operations and adversely affect our business, results of operations, financial condition and cash flows.***" on page 53.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company does not hold any intellectual property registered in its name. Our Company has entered into the Promoter Licensing Agreement dated April 1, 2023, as amended by addendum agreement dated January 1, 2025, pursuant to which our Promoter, Mahesh Gupta has granted our Company the exclusive right to use the patents, trademarks, designs and copyrights as detailed in the agreement related to water purifiers, spare parts, air purifiers, healthcare products, the 'Kent' trademark, and the 'Kuhl' brand for fans, along with registered trademarks and copyrights.

As of the date of this Draft Red Herring Prospectus, pursuant to the Promoter Licensing Agreement, we have the right to use 15 registered patents under the Patents Act, 1970, 97 registered trademarks under the Trademarks Act, 1999, 69 registered designs under the Designs Act, 2000 and 20 registered copyrights under the Copyrights Act, 1957 in India. In addition, we have 27 registered trademarks outside India including in Bhutan, Cambodia, China, Democratic Republic of the Congo, Egypt, European Union, Indonesia, Kuwait, Malaysia, Mauritius, Mexico, Nepal, OAPI, Oman, Sri Lanka, United Arabian Emirates, United Kingdom, USA, Saudi Arabia and Zanzibar. Further, we also have the right to use eight patents under the Patents Act, 1970, 28 trademarks under the Trademarks Act, 1999, nine designs under the Designs Act, 2000, and seven trademarks in Bangladesh, Nepal, Sri Lanka and Nigeria, collectively, for which our Promoter, Mahesh Gupta has made applications before the respective authorities and are pending registration, as on date of this Draft Red Herring Prospectus.

Employees

As on September 30, 2024, we had 2,866 permanent employees, 1,431 contractual employees and 717 contract labours. The table below sets forth a breakdown of our employees by function, as of September 30, 2024:

S. No.	Particulars	Number of Permanent Employees as on September 30, 2024	Number of contractual employees/contract labours as on September 30, 2024
1.	Factories	775	717
2.	Sales	898	1,187
3.	Customer service	875	-
4.	Support and office staff	318	-
5.	Security and housekeeping	-	244
	Total	**2,866**	**2,148**

As on September 30, 2024, we are supported by 2,866 employees out of which 1,889 are employees (excluding skilled and unskilled labours) and 977 are skilled and unskilled labours. The following table sets forth the details regarding rate of attrition of our employees, and skilled and unskilled labours in the periods/years indicated:

Particulars	As at/ for the six months ended September 30, 2024	As at/ for the year ended March 31, 2024	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022
Number of employees (excluding skilled and unskilled labours)	1,889	1,864	2,302	2,111
Attrition rate of our employees (excluding skilled and unskilled labours)	33.88%	54.99%	39.66%	46.00%
Number of skilled and unskilled labours	977	957	1,003	1,073
Attrition rate of our skilled and unskilled labours	9.42%	15.78%	14.56%	10.34%

Note: Attrition rate represents number of resignations in the relevant category as a percentage of closing number of employees in the relevant category as at the end of respective period/year.

Also, see "***Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or an increase in minimum wages, and if we are unable to engage new employees at commercially attractive terms.***" on page 30.

Corporate Social Responsibility

We have constituted a Corporate and Social Responsibility ("**CSR**") Committee of our Board and have adopted and implemented CSR policy in compliance with the requirements of the Companies Act, 2013 and the applicable rules thereunder, pursuant to which we carry out various CSR activities. In the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, our CSR expenditure was ₹17.54 million, ₹38.62 million, ₹37.60 million and ₹40.20 million, respectively, representing 0.29%, 0.37%, 0.38% and 0.46% of our total expenses during such periods.

We focus on improving lives through CSR initiatives. Through the *Kent Foundation*, we are contributing to education by building a school for underprivileged children in Uttar Pradesh. This initiative focuses on providing quality education to empower children and transform communities. We have also partnered with NGOs on initiatives focused on education, uplifting human values, and providing food for the underprivileged. Furthermore, in the past, we donated water purifiers to marginalized communities, addressing a critical need for safe and hygienic water. These initiatives aim to create positive change and support communities in essential areas for their well-being.

Awards and Recognitions

See, "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 218.

Competition

We face competition from both domestic and international players for our products. Competition is typically driven by several key factors, including product differentiation, pricing and product quality. Companies also compete based on the quality of their after-sales service, which includes the availability of qualified personnel and responsive consumer support. For information regarding the revenue from operations, gross margin, EBITDA, EBITDA margin, PAT margin, debt to equity ratio, net debt to EBITDA, and marketing spend of our peers which include Eureka Forbes, V-Guard, Livpure, LG Electronics, Havells, Bajaj Electricals, Atomberg, Orient Electric and Whirlpool, see "***Industry Overview – Financial Benchmarking***" on pages 171.

Also, see, "***Risk Factors – We operate in a competitive market and any increase in competition may adversely affect our business, results of operations, financial condition and cash flows.***" on page 28.

Insurance

We maintain insurance cover for our properties, including building, furniture and fixture, plant machinery stock and stock in process and raw material stock for physical loss or damage to the property arising from a number of specified risks including burglary, housebreaking, loss or damage due to fire, earthquakes and other perils. The following table sets forth details of coverage of our insurance policies against the certain assets as of the dates indicated:

Particulars	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of the Assets*	Amount (₹ million)	Percentage of the Assets*	Amount (₹ million)	Percentage of the Assets*	Amount (₹ million)	Percentage of the Assets*
Coverage of Insurance Policies	10,109.04	108.78%	10,176.60	112.43%	7,002.60	81.14%	7,002.60	106.63%

* *Excludes vehicles, free hold land, right of use asset and capital work in progress..*

See, also "***Risk Factors – Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage.***" on page 45.

Properties

The table below sets forth details of our properties:

S. No.	Type	Building	Land	Lease Term	Land Area (square meters)	Built-up area* (approximately square meters)
Crucial offices and manufacturing facilities						
1.	Registered Office	Leased	Leased	11 months	NA	130.00
2.	Corporate Office	Owned	Leased	90 years	9,875.00	18,404.00
3.	Roorkee Facility	Owned	Owned	NA	46,580.00	26,469.00
4.	Noida Facility I	Owned	Leased	90 years	23,550.00	31,073.00

S. No.	Type	Building	Land	Lease Term	Land Area (square meters)	Built-up area* (approximately square meters)
5.	Noida Facility II	Owned	Leased	90 years	21,508.00	31,167.00
6.	Noida Facility III	Owned	Leased	90 years	23,001.00	23,621.00
Other Company offices						
1.	Leased Office Buildings (2 Nos)	Owned	Leased	90 years	Aggregate 4,395.00	Aggregate 5,152.00
2.	Owned Office Buildings (8 Nos)	Owned	Owned	NA	Aggregate 5,586.00	Aggregate 6,817.00
3.	Leased Office Spaces (5 Nos)	Owned	Leased	60-99 years	NA	Aggregate 1,503.00
4.	Leased Office Spaces (15 Nos)	Leased	NA	11 months	NA	Aggregate 2,341.00
5.	Leased Office Spaces (33 Nos)	Leased	NA	3-5 years	NA	Aggregate 4,278.00
6.	Owned Office Spaces (7 Nos)	Owned	NA	NA	NA	Aggregate 1,936.00
Manufacturing facilities under construction						
1.	Manufacturing Unit (2 Nos)	Owned	Leased	90 years	Aggregate 31,821.00	Aggregate 38,014.00
Residential properties for employees use						
1.	Residential Apartments (6 Nos)	Owned	Leased	90 years	NA	Aggregate 564.00
2.	Residential Apartments (2 Nos)	Owned	Owned	NA	NA	Aggregate 241.00
3.	Residential Bungalows (22 Nos)	Owned	Leased	90 years	Aggregate 8,657.00	Aggregate 3,610.00
4.	Residential Bungalows (13 Nos)	Leased	NA	11 months	NA	Aggregate 3,030.00
Residential properties for employees use under construction						
1.	Residential Bungalows (5 Nos)	Owned	Leased	90 years	Aggregate 2,700.00	NA
2.	Residential Bungalows (1 No)	Owned	Owned	NA	2,800.00	NA
Residential properties for investment						
1.	Residential Bungalow (1 No)	Owned	Leased	90 years	450.00	645
Manufacturing facility not in use						
1.	Manufacturing Unit (1 No)	Owned	Leased	99 years	900.00	2,560.00
Properties under Acquisition						
1.	Industrial Land (1 No)	NA	NA	NA	100,000.00	NA
2.	Leased office buildings (2 Nos)	NA	NA	NA	Aggregate 7,047.00	Aggregate 8,829.00
3.	Residential Apartments (4 Nos)	NA	NA	NA	NA	Aggregate 626.00

**In cases where built up area documentation is not available, the carpet area has been disclosed instead.*

Also, "***Risk Factors – We do not own the land on which some of our manufacturing facilities, office premises, service offices, warehouses and residential properties for our employees are located. A failure to renew our existing lease arrangements at commercially favourable terms or at all may have a material adverse effect on our business, financial condition and results of operations.***" on page 48.

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information in this section has been obtained from legislations, including rules, regulations, guidelines and circulars promulgated and issued by regulatory bodies that are available in the public domain. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Laws in relation to our business

The Bureau of Indian Standards Act, 2016 (the "BIS Act"), the Electrical Ceiling Type Fans (Quality Control) Order, 2023 and the Safety of Household, Commercial and Similar Electrical Appliances (Quality Control) Order, 2024

The BIS Act establishes the Bureau of Indian Standards ("**Bureau**") as a national standards body of India for the harmonious development of the activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services. The Government of India in consultation with the Bureau issues quality control orders for goods or articles of any industry, process, system or service directing conformity to a standard and making procurement of licence or certificate of conformity compulsory for such goods, article, process, system or service. Water purifiers using reverse osmosis (RO) technology must comply with the Indian standard IS 16240: 2023.

The Government of India has issued the Electric Ceiling Type Fans (Quality Control) Order, 2023 under which the fans manufactured by our Company must conform to the Indian standards – IS 374: 2019 and the fans must bear the standard mark under a license issued by the Bureau. Further, the Government of India has also issued the Safety of Household, Commercial and Similar Electrical Appliances (Quality Control) Order, 2024 under which all electrical items intended for household usage with rated voltage not exceeding 250 volts, are required to mandatorily conform to the Indian standards - IS:302 (Part 1): 2008 and are required to bear the standard mark under a license issued by the Bureau with effect from March 17, 2025.

The Legal Metrology Act, 2009 (the "Legal Metrology Act") and The Legal Metrology (Packaged Commodities) Rules, 2011 (the "Legal Metrology Rules")

The Legal Metrology Act, along with the Legal Metrology Rules, establishes and enforces standards of weights and measures, and regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such process does not adhere to the standard regulations set out.

The Legal Metrology Rules are ancillary to the Legal Metrology Act and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Contravention of the Legal Metrology Rules is punishable with a fine.

Consumer Protection Act, 2019 and the rules made thereunder (the "Consumer Protection Act")

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia 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 also 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, and for every subsequent offence, be punished with imprisonment for a term which may extend to five years and with fine which may extend to fifty lakh rupees.

The Ministry of Consumer Affairs has issued the E-Commerce Rules under the Consumer Protection Act on July 23, 2020. The E-Commerce Rules provide a framework to regulate the marketing, sale and purchase of goods and services online. These rules apply to (a) good/services purchases or sold vide digital or electronic network, including digital products; (b) marketplace and inventory e-commerce entities; (c) all e-commerce retailing; and (d) forms of unfair trade practices across all e-commerce models. It specifies the duties of ecommerce entities, specific duties and liabilities of marketplace e-commerce entities and those of inventory ecommerce entities, and duties of sellers on marketplace. The E-Commerce Rules further requires the e-commerce entity to appoint a grievance officer and provide for a grievance redressal mechanism. Any violation of these rules attracts penal action under the Consumer Protection Act.

Sale of Goods Act, 1930 (the "Sale of Goods Act")

The Sale of Goods Act governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of gods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

National Policy on Electronics, 2019 (the "NPE")

The NPE envisions positioning India as a global hub for Electronics System Design and Manufacturing ("**ESDM**") by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. The NPE replaces the National Policy of Electronics, 2012. The NPE when implemented will lead to the formulation of several schemes, initiatives, projects, etc., in consultation with the concerned Ministries/Departments, for the development of the ESDM sector in the country. It will enable the flow of investment and technology, leading to higher value addition in the domestically manufactured electronic products, and increased electronics hardware manufacturing in the country and their export while generating substantial employment opportunities.

The Standards and Labelling Scheme (the "S&L Scheme") and the Bureau of Energy Efficiency (Particulars and Manner of their Display on Labels of Electric Ceiling Type Fans) Regulations, 2022 ("BEE Label Regulations")

The S&L Scheme provides for display of energy performance labels on high-energy end-use equipment & appliances and lays down minimum energy performance standards. A star rating, ranging from 1 to 5 in the ascending order of energy efficiency is provided to the products registered with the Bureau of Energy Efficiency (BEE). The star or energy labeling is based on standards that prescribe limits on energy performance (usually maximum use or minimum efficiency) based on specified test protocols. The informative labels affixed to products describe energy performance usually in the form of energy use, efficiency, or energy cost. Pursuant to the BEE Label Regulations, electric ceiling type fans are required to bear a label with the BEE logo and the star level under the S&L Scheme.

The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents, and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment, for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the disclosure, collection, and transfer of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate or person who on behalf of the body corporate receives, stores or handles information to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, and publish such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The Digital Personal Data Protection Act, 2023 ("DPDP Act") and the Digital Personal Data Protection Rules, 2025 ("Draft Rules")

The DPDP Act received the assent of the President of India on August 11, 2023, and the provisions of the DPDP Act shall come into effect on such date as the Central Government may notify in the official gazette. The DPDP Act provides for collection and processing of digital personal data by persons, including companies. Further, companies collecting and dealing in high volumes of personal data are defined as significant data fiduciaries. These significant data fiduciaries will be required to fulfil certain additional obligations under the DPDP Act including appointment of a data protection officer who will be the point of contact between such fiduciaries and individuals for grievance redressal. Further such significant data fiduciaries will also be required to appoint an independent data auditor who will evaluate their compliance with the DPDP Act. The Central Government will also establish the Data Protection Board of India (the "**DPB**"), whose key functions include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by data principals.

The Ministry of Electronics and Information Technology has published the Draft Rules for public consultation on January 3, 2025. The Draft Rules facilitate the implementation of the DPDP Act. It aims to strengthen the legal framework for the protection of digital personal data by providing necessary details and an actionable framework. The Draft Rules lays down various implementation aspects such as the notice by the data fiduciary to the individuals, registration and obligations of consent manager, processing of personal data for issuance of subsidy, benefit, services by State, applicability of reasonable security safeguards, intimation of personal data breach, providing details about availing of the rights by the individuals, processing of personal data of child or of person with disability, setting up the DPB, appointment and service conditions of the chairperson and other members of the DPB, functioning of DPB as digital office, procedure to appeal to appellate tribunal among others. The Draft Rules are yet to be approved and notified.

Environmental legislations

Environment Protection Act, 1986 (the "EP Act"), the Environment Protection Rules, 1986 (the "EP Rules") read with the Environmental Impact Assessment Notification, 2006 ("EIA Notification"), theDraft Environment Impact Assessment Notification 2020 ("Draft EIA 2020") and the Water Purification System (Regulation of Use) Rules, 2023 ("Water Purification Rules")

The EP Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and preventing environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation, or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations, or processes through prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

The Central Government has also made the Water Purification Rules in exercise of its powers under the EP Act to regulate the use of water purification system. Under the Water Purification Rules, users of domestic water purification systems and commercial water purification systems are required to comply with the guidelines issued by the Central Pollution Control Board. Every domestic water purification system manufactured, imported, produced or assembled on or after November 10, 2024, must bear the standard mark as per IS:16240, under the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018. Further, discarded elements from domestic water purification systems are required to be regulated by the manufacturer as per the provisions of the

Plastic Waste Management Rules, 2016, the E-Waste (Management) Rules, 2022 and the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. Domestic water purifier systems are also required to bear a conformance label in accordance with the Water Purifier Rules. The State Pollution Control Board or Pollution Control Committee, as the case may be, shall register manufacturers and importers of commercial water purification systems as per the provisions of the Plastic Waste Management Rules, 2016 and the E-Waste (Management) Rules, 2022.

Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources. The Ministry of Environment, Forest and Climate Change issued the Draft EIA 2020, on March 23, 2020. It proposes to replace the existing Environment Impact Assessment Notification, 2006. It classifies all new projects or activities, including expansion and modernization of projects or activities, into three categories, namely, Category A, Category B1 and Category B2. The Draft EIA 2020 also provides a list of projects and activities exempted from the application of the notification. It also has provisions for monitoring the compliance and dealing with non-compliance of the conditions in prior environmental clearance and prior environmental permission.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards ("**State PCB**"), to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the state pollution control board declare, any area or areas within the State as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. Further, under section 22 of the Air Act, no person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, "hazardous waste" inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Public Liability Insurance Act, 1991 (the "PLI Act") read with the Public Liability Insurance Rules, 1991 (the "PLI Rules")

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The Government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability to provide relief under the terms of the legislation. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

E-Waste Management Rules, 2022 (the "E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, refurbishing, dismantling, recycling, and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts, and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must register on the portal and submit returns on the portal developed by the Central Pollution Control Board. In case any registered entity furnishes false information or wilfully conceals information for getting registration or return or report or information required to be provided or furnished or in case of any irregularity, the registration of such entity may be revoked by the Central Pollution Control Board for a period up to three-years in addition to levy of environmental compensation charges.

Plastic Waste Management Rules, 2016 (the "Plastic Waste Management Rules")

Under the Plastic Waste Management Rules, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Municipal Solid Waste (Management and Handling) Rules, 2000, as amended, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centres, either on its own or through the authorized waste collection agency.

Intellectual Property Laws

The Trade Marks Act, 1999 (the "Trademarks Act")

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, simultaneous protection of trademarks in India and other countries are available to owners of Indian and foreign trademarks.

The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. The Patents Act recognises both product and process patents and prescribes eligibility criteria for grant of patents, including the requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection.

The Copyright Act, 1957 (the "Copyright Act")

The Copyright Act, along with the Copyright Rules, 2013 ("**Copyright Laws**") governs copyright protection in India. The Register of Copyrights under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

The Design Act, 2000 (the "Design Act")

The Design Act consolidates and amends the law relating to the protection of designs. The Design Act is a complete code in itself and is statutory in nature and protects new or original designs from getting copied which cause loss to the proprietor. The proprietor upon registration gets 'copyrights in design' for the period of 10 years from the date of registration which can be renewed for a second period of five years, before the expiration of original period of 10 years. The controller registers a design under this Act after verifying that the design of any person, claiming to be the proprietor, is the new or original design not previously published anywhere in any country and is not against any public policy or morality. Any obvious or fraudulent imitation of a design, which is already registered, without the consent of its proprietor, is unlawful. It also prohibits the import of any material which closely resembles a registered design. The Central Government also drafted the Design Rules, 2001 (the

"**Design Rules**") under the authority of the Design Act for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc.

Foreign investment and trade regulations

Foreign Exchange Laws

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 ("**FEMA**") along with the rules, regulations and notifications made by the Reserve Bank of India ("**RBI**") thereunder, and the consolidated Foreign Direct Investment ("**FDI**") Policy ("**FDI Policy"**) (effective from October 15, 2020) issued by the Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce and Industry, Government of India from time to time. The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DIPP. Further, the RBI has enacted the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. The FEMA, the FEMA Rules, and the FDI Policy prescribe certain requirements with respect to downstream investments by Indian companies that are owned or controlled by foreign entities and with respect to foreign investment into India and transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entity to foreigners, as well as such transactions between foreigners. Requirements under these laws currently include restrictions on pricing, issue transfer, valuation of shares and sources of funding for such investments, and may, in certain cases, require prior notice for approval of the Government of India. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route. Under the FDI Policy, foreign direct investment is permitted up to 100% on the automatic route, in the manufacturing sector, subject to applicable laws or regulations, security and other conditionalities. Accordingly, the FDI Policy permits our Company 100% FDI under the automatic route.

Further, in accordance with Press Note No. 4 (2020 Series), dated April 17, 2020, issued by the DPIIT, all investments 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.

Foreign Exchange Management (Overseas Investment) Rules, 2022 ("ODI Rules")

The RBI, with an aim to operationalise a new overseas investment regime, has introduced the ODI Rules and the Foreign Exchange Management (Overseas Investment) Regulations, 2022 ("**ODI Regulations**"), vide Notification No. G.S.R. 646(E) and Notification No. FEMA 400/2022-RB dated August 22, 2022 respectively. Further, the Foreign Exchange Management (Overseas Investment) Directions, 2022 ("**ODI Directions**") were introduced to be read with the ODI Rules and the ODI Regulations. The new regime simplifies the framework to cover wider economic activity and thereby, significantly reducing the need for specific approvals. Investment may be made by an Indian entity only in a foreign entity engaged in activities permissible under the law in force in India and the host jurisdiction. Any manner of Overseas Direct Investment ("**ODI**") by an Indian entity shall be made as prescribed in the ODI Rules, namely: (i) subscription as part of MoA or purchase of equity capital, (ii) acquisition through bidding or tender procedure, (iii) acquisition of equity capital by way of rights issue or allotment of bonus shares, (iv) capitalisation of any amount due from the foreign entity subject to applicable conditions, (v) swap of securities, and (vi) merger, demerger, amalgamation or any scheme of arrangement.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number ("**IEC**") granted by the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**"). The IEC granted to any person may be suspended or cancelled *inter alia* in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder, or the foreign trade policy would become liable to a penalty under the FTA.

Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 and rules made thereunder

The provisions of the Customs Act and rules made there under are applicable to imported goods i.e. goods brought into India from a place outside India (except goods cleared for home consumption) and export goods i.e. goods which are to be taken out of India to a place outside India. Imported goods and export goods are subject to duties of customs as specified under the Customs Tariff Act, 1975.

Taxation laws

In addition to the aforementioned material legislations which are applicable to us, some of the tax legislations that may be applicable to our operations include:

(i) Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
(ii) Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
(iii) The Integrated Goods and Service Tax Act, 2017 and rules thereof;
(iv) Professional tax related state-wise legislations; and
(v) Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

Labour law legislations

Factories Act, 1948 (the "Factories Act")

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each State Government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of its provisions.

Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA")

The CLRA regulates the employment of contract labour in certain establishments. The CLRA provides that the appropriate Government may, after consultation with the Central or State Advisory Boards (constituted under the CLRA), prohibit employment of contract labour in any process, operation or other work in any establishment.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exist, such establishments are required to be registered. Such legislations 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 records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

In addition to the Factories Act, the CLRA and the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, including but not limited to the following:

- Apprentices Act, 1961,
- The Child Labour (Prohibition and Regulation) Act, 1986,
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952,
- Employee's Compensation Act, 1923,
- Employees' State Insurance Act, 1948,
- The Equal Remuneration Act, 1976,
- The Labour Welfare Fund Act, 1965,
- Maternity Benefit Act, 1961,

- Minimum Wages Act, 1948,
- Payment of Bonus Act, 1965,
- Payment of Gratuity Act, 1972,
- Payment of Wages Act, 1936,
- The Right of Persons with Disabilities Act, 2016,
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,
- The Workmen's Compensation Act, 1923,

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

a) The Gol enacted 'The Code on Wages, 2019 which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Gol brought into force Sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67 (ii)(t) (to the extent that they relate to the Central Advisory Board) and Section 69 (to the extent that it relates to Sections 7, 9 (to the extent that they relate to the Gol) and Section 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, named the Payment of Wages Act 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 195 and the Equal Remuneration Act, 1976.

b) The Gol enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers Regulation of Employment and Conditions of Service) Act, 1996.

c) The Gol enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1940.

d) The Gol enacted The Code on Social Security, 2020' which received the assent of the President of India on September 28, 2020. While Section 142 has been brought into force on May 3. 2021, the rest of the provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations including the Employee's Compensation Act. 1923, the Employees State Insurance Act, 1948, the Employees 'Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers Social Security Act, 2008.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act, 2013 and rules framed thereunder, fire-safety related laws, the Contract Act, 1872, and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day-to-day business.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "Kent R O Systems Private Limited", a private limited company under the Companies Act, 1956 on April 12, 2007, pursuant to a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Our Company took over the business of manufacture, assembly, purchase, sale, trade in home and kitchen appliances of M/s Kent International, a partnership firm (constituted pursuant to partnership deed dated December 14, 2005), pursuant to takeover agreement dated April 23, 2007. Upon the conversion of our Company from a private limited company to a public limited company, pursuant to Board and Shareholders' resolutions each dated April 27, 2007, the name of our Company was changed to "Kent R O Systems Limited" and a fresh certificate of incorporation dated May 22, 2007, was granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Our Company took over the business of sale, import, export of water purification equipments and other consumer durables from M/s Kent R O Systems, a partnership firm (constituted pursuant to partnership deed dated September 24, 1999), pursuant to takeover agreement dated September 1, 2007.

Changes in the Registered Office

Our Company has not changed its registered office address since the date of incorporation.

Main objects of our Company

The main objects contained in our Memorandum of Association are set forth below:

"(1) Our purpose is to innovate for better living by creating solutions that promote health, sustainability, and comfort. Through advanced technologies and responsible practices, we aim to address essential needs, empowering individuals and families to live healthier and more sustainable lives.

(2) To takeover the running business of the partnership firm "Kent International", S-03, Second Floor, Pankaj Arcade, Sector -5, Dwarka, New Delhi - 110 075 along with its assets and liabilities on such terms and conditions as may be mutually agreed upon. The said firm shall cease to exist after such takeover by the company after incorporation.

(3) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling and dealing in:

- *a) all types of water purification systems, air purification systems and other health-focused systems, equipments and plants, including but not limited to water purification equipment utilizing technologies such as reverse osmosis, ultraviolet (UV) purification, ultrafiltration (UF), nanofiltration (NF), activated carbon filtration, and ion exchange processes.*
- *b) all types of water softening, purification, and other treatment plants for industrial, domestic, or other purposes, as well as providing advisory, technical, managerial, consultancy, and related services.*
- *c) Wastewater management systems, including wastewaster treatment plants, sewage treatment plants, effluent treatment plants, and technologies for recycling, reusing and treating wastewater for industrial, domestic or municipal purposes.*
- *d) Mineral water, aerated water, aqua minerals bottles, beverages of all kinds, squashes, syrups, essences, fruit juices, jams, jellies and related products.*

(4) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling and dealing in:

- *a) Kitchen appliances, including mixers, juicer mixer grinders, hand blenders, toasters, electric kettles, stoves, ovens, OTGs, microwaves, cooking ranges, air fryers, cookers, atta and bread makers, chimneys, hoods, cooking stoves, and other cooking utensils of all types, along with related products.*
- *b) Home appliances, including vacuum cleaners, irons, steamers, air purifiers, small electric tools, and related products for household use.*
- *c) Large home appliances, including refrigerators, washing machines, dishwashers, dryers, air conditioners, water heaters, and other major household appliances.*

d) *Home video and audio equipment, including televisions, home theater systems, music systems, soundbars, headphones, earphones, and audio accessories.*
e) *Software components, audio products, electronic calculators, digital products, microprocessor-based systems, communication equipment, process control equipment, instrumentation, industrial and professional-grade electronic equipment, and computer systems.*
f) *Security electronics items, including all types of cameras, doorbells, burglary alarms, sirens, and other similar products, along with their consumables, parts, accessories, components, and spare parts for industrial, domestic or other purposes.*

(5) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling and dealing in:

a) Electrical appliances, including fans (ceiling, table and exhaust), heaters, water heaters, immersion rods, air coolers, room heaters, portable air conditioners, and other small-scale electrical devices for domestic and commercial use.
b) Lighting solutions, including bulbs, LED lights, tube lights, chandeliers, decorative lighting and outdoor lighting.
c) Wiring and electrical fittings, including wires, cables, conduits, sockets, plugs, switchboards, and related components.
d) Switches and switchgear, including MCBs (Miniature Circuit Breakers), RCCBs (Residual Current Circuit Breakers), isolators, distribution boards, relays, and other protective devices.
e) Power solutions, including transformers, inverters, UPS systems, batteries, and other energy storage and supply devices.

(6) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling, installing, maintaining, and offering advisory and consultancy services in:

a) Solar panels, including photovoltaic (PV) solar panels for residential, commercial, and industrial purposes.
b) Lithium-ion batteries, including energy storage solutions for residential, commercial, and industrial applications, as well as for electric vehicles.
c) Inverters, including solar inverters, hybrid inverters, and other type of inverters for energy conversion and management.
d) Solar power systems, including off-grid, on-grid, and hybrid solutions, as well as modular energy storage units and battery packs.
e) Accessories and components, including solar charge controllers, mounting structures, wiring systems, and other essential components for renewable energy systems.

The main objects clause and matters necessary for furtherance of the main objects, as contained in our Memorandum of Association, enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association of our Company during the 10 years immediately preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/Effective date	Details of amendment
November 19, 2024	Clause V of our Memorandum of Association was substituted to reflect the increase in authorized share capital of our Company from ₹15,000,000 divided into 15,000,000 Equity Shares of ₹1 each to ₹220,000,000 divided into 220,000,000 Equity Shares of face value of ₹1 each, as follows: "*The Authorised Share Capital of the Company is ₹22,00,00,000/ (Rupees Twenty Two Crore only) divided into 22,00,00,000 (Twenty Two Crore) Equity Shares of Rs. 1/ - (Rupees One) each.*"
	Clause V of the Memorandum of Association was substituted to reflect the subdivision of the authorized share capital of our Company from ₹15,000,000 divided into 1,500,000 equity shares of ₹10 each into ₹15,000,000 divided into 15,000,000 Equity Shares of face value of ₹1 each, as follows: "*The Authorised Share Capital of the Company is ₹1,50,00,000 divided into 1,50,00,000*

Date of Shareholders' resolution/Effective date	Details of amendment
	Equity Shares of face value of ₹1 each."
	Clause III (A) of the Memorandum of Association was amended to add a new sub-clause 1, re-number the old sub-clause 1 as sub-clause 2, and re-number and substitute the old sub-clauses 2 to 8 as sub-clauses 3 to 6, as part of the main objects to be pursued by the Company, as follows: "*(1) Our purpose is to innovate for better living by creating solutions that promote health, sustainability, and comfort. Through advanced technologies and responsible practices, we aim to address essential needs, empowering individuals and families to live healthier and more sustainable lives.* *(2) To takeover the running business of the partnership firm "Kent International", S-03, Second Floor, Pankaj Arcade, Sector -5, Dwarka, New Delhi - 110 075 along with its assets and liabilities on such terms and conditions as may be mutually agreed upon. The said firm shall cease to exist after such takeover by the company after incorporation.* *(3) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling and dealing in:* *a) all types of water purification systems, air purification systems and other health-focused systems, equipments and plants, including but not limited to water purification equipment utilizing technologies such as reverse osmosis, ultraviolet (UV) purification, ultrafiltration (UF), nanofiltration (NF), activated carbon filtration, and ion exchange processes.* *b) all types of water softening, purification, and other treatment plants for industrial, domestic, or other purposes, as well as providing advisory, technical, managerial, consultancy, and related services.* *c) Wastewater management systems, including wastewaster treatment plants, sewage treatment plants, effluent treatment plants, and technologies for recycling, reusing and treating wastewater for industrial, domestic or municipal purposes.* *d) Mineral water, aerated water, aqua minerals bottles, beverages of all kinds, squashes, syrups, essences, fruit juices, jams, jellies and related products.* *(4) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling and dealing in:* *a) Kitchen appliances, including mixers, juicer mixer grinders, hand blenders, toasters, electric kettles, stoves, ovens, OTGs, microwaves, cooking ranges, air fryers, cookers, atta and bread makers, chimneys, hoods, cooking stoves, and other cooking utensils of all types, along with related products.* *b) Home appliances, including vacuum cleaners, irons, steamers, air purifiers, small electric tools, and related products for household use.* *c) Large home appliances, including refrigerators, washing machines, dishwashers, dryers, air conditioners, water heaters, and other major household appliances.* *d) Home video and audio equipment, including televisions, home theater systems, music systems, soundbars, headphones, earphones, and audio accessories.* *e) Software components, audio products, electronic calculators, digital products, microprocessor-based systems, communication equipment, process control equipment, instrumentation, industrial and professional-grade electronic equipment, and computer systems.* *f) Security electronics items, including all types of cameras, doorbells, burglary alarms, sirens, and other similar products, along with their consumables, parts, accessories, components, and spare parts for industrial, domestic or other purposes.* *(5) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling and dealing in:*

Date of Shareholders' resolution/Effective date	Details of amendment
	a) Electrical appliances, including fans (ceiling, table and exhaust), heaters, water heaters, immersion rods, air coolers, room heaters, portable air conditioners, and other small-scale electrical devices for domestic and commercial use. *b) Lighting solutions, including bulbs, LED lights, tube lights, chandeliers, decorative lighting and outdoor lighting.* *c) Wiring and electrical fittings, including wires, cables, conduits, sockets, plugs, switchboards, and related components.* *d) Switches and switchgear, including MCBs (Miniature Circuit Breakers), RCCBs (Residual Current Circuit Breakers), isolators, distribution boards, relays, and other protective devices.* *e) Power solutions, including transformers, inverters, UPS systems, batteries, and other energy storage and supply devices.* *(6) To engage in the business of manufacturing, designing, developing, fabricating, contracting, trading, importing, exporting, supplying, assembling, acting as agents, distributing, providing services, buying, selling, installing, maintaining, and offering advisory and consultancy services in:* *a) Solar panels, including photovoltaic (PV) solar panels for residential, commercial, and industrial purposes.* *b) Lithium-ion batteries, including energy storage solutions for residential, commercial, and industrial applications, as well as for electric vehicles.* *c) Inverters, including solar inverters, hybrid inverters, and other type of inverters for energy conversion and management.* *d) Solar power systems, including off-grid, on-grid, and hybrid solutions, as well as modular energy storage units and battery packs.* *e) Accessories and components, including solar charge controllers, mounting structures, wiring systems, and other essential components for renewable energy systems.*"
May 23, 2022	Clause III (A) of the Memorandum of Association was amended to substitute sub-clauses 3,4 and 7 and include sub-clause 8 as part of the main objects to be pursued by the Company, as follows: "*3. To design, manufacture or deal in all types of water softening, purification and other treatment plants for industrial, domestic or other purposes. To undertake any advisory, technical, managerial, consultancy or similar work.* *4. To engage in all or any of the businesses of assemblers, processors, dealers, repairers, service agents, in various kinds of plants, machinery, equipment, solar electric equipments, components, accessories thereof and in any similar or allied business and either in connection with any of the said businesses or as distinct or separate business*. *7. To manufacture, develop, design, assemble, repair, import, export, buy, sell, brand, hire, pack, re pack, recondition, service, supply or otherwise deal in all models, shapes, sizes, capacities and varieties of domestic and household appliances, heating, cooking and electrical and mechanical appliances/equipments and devices such as all kinds of fans, switches, switch gears, lightings, MCB & other related electrical items, software components, audio projects, electronic calculators, digital products, microprocessor based systems, mini-computers, communication equipment and process control equipment, instrumentation and industrial and professional grade electronic and computer equipments, regulators, vacuum cleaner, mixers, juicer mixer grinders, hand blenders, toasters, electrical kettle, stoves, pressure cookers, ovens, OTG, microwave, cooking ranges, other cooking utensils of all types, and washing machines, refrigerators, electronic motors for machines, any type of boiler, injection cook, air fryer, cookers, atta & bread maker, all types of security electronics goods items, like all types of camera, door bell, burglary alarms, sirens and other similar products, their consumables, parts, accessories, components and spare parts for industrial, domestic or other purposes, fittings whether as wholesalers, retailers, agents, sub agents, distributors or otherwise.* *8. To carry on the business as manufacturers, importers, exporters or and dealers in scientific laboratory, technical, pharmaceutical, pressed, glassware, flasks, stoppers, tumblers, mirrors and such other varieties of glassware of all types.*"
	The Memorandum of Association was amended to reflect renumbering of the incidental or ancillary object clause and deletion of the other objects clause from clause III (C)(1) to clause III (C)(54) .
	Clause IV of the Memorandum of Association was amended and substituted with the following:

Date of Shareholders' resolution/Effective date	Details of amendment
	"*The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.*"
September 20, 2021	Clause III(A) of the Memorandum of Association was amended to include the following sub-clause 7 as part of the main objects to be pursued by the Company: "*7. To manufacture, develop, design, assemble, repair, import, export, buy, sell, brand, hire, pack, re pack, recondition, service, supply or otherwise deal in all models, shapes, sizes, capacities and varieties of domestic and household appliances, heating, cooking and electrical and mechanical appliances/equipments and devices such as all kinds of fans, switches, switch gears, lightings, MCB & other related electrical items, regulators, vacuum cleaner, mixers, juicer mixer grinders, hand blenders, toasters, electrical kettle, stoves, pressure cookers, ovens, OTG, microwave, cooking ranges, other cooking utensils of all types, and washing machines, refrigerators, electronic motors for machines, any type of boiler, injection cook, air fryer, cookers, atta & bread maker, all types of security electronics goods items, like all types of camera, door bell, burglary alarms, sirens and other similar products, their consumables, parts, accessories, components and spare parts for industrial, domestic or other purposes, fittings whether as wholesalers, retailers, agents, sub agents, distributors or otherwise.*"

Major events and milestones

The table below sets forth certain major events in the history of our Company:

Calendar Year	Events and Milestones
2007	Our Company was incorporated as Kent R O Systems Limited and took over the respective businesses of M/s Kent R O Systems and M/s Kent International
2010	Commissioning of Roorkee Facility
	Introduction of India's first patented water purifier with a removable storage tank (*Source: Technopak Report*)
	Launch of water softeners
2012	Patented R O based zero-water-wastage drainage technology
2015	Launch of HEPA air purifiers
2016	Launch of India's first patented IoT-enabled water purifier (*Source: Technopak Report*)
2017	Launch of Kent kitchen appliances
2018	Commencement of operations at Noida Facility I
2019	Launch of CamEye car camera
	Patented enhancement of zero-water-wastage technology to pump rejected water into household tanks
2019	Launch of water filters
2022	Commencement of operations at Noida Facility II for manufacturing Kuhl fans
2023	Entry into the BLDC fans category with launch of fans under the Kuhl brand
	Commencement of operations at Noida Facility III

Key awards, accreditations and recognition

Set forth below are some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards and accreditations
2024	Our brand Kent was ranked as 'India's Most Desired Water Purifiers Brand' and 'India's Most Desired Consumer Appliances Brand' in Trust Research Advisory (TRA)'s Most Desired Brands India Study 2024 (covering 8000 brands across 16 cities)
	Recognised as 'Most Preferred Brand in Water Purifier' in the Marksmen Daily Most Preferred Brands 2024-25 (4th Edition)
	Winner of Amazon Seller Reward for Great Indian Festival Sale 2024 – Ranked #1 across all sellers in other hardlines category
	Awarded Promising Urban Drinking Water Solution Provider at the Water Digest World Water Awards 2023-24
2020	Our brand Kent was ranked as 'India's Most Desired Brand' in the Water Purifier category in the Trust Research Advisory (TRA)'s Most Desired Brands 2020 India Study
2019	Awarded Best Domestic Water Purifier (Best RO+UV+UF) Award at the Water Digest Water Awards 2018-2019
2017	Awarded Best Domestic Water Purifier (Best RO+UV+UF) Award for Kent Superb at the Water Digest Water Awards 2016-2017
2016	Recognised as 'Asia's Most Promising Brands – Household Products Home Appliances' by World Consulting and Research Corporation.
2014	Recognised as 'Asia's Most Promising Brand' by World Consulting and Research Corporation

Calendar Year	Awards and accreditations
	Our brand Kent was recognised as 'India's Most Trusted Water Purifier' in the Brand Trust Report India Study 2014
2013	Awarded for Brand Excellence in Durables Sector at the Global Brand Excellence Awards
2008	Awarded Best Domestic Purifier (RO+UV) at the Water Digest Water Awards 2007-2008
2007	Awarded Best Domestic Water Purifier 2006-07 – The Complete Domestic Water Solutions Provider (RO & UV) at the Water Digest Water Awards 2006-2007
	Winner of Golden Peacock Award for Eco-Innovation by World Environment Foundation

Significant financial or strategic partnerships

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects

Our Company has not faced any time or cost overrun in setting up of any projects.

Facility creation, location of plants and offices

For details regarding facility creation and location of our plants and offices, see "***Our Business***" on page 176.

Launch of key products or services, entry in new geographies or exit from existing markets

For details of key products or services launched by us and entry into new geographies or exit from existing markets, as applicable, see "***Our Business***" and "***–Major events and milestones***" on pages 176 and 218, respectively.

Defaults or re-scheduling/restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with financial institutions/banks in respect of our borrowings.

Details regarding material acquisitions or divestments of business/undertakings, mergers, slump sales amalgamations and revaluation of assets in the last 10 years

Except as disclosed below, our Company has not made any acquisitions or divestments of any business or undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets in the preceding 10 years.

Divestment of Dreamland Exim Private Limited ("Dreamland") by Share Purchase Agreement dated December 3, 2024 entered into between our Company, Mahesh Gupta, Sunita Gupta and Dreamland ("Share Purchase Agreement")

Pursuant to the Share Purchase Agreement, and Board resolutions dated September 20, 2024 and November 19, 2024, with effect from the fulfilment of conditions precedent to the closing as defined in the agreement (being December 19, 2024), our Company has transferred its entire shareholding constituting 99.99% of the paid-up share capital of Dreamland, our erstwhile subsidiary, to our Promoters, Mahesh Gupta and Sunita Gupta. In consideration for the aforementioned transfer and as based on the valuation report dated December 2, 2024 issued by NSRP & Company, Chartered Accountants in relation to the fair market value of the equity shares of Dreamland, Mahesh Gupta and Sunita Gupta have paid a sum of ₹299.98 million as consideration to our Company at the rate of ₹0.02 million per equity share of face value of ₹10 each of Dreamland, in the following manner:

(i) Mahesh Gupta has paid a sum of ₹284.98 million in lieu of 14,249 equity shares of face value of ₹10 each of Dreamland; and

(ii) Sunita Gupta has paid a sum of ₹15.00 million in lieu of 750 equity shares of face value of ₹10 each of Dreamland.

Guarantees given by our Promoter Selling Shareholders

As on the date of this Draft Red Herring Prospectus, no guarantee has been issued by our Promoter Selling Shareholders to any third parties.

Agreements with Key Managerial Personnel or Senior Management, Director, Promoters or any other employee

There are no agreements entered into by a Key Managerial Personnel or Senior Management or Directors or the Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Details of shareholders' agreements and other material agreements

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any subsisting shareholders' agreements *vis-a-vis* our Company.

Except as disclosed below and in " – ***Divestment of Dreamland Exim Private Limited by Share Purchase Agreement dated December 3, 2024 entered into between our Company, Mahesh Gupta, Sunita Gupta and Dreamland***" on page 219, as on the date of this Draft Red Herring Prospectus, (i) there are no inter- se agreements/arrangements or any deeds of assignment, acquisition agreements, shareholders agreement, financing agreements, agreements of like nature with respect to our Company that our Company is a party to, there are no other agreements/arrangement and clauses/covenants with respect to our Company that our Company is a party to, or of which it is aware, which are material and which need to be disclosed or non-disclosure of which may have a bearing on the investment decision in the Offer and there are no clauses/covenants which are adverse/pre-judicial to the interest of the minority/public shareholders of our Company; and (ii) our Company has not entered into any other subsisting material agreements including with strategic partners, and/or financial partners other than in the ordinary course of business of our Company:

License agreement for trademarks, copyrights, patents and designs dated April 1, 2023 between Mahesh Gupta and our Company, as amended by addendum agreement dated January 1, 2025 ("Promoter License Agreement")

Our Company has entered into the Promoter License Agreement dated April 1, 2023, amended by addendum agreement dated January 1, 2025, pursuant to which our Promoter, Mahesh Gupta has granted our Company the exclusive right to use the patents, trademarks, designs and copyrights as detailed in the agreement related to water purifiers, spare parts, air purifiers, healthcare products, the 'Kent' trademark, and the 'Kuhl' brand for fans, along with registered trademarks and copyrights ("**Licensed IPRs**"). In this regard, the Company is required to pay license fees on a monthly basis consisting of (i) a per-item rate for patents as specified in the Promoter License Agreement, and (ii) 1.2% of the total sales less the patent license fee, or a minimum of ₹101 if such balance is negative, for copyrights, designs and trademarks. Mahesh Gupta may not license the Licensed IPRs to any other entity, unless he or his family/related parties hold a majority stake in such entity, and such new business does not conflict with the Company's business. Our Company also has the first right of refusal to purchase the Licensed IPRs in the event of any proposed sale by Mahesh Gupta, provided such purchase must be at a fair market value determined by an independent brand valuation expert selected by mutual agreement of both parties.

The Promoter License Agreement is valid till March 31, 2028, unless terminated sooner. The Promoter License Agreement may also be terminated by Mahesh Gupta in certain circumstances, such as if the joint shareholding or voting rights of Mahesh Gupta and Promoter Group in the Company falls below 50%, or if the Company's activities negatively impact Mahesh Gupta's reputation and goodwill or materially damages the reputation and goodwill of his patents, trademarks, designs and copyrights.

Holding company, subsidiaries, joint venture and associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company, subsidiaries, joint ventures or associates.

OUR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors. As of the date of this Draft Red Herring Prospectus, we have six Directors on our Board, comprising two Executive Directors, one Non-Executive Non-Independent Director, and three Independent Directors, of which one is a woman Independent Director.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

S. No.	Name, DIN, designation, address, occupation, date of birth, period of directorship and term	Age (years)	Other directorships
1.	Mahesh Gupta ***Designation*:** Chairman and Managing Director ***Address*:** H-35, South Extension Part – 1, Andrewsganj, South Delhi, Delhi 110 049, India ***Occupation*:** Business ***Term*:** Five years with effect from April 1, 2021 ***Period of directorship:*** Director since April 12, 2007 ***Date of birth:*** September 27, 1954 ***DIN*:** 00458281	70	*Indian Companies:* • Cybertree Infosystems Private Limited • Dreamland Exim Private Limited • S.S. Appliances Private Limited • Vaish International Association • Water Quality India Association *Foreign Companies*: Nil
2.	Varun Gupta ***Designation*:** Joint Managing Director ***Address*:** H-35, South Extension Part – 1, Andrewsganj, South Delhi, Delhi 110 049, India ***Occupation*:** Business ***Term*:** Five years with effect from April 1, 2021, liable to retire by rotation* ***Period of directorship:*** Director since April 12, 2007 ***Date of birth:*** October 7, 1983 ***DIN*:** 00458328 **Redesignated from Whole Time Director to Joint Managing Director with effect from September 1, 2022*	41	*Indian Companies:* • Dreamland Exim Private Limited • S.S. Appliances Private Limited *Foreign Companies*: • Nil
3.	Sunita Gupta ***Designation*:** Non-Executive Non-Independent Director ***Address*:** H-35, South Extension – 1, Andrewsganj, South Delhi, Delhi 110 049, India ***Occupation*:** Business ***Term*:** Liable to retire by rotation ***Period of directorship:*** Director since April 12, 2007	66	*Indian Companies:* • S.S. Appliances Private Limited • Dreamland Exim Private Limited *Foreign Companies*: • Nil

S. No.	Name, DIN, designation, address, occupation, date of birth, period of directorship and term	Age (years)	Other directorships
	Date of birth: July 14, 1958 ***DIN*:** 00437823		
4.	Arun Seth ***Designation*:** Independent Director ***Address*:** House Number A-7, Geetanjali Enclave, Malviya Nagar, South Delhi, Delhi 110 017, India ***Occupation*:** Business ***Term*:** Three years with effect from October 17, 2023 ***Period of directorship:*** Director since October 17, 2020 ***Date of birth:*** November 19, 1951 ***DIN*:** 00204434	73	*Indian Companies:* • CBX1 India Private Limited • Cyber Media Research & Services Limited • Devrev Cloud India Private Limited • Dixon Technologies Limited • Hunger Inc Hospitality Private Limited • IITK Foundation for Medical Research and Technology • Jubilant Ingrevia Limited • Jubilant Pharmova Limited • Le Travenues Technology Limited • Naffa Innovations Private Limited • Nudge Lifeskills Foundation • Pamp Technologies (India) Private Limited • Sify Digital Services Limited • Sify Infinit Spaces Limited • Sify Technologies Limited • Usha Breco Limited *Foreign Companies*: Nil
5.	Chetas G. Desai ***Designation*:** Independent Director ***Address*:** 801, Bhanu Kunj, N.S. Road No. 3, J.V.P.D., Opp HDFC Bank, Vile Parle (West), Mumbai 400 056, Maharashtra, India ***Occupation*:** Financial Advisor ***Term*:** Five years with effect from April 1, 2021 ***Period of directorship:*** Director since April 1, 2021 ***Date of birth:*** November 14, 1967 ***DIN*:** 01968778	57	*Indian Companies:* • Astral Limited • B.G. Shirke Construction Technology Private Limited • JWC Logistics Park Private Limited • JWL Cold Store Private Limited • JWR Logistics Private Limited *Foreign Companies*: Nil
6.	Rajita Kulkarni ***Designation*:** Independent Director ***Address*:** C-2501/2502, Raheja Atlantis, 25th Floor, Ganpatrao Kadam Marg, Off Worli Naka, Worli, Delisle Road, Mumbai 400 013, Maharashtra, India ***Occupation*:** Service ***Term*:** Three years with effect from September 23, 2024 ***Period of directorship:*** Director since September 23, 2024 ***Date of birth:*** August 9, 1970 ***DIN*:** 03396374	54	*Indian Companies:* • Ssuinnovation Foundation • Ssuinnovation Tech Foundation *Foreign Companies*: Nil

Brief Biographies of our Directors

Mahesh Gupta is the founder, Chairman and Managing Director of our Company. He has been associated with our Company since incorporation. He holds a bachelor's degree in technology (mechanical engineering) degree from Indian Institute of Technology, Kanpur, and has completed a specialised training course from the Indian Institute of Petroleum, Dehradun. He has been conferred an honorary doctorate in philosophy by Sri Sri University. He has 25 years of experience in the water purifier and consumer durables industry. He was previously associated with Indian Oil Corporation Limited as deputy manager (technical services). He is also the founder of, and serves as managing director on the board of S.S. Appliances Private Limited, which is engaged in the business of manufacturing oil flow meters, water flow meters, and other testing instruments, since its incorporation in 1988. In 1998, he launched the first domestic RO water purifier in India (*Source: Technopak Report*). He has 15 patents registered in his name in India, including for domestic RO water purifier system with no water rejection and UV water purifier. He has previously held the position of President of the PHD Chamber of Commerce and Industry, 2015-16.

Varun Gupta is the Joint Managing Director of our Company. He has been associated with our Company since incorporation. He holds a bachelor's degree in science (computer engineering) from Purdue University, USA and a master's degree in business administration from Columbia University, USA. He has 19 years of experience in the water purifier and consumer durables industry. Prior to his role as Joint Managing Director, he was associated as a partner with the erstwhile M/s Kent International from 2005 till 2007. He has also served as a designated partner of Clicktable Technologies LLP from 2015 till 2019.

Sunita Gupta is a Non-Executive Non-Independent Director of our Company. She has been associated with our Company since incorporation. She holds a bachelor's degree in arts (honours) from Delhi University. She has 25 years of experience in the water purifier and consumer durables industry and was a partner with the erstwhile M/s Kent R O Systems from 1999 till 2007. She has also served as director on the board of S.S. Appliances Private Limited since 1989.

Arun Seth is an Independent Director of our Company. He has been associated with our Company since October 17, 2020. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Kanpur and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He was a trustee of the Nasscom Foundation and also serves as a director on the board of Jubilant Pharmova Limited and Le Travenues Technology Limited (Ixigo).

Chetas G. Desai is an Independent Director of our Company. He has been associated with our Company since April 1, 2021. He holds a certificate of practice from the Institute of Chartered Accountants of India. He has 13 years of experience in the corporate sector and has previously served as the chief executive officer (corporate finance business) at Ambit Private Limited. He also serves as an independent director on the board of Astral Limited.

Rajita Kulkarni is an Independent Director of our Company. She has been associated with our Company since September 23, 2024. She has passed the bachelors of commerce examination, and holds a master's degree in management studies, from the University of Bombay. She has 18 years of experience in the corporate sector. She is the President of Sri Sri University, and member of the executive board, Shankara Universal GmbH. In addition, she is the co-chairperson of the ASSOCHAM National Council on Education, a member of the FICCI Higher Education Committee and a representative of Indian universities from the south zone on the Court of the Indian Institute of Science, Bangalore. She was previously associated with Citibank N.A., India from 1992 to 2010.

Relationship between our Directors, Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

S. No.	Director/Key Managerial Personnel/Senior Management	Relative	Nature of Relationship
1.	Mahesh Gupta *Chairman and Managing Director*	Varun Gupta	Son
		Sunita Gupta	Spouse
		Lokesh Gupta	Sister's son
2.	Varun Gupta *Joint Managing Director*	Mahesh Gupta	Father
		Sunita Gupta	Mother
	Sunita Gupta	Mahesh Gupta	Spouse

S. No.	Director/Key Managerial Personnel/Senior Management		Relative	Nature of Relationship
3.	*Non-Executive Director*	*Non-Independent*	Varun Gupta	Son

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors of our Company.

Terms of appointment and remuneration of our Directors

Terms of appointment of our Executive Directors

Mahesh Gupta

Pursuant to the managing director's agreement dated September 20, 2021, executed between the Company and Mahesh Gupta ("**MD Agreement**"), resolutions passed by our Board and Shareholders dated September 25, 2018 and September 27, 2018, respectively, and resolutions passed by our Board and our Shareholders dated September 18, 2021, and September 20, 2021, respectively, with effect from April 1, 2018, Mahesh Gupta is entitled to a remuneration of ₹6.50 million to ₹8.50 million per month, and gratuity payable at the rate of half month's remuneration for each completed year in service, with a service of six months or more being treated as a full year. In Fiscal 2024, he received a remuneration of ₹102.04 million.

Varun Gupta

Pursuant to the whole-time director's agreement dated September 20, 2021, executed between the Company and Varun Gupta ("**WTD Agreement**"), and resolutions passed by our Board and our Shareholders dated September 12, 2022 and September 19, 2022, respectively, with effect from April 1, 2021, Varun Gupta is entitled to a remuneration of ₹6.00 million per month, rent-free accommodation, electricity and water charges and a car with chauffeur as decided by the Board, and other allowances and perquisites as per applicable Company policy. In Fiscal 2024, he received a remuneration of ₹79.32 million.

Terms of appointment and remuneration of our Non-Executive Directors

Pursuant to our Articles of Association and the terms and conditions set out under their respective appointment letters, the Independent Directors are entitled to a sitting fee as informed by the Board from time to time, not exceeding the limits prescribed under the Companies Act, 2013, for attending each meeting of the Board or any of its committees. Further, pursuant to resolution passed by our Board on November 19, 2024, our Non-Executive Directors, including our Independent Directors, are entitled to sitting fees of ₹0.05 million per day, irrespective of the type or number of meetings held.

Our Company did not pay any sitting fees or commission to Sunita Gupta, our Non-Executive Non-Independent Director, in Fiscal 2024. Details of the remuneration paid to our Independent Directors in Fiscal 2024 are as follows:

(in ₹ million)

S. No.	Name	Remuneration
1.	Arun Seth	0.15
2.	Chetas G. Desai	0.15
3.	Rajita Kulkarni	Nil(1)

(1)Since Rajita Kulkarni was appointed as an Independent Director on September 23, 2024, she was not paid any remuneration for Fiscal 2024.

Payment or benefit to Directors

Except as disclosed above and in "***Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on page 300, no payment or benefits were paid to our Directors during Fiscal 2024.

Contingent and deferred compensation payable to our Directors

No contingent or deferred compensation, which does not form part of their remuneration, was accrued or payable to any of our Directors for Fiscal 2024.

Bonus or profit-sharing plan for our Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. For details of the shareholding of our Directors in our Company, see "***Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 93.

Interest of Directors

1. All Directors may be deemed to be interested to the extent of (i) sitting fees and commission, if any, payable to them for attending meetings of our Board and committees and other remuneration or benefits, if any, to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company, (ii) transactions entered into in the ordinary course of business with companies which are promoted by them or in which they hold directorships or any partnership firm in which they are partners, if any. See "***Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on page 300; and (iii) shareholding in our Company, if any (together with dividends or other distributions in respect of such shareholding), held by them or held by the entities in which they are associated as partners, promoters, directors, members or trustees, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. Further, our Chairman and Managing Director, Mahesh Gupta, our Joint Managing Director, Varun Gupta and our Non-Executive Non-Independent Director, Sunita Gupta, are the Promoter Selling Shareholders in the Offer.

2. Except Mahesh Gupta, Sunita Gupta, and Varun Gupta, who are the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company.

3. Our Company has not entered into any service contracts with our Directors providing for benefits upon termination of their employment.

4. No loans have been availed by our Directors from our Company.

5. Except as disclosed below, our Directors have no interest in any property acquired or proposed to be acquired of our Company or by our Company, including any property acquired in the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company. Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc. Further, except as disclosed below, there is no conflict of interest between the lessors of the immovable properties of our Company (crucial for operations of our Company) and our Directors and Key Managerial Personnel.

   Our Company has leased the Registered Office, one service office, and ten residential properties for our employees from our Promoter, and Chairman and Managing Director, Mahesh Gupta. Further, our Company has leased two residential properties for our employees from our Promoter, and Non-Executive Non-Independent Director, Sunita Gupta. For details, see "***Risk Factors – We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders***" and "***Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on pages 42 and 300, respectively.

   Further, our Company has entered into the Promoter License Agreement, pursuant to which our Promoter, and Chairman and Managing Director, Mahesh Gupta has granted our Company the exclusive right to use the patents, trademarks, designs and copyrights as detailed in the agreement. In this regard, the Company is required to pay license fees on a monthly basis consisting of (i) a per-item rate for patents as specified in the Promoter License Agreement, and (ii) 1.2% of the total sales less the patent license fee, or a minimum of ₹101 if such balance is negative, for copyrights, designs and trademarks. For details, see "***History and Certain Corporate Matters – License agreement for trademarks, copyrights, patents and designs dated April 1, 2023 between Mahesh Gupta and our Company, as amended by addendum agreement dated January 1, 2025***", "***Risk Factors – We have entered into a trademark licensing agreement with our Promoter, Mahesh Gupta and termination of this agreement could adversely impact our business, results of operations and cash flows***" and "***Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on pages 220, 35 and 300, respectively.

6. Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be

paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Changes in the Board during the last three years

S. No.	Name	Effective Date	Reason
1.	Rajita Kulkarni	September 23, 2024	Appointment as an Independent Director
2.	Arun Seth	October 17, 2023	Re-appointment as an Independent Director
3.	Sunita Gupta	September 22, 2024	Re-appointment as director liable to retire by rotation
4.	Sunita Gupta	September 18, 2023	Re-appointment as director liable to retire by rotation
5.	Sunita Gupta	September 12, 2022	Re-appointment as director liable to retire by rotation
6.	Varun Gupta	September 1, 2022	Re-designated from Whole Time Director to Joint Managing Director

Borrowing Powers of our Board

In accordance with our Articles of Association, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future) and uncalled capital or any part thereof and to issue debenture, debenture stock and other securities whether outright or as a security for any debt, liability or obligation of the Company or any third party, subject to the provisions of sections 73, 74, 179 and 180 of the Companies Act, 2013 and applicable regulations issued by the RBI.

Corporate Governance

The provisions of the Companies Act along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations (as applicable to equity listed companies), the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including in relation to the constitution of our Board and committees thereof.

As on the date of filing this Draft Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors, including one woman Independent Director.

Committees of the Board

In addition to the committees of our Board described below, our Board may constitute committees for various functions from time to time.

Audit Committee

The Audit Committee was constituted by a resolution of our Board dated March 2, 2015, and was last reconstituted pursuant to a resolution passed by our Board on November 19, 2024. The composition and terms of reference of the Audit Committee are in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

1. Arun Seth, Independent Director (Chairperson);
2. Chetas G. Desai, Independent Director (Member);
3. Rajita Kulkarni, Independent Director (Member); and
4. Mahesh Gupta, Managing Director (Member)

Scope and Terms of Reference

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;
(2) to seek information from any employee;
(3) to obtain outside legal or other professional advice;
(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
(5) such other powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

Role of 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 Kent R O Systems Limited (the "**Company**") to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation to the board of directors of the Company (the "**Board**" or "**Board of Directors**") for appointment, re-appointment, replacement, removal, remuneration and other terms of appointment of statutory auditors and other 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) 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.

(5) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) 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, by the independent directors who are members of the Audit Committee;

   i. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;
   ii. Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;
   iii. Review of transactions pursuant to omnibus approval;
   iv. Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the Company and appointing a registered valuer in terms of Section 247 of the Companies Act, 2013, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow-up thereon;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) 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;

(18) reviewing the functioning of the whistle blower mechanism;

(19) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(20) 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;

(21) reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

(22) review the financial statements, in particular, the investments made by any unlisted subsidiary;

(23) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(24) approving the key performance indicators ("**KPIs**") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and

(25) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:
    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;

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.

- The financial statements, in particular, the investments made by any unlisted subsidiary; and
- Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall meet at least four times a year with maximum interval of 120 days between two consecutive meetings, and shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and shall have power to seek information from any employee, obtain external professional advice, and secure attendance of outsiders with relevant expertise, if necessary.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated March 2, 2015, and was last reconstituted pursuant to a resolution passed by our Board on November 19, 2024. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

1. Rajita Kulkarni, Independent Director (Chairperson);
2. Chetas G. Desai, Independent Director (Member); and
3. Sunita Gupta, Non-Executive Non-Independent Director (Member)

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  (a) use the services of external agencies, if required;
  (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  (c) consider the time commitments of the candidates.

- Formulation of criteria for evaluation of performance of independent directors and the Board;

- Devising a policy on Board diversity;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

- Analysing, monitoring and reviewing various human resource and compensation matters;

- 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;

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- recommend to the board, all remuneration, in whatever form, payable to senior management;

- Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

- The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that -

    (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
    (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

    (a) administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the "**Plan**");
    (b) determining the eligibility of employees to participate under the Plan;
    (c) granting options to eligible employees and determining the date of grant;
    (d) determining the number of options to be granted to an employee;
    (e) determining the exercise price under the Plan; and
    (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

- Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

    i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

- Carrying out any other activities as may be delegated by the Board of Directors of the Company, functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Nomination and Remuneration Committee is required to meet at least once every year in accordance with the SEBI Listing Regulations.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board on November 19, 2024, in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

1. Sunita Gupta, Non-Executive Non-Independent Director (Chairperson);
2. Arun Seth, Independent Director (Member); and
3. Varun Gupta, Joint Managing Director (Member)

Scope and Terms of Reference

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- considering and looking into various aspects of interest of shareholders, bondholders and other security holders
- resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, bonds or any other securities;
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Stakeholders' Relationship Committee is required to meet at least once in a year in accordance with the SEBI Listing Regulations.

Risk Management Committee

The Risk Management Committee was constituted pursuant to a resolution passed by our Board on November 19, 2024, in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

1. Mahesh Gupta, Chairman and Managing Director (Chairperson);
2. Arun Seth, Independent Director (Member); and
3. Varun Gupta, Joint Managing Director (Member)

The role and responsibility of the Risk Management Committee shall be as follows:

- Review, assess and formulate the risk management system and policy of the Company from time to time and recommend for an amendment or modification thereof, which shall include:
  (a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  (b) measures for risk mitigation including systems and processes for internal control of identified risks; and
  (c) business continuity plan;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
- Keep the Board of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- To implement and monitor policies and/or processes for ensuring cyber security;
- To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and
- Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Risk Management Committee shall meet at least twice in a year, provided that the meetings of the Risk Management Committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated March 2, 2015, and was last reconstituted pursuant to a resolution passed by our Board on November 19, 2024, in compliance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

1. Sunita Gupta, Non-Executive Non-Independent Director (Chairperson);
2. Rajita Kulkarni, Independent Director (Member); and
3. Varun Gupta, Joint Managing Director (Member)

The role and responsibility of the Corporate Social Responsibility Committee shall be as follows:

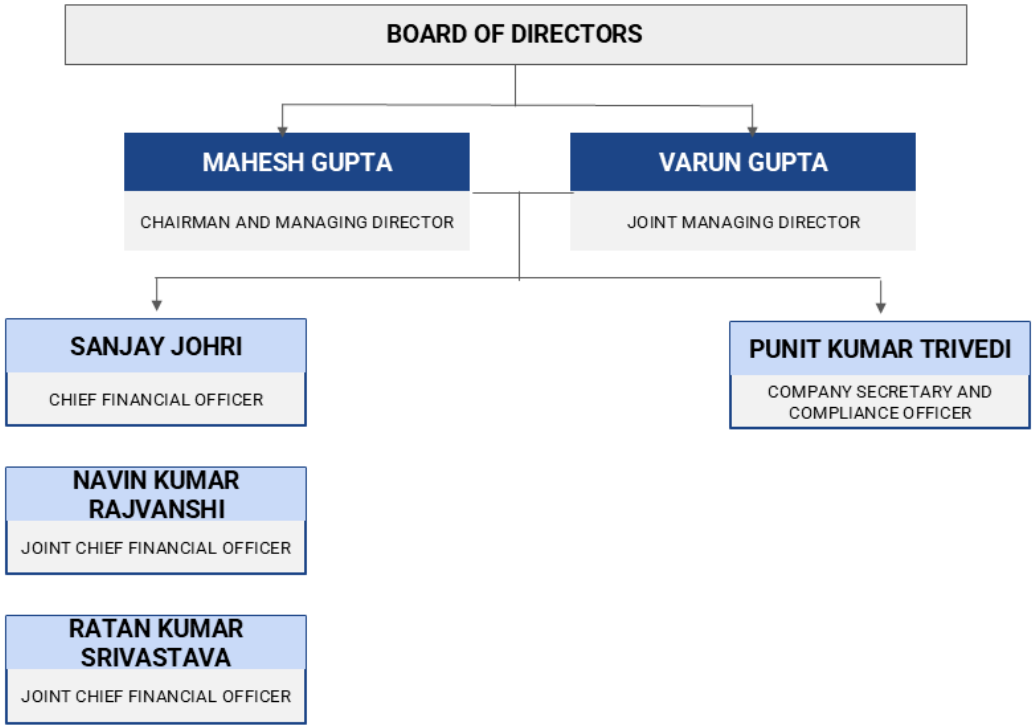
(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, and the rules made thereunder, each as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
(b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
(c) monitor the Corporate Social Responsibility Policy of the Company from time to time;
(d) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
(e) the Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
    i. the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
    ii. the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act, 2013;
    iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
    iv. monitoring and reporting mechanism for the projects or programmes; and
    v. details of need and impact assessment, if any, for the projects undertaken by the Company.

    Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect; and

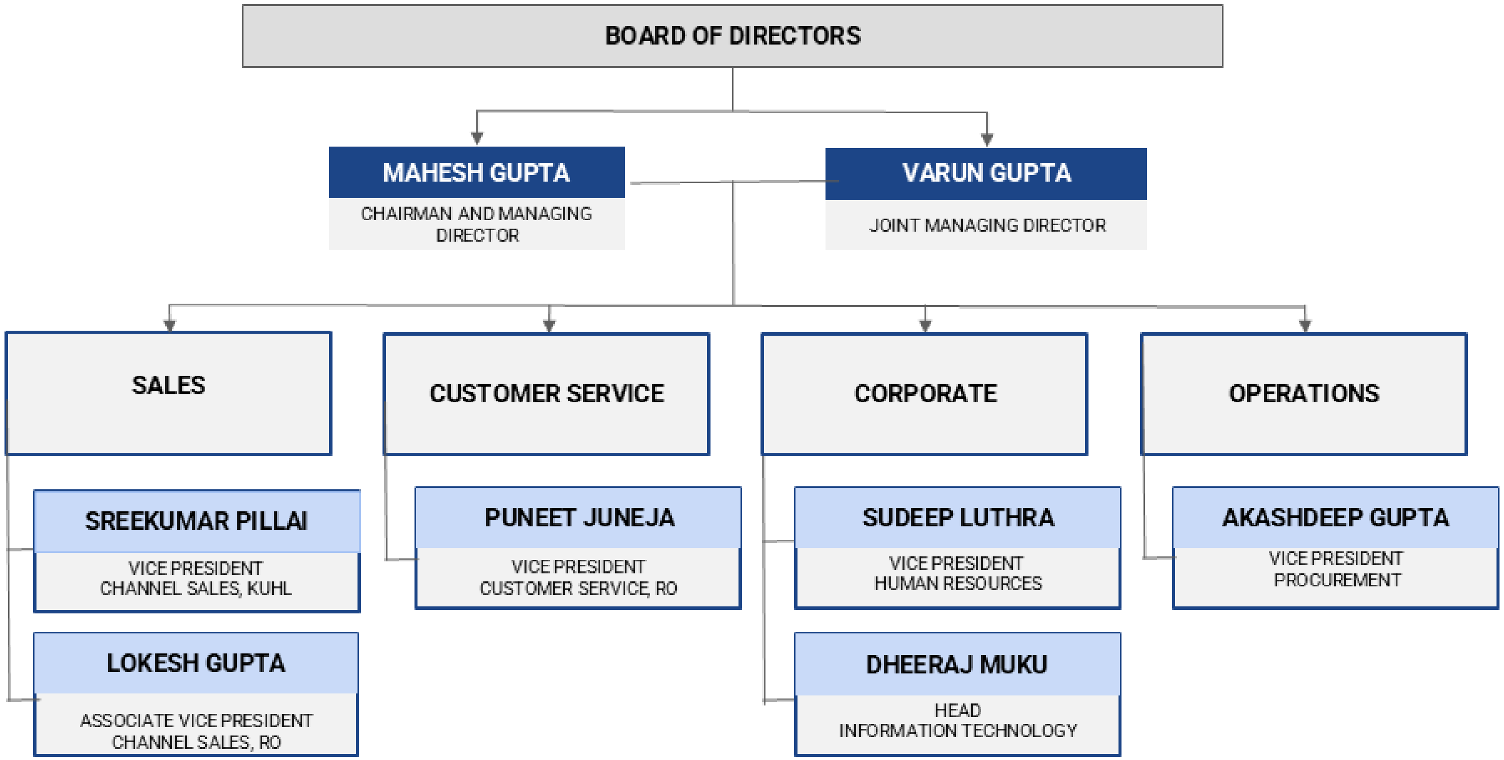
(f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Management Organization Structure

ORGANIZATIONAL CHART KENT RO SYSTEMS LIMITED (KEY MANAGERIAL PERSONNEL)



ORGANIZATIONAL CHART KENT RO SYSTEMS LIMITED (SENIOR MANAGEMENT)



Key Managerial Personnel

In addition to Mahesh Gupta, our Chairman and Managing Director, and Varun Gupta, our Joint Managing Director, whose details are provided in "*– Brief Biographies of our Directors*" on page 223, the details of our Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are set out below:

Sanjay Johri is the Chief Financial Officer of our Company. He has been associated with our Company since February 1, 2023 and was designated as the Chief Financial Officer on November 19, 2024. He is a fellow of the Institute of Chartered Accountants of India and an associate member of the Institute of Company Secretaries of India. He is responsible for overall operations of finance and account functions, profitability analysis, managing debtors and creditors, cash flow management, financial planning, ensuring internal controls and coordinating with the statutory and internal auditors of our Company. He has more than 30 years of experience in roles relating to finance and accounts. He has previously served as the vice president (accounts) of Havells India Limited and was also previously associated with Polar Industries Limited in the accounts department. In Fiscal 2024, he received an aggregate compensation of ₹5.22 million.

Navin Kumar Rajvanshi is the Joint CFO of our Company. He has been associated with our Company since March 19, 2008 and was designated as Joint CFO on November 19, 2024. He is a fellow member of the Institute of Chartered Accountants of India. He is responsible for reviewing / drafting of financial statements of our Company, handling direct and indirect taxation, matters concerning the Companies Act, 2013, and labour law compliances. He has 17 years of experience in roles relating to finance and accounts, and has previously served with Ahlcons India Private Limited as a general manager (finance and accounts) and with Accurate Transformers Limited as accounts manager. In Fiscal 2024, he received an aggregate compensation of ₹6.94 million.

Ratan Kumar Srivastava is the Joint CFO of our Company. He has been associated with our Company since March 26, 2008 and was designated as Joint CFO on November 19, 2024. He has passed the bachelors of law examination from the University of Lucknow and is a fellow member (FCMA) of the Institute of Cost Accountants of India. He is responsible for handling indirect taxation, GST compliance and returns, treasury functions, cost records and audit of the Company. He has over 20 years of experience in roles relating to finance and accounts, and was previously associated with Uflex Limited as executive manager (accounts). In Fiscal 2024, he received an aggregate compensation of ₹6.94 million.

Punit Kumar Trivedi is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since December 2, 2024. He holds a bachelor's degree in commerce from the University of Allahabad, a master's degree in commerce from the Chhatrapati Shahu Ji Maharaj University, Kanpur and a bachelor's degree in law from the University of Allahabad. He is also an associate member of the Institute of Company Secretaries of India. He is responsible for ensuring compliance with the Companies Act, 2013, laws framed by SEBI, FEMA and other relevant corporate laws and statutes applicable to our Company. He has eight years of experience as a company secretary. He was previously associated with Pristine Logistics and Infraprojects Limited as compliance officer and company secretary, and C&C Constructions Limited as company secretary. He was appointed in Fiscal 2025 and accordingly did not receive any compensation in Fiscal 2024.

Senior Management

In addition to Sanjay Johri, our Chief Financial Officer, Navin Kumar Rajvanshi and Ratan Kumar Srivastava, our Joint CFOs, and Punit Kumar Trivedi, our Company Secretary and Compliance Officer, whose details are provided in "*- Key Managerial Personnel*" on page 235 above, the details of other members of our Senior Management in terms of SEBI ICDR Regulations, as on the date of this Draft Red Herring Prospectus are set out below:

Sreekumar Pillai is the Vice President – Channel Sales, Kuhl of our Company. He has been associated with our Company since September 23, 2024. He has passed the bachelor of arts (economics honours) examination from Utkal University. He is responsible for managing pan India channel sales of Kuhl fans, managing the distribution network across the country, and leading sales teams. He has over 20 years of experience in sales, and was previously associated with Usha International Limited as general manager of the electric fans department. He was appointed in Fiscal 2025 and accordingly did not receive any compensation in Fiscal 2024.

Lokesh Gupta is the Associate Vice President, Channel Sales RO of our Company. He has been associated with our Company since July 1, 2021. He has passed the bachelor's in engineering (electrical engineering) examination with honours from the University of Rajasthan, Jaipur. He is responsible for the e-commerce vertical for our products and manages the listing of our products on various e-commerce platforms. He has over 20 years of experience in the corporate sector and was previously associated with Sterlite Technologies Limited as head of network operations and Reliance Communications Limited as a deputy general manager. In Fiscal 2024, he received an aggregate compensation of ₹7.01 million.

Puneet Juneja is the Vice President – Customer Service, RO, of our Company. He has been associated with us since September 16, 2024. He holds a bachelor's degree in engineering (computers) from the University of Pune. He is responsible for pan-India service operations of our Company including contact centres and field service of all product categories. He has 13 years of experience in the corporate sector, and was previously associated with Orient Electric Limited as assistant vice president (service) and Tata Sky Limited as senior vice president. He was appointed in Fiscal 2025 and accordingly did not receive any compensation in Fiscal 2024.

Sudeep Luthra is the Vice President – Human Resources of our Company. He has been associated with our Company since February 5, 2024. He holds a bachelor's degree in commerce from the University of Delhi and has completed a post graduate diploma in business management from the Centre for Management Development. He is responsible for heading human resources functions, strategy, policies, and service delivery supporting the entire employee lifecycle in our Company. He has 17 years of experience in human resources roles, and was previously associated with Orange Business Services India Solutions Private Limited as head of HR (sub-region), Nokia Siemens Networks Private Limited as a HR manager. In Fiscal 2024, he received an aggregate compensation of ₹0.93 million.

Dheeraj Muku is the Head, Information Technology of our Company. He has been associated with our Company since April 27, 2021. He holds a bachelor's degree in engineering (electronics and communication engineering) from Bharatidasan University, and has completed the mySAP business suite program offered by the Missouri University of Science and Technology. He has more than 30 years of experience in information technology roles, and has previously served as head of IT delivery in Orange Business Services and as deputy executive director in the information management department at Dalmia Cement (Bharat) Limited. In Fiscal 2024, he received an aggregate compensation of ₹7.37 million.

Akashdeep Gupta is the Vice President – Procurement of our Company. He has been associated with us since June 7, 2021. He holds a bachelor's degree in engineering (production and industrial engineering) from the University of Allahabad and has completed a post graduate diploma in business management from the Centre for Management Development. He is responsible for heading the procurement division of the Company. He has nine years of experience in supply chain and procurement roles, and has previously served with Surya Roshini Limited as associate vice president (supply chain management), Intex Technologies (India) Limited as assistant vice president – purchase, and Orient Electric Limited as assistant vice president. In Fiscal 2024, he received an aggregate compensation of ₹5.09 million.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Relationship between our Key Managerial Personnel, Senior Management and Directors

Except as disclosed in "***Relationship between our Directors, Key Managerial Personnel and Senior Management***" on page 223, none of our Key Managerial Personnel and Senior Management are related to each other or to the Directors of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel or Senior Management were selected as members of our management.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management

No deferred or contingent compensation was accrued or payable to any of our Key Managerial Personnel or Senior Management in Fiscal 2024.

Bonus or profit-sharing plan of our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel or Senior Management is a party to any profit-sharing plan by our Company.

Shareholding of our Key Managerial Personnel and Senior Management in our Company

For details of the shareholding of our Key Managerial Personnel and Senior Management, see "***Capital Structure– Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 93.

Interest of Key Managerial Personnel and Senior Management

Except as disclosed in "***- Interest of Directors***" on page 225 in relation to Mahesh Gupta, our Chairman and Managing Director, and Varun Gupta, our Joint Managing Director, our Key Managerial Personnel and Senior Management do not have any interests in our Company, other than to the extent of the remuneration or incentives, if any, to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company. The remuneration and perquisites payable to our Vice President – Procurement, Akashdeep Gupta, includes allotment of rent-free accommodation in a Company owned-house for personal residential purpose for a period of two years from April 30, 2024 or such extended term as approved by our Company.

None of our Key Managerial Personnel or Senior Management have been paid any consideration of any nature by our Company other than remuneration in the ordinary course of their employment.

Changes in the Key Managerial Personnel and Senior Management during the last three years

Other than as disclosed in "***- Changes in the Board during the last three years***" on page 226, the changes in the Key Managerial Personnel and Senior Management in the preceding three years are as follows:

Name	Designation	Date of Change	Reason for Change
Punit Kumar Trivedi	Company Secretary and Compliance Officer	December 2, 2024	Appointment
Sanjay Johri	Chief Financial Officer	November 19, 2024	Re-designated as Chief Financial Officer
Navin Kumar Rajvanshi	Joint CFO	November 19, 2024	Re-designated as Joint CFO
Ratan Kumar Srivastava	Joint CFO	November 19, 2024	Re-designated as Joint CFO
Sreekumar Pillai	Vice President – Channel Sales, Kuhl	September 23, 2024	Appointment
Puneet Juneja	Vice President – Customer Service, RO	September 16, 2024	Appointment
Sudeep Luthra	Vice President – Human Resources	February 5, 2024	Appointment

Payment or benefit to Key Managerial Personnel and Senior Management (non-salary related)

No non-salary related amount or benefit has been paid or given within two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel and Senior Management, other than normal remuneration, for services rendered as officers of our Company, and as disclosed in "***Restated Consolidated Financial Information – Note 42: Related Party Disclosures***", on page 300.

Our Company has not entered into any service contracts with our Key Managerial Personnel/ Senior Management providing for benefits upon termination of their employment.

Employee stock option and stock purchase schemes

For details of our ESOP Scheme, see "***Capital Structure – Employee Stock Options Schemes of our Company***" on page 93.

OUR PROMOTER AND PROMOTER GROUP

Our Promoters

Mahesh Gupta, Varun Gupta, Sunita Gupta, Mahesh Varun Private Family Trust, Sunita Surbhi Private Family Trust, and Sunita Varun Private Family Trust are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 100,720,180 Equity Shares, which constitutes 99.77% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details on shareholding of our Promoters in our Company, see "***Capital Structure – History of the share capital held by the Promoters - Build-up of Promoters' shareholding in our Company***" on page 86.

Details of our Promoters

Mahesh Gupta

Mahesh Gupta, born on September 27, 1954, aged 70 years, is one of our Promoters and Chairman and Managing Director on our Board. He is a resident of H-35, South Extension Part – 1, Andrewsganj, South Delhi, Delhi 110 049, India. For the complete profile of Mahesh Gupta, along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, his business and financial activities, and his other ventures see "***Our Management - Brief profiles of our Directors***" on page 223. His PAN is AAGPG8001K.

Sunita Gupta

Sunita Gupta, born on July 14, 1958, aged 66 years, is one of our Promoters and a Non-Executive Non-Independent Director on our Board. She is a resident of H-35, South Extension-1, Andrewsganj, South Delhi, Delhi 110 049, India. For the complete profile of Sunita Gupta, along with the details of her educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, her business and financial activities, and her other ventures, see "***Our Management - Brief profiles of our Directors***" on page 223. Her PAN is AAKPG4506F.

Varun Gupta

Varun Gupta, born on October 7, 1983, aged 41 years, is one of our Promoters and the Joint Managing Director on our Board. He is a resident of H-35, South Extension Part 1, Andrewsganj, South Delhi, Delhi 110 049, India. For the complete profile of Varun Gupta, along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, his business and financial activities, and his other ventures, see "***Our Management - Brief profiles of our Directors***" on page 223. His PAN is AFLPG2971A.

Mahesh Varun Private Family Trust

(a) *Trust Information*

Mahesh Varun Private Family Trust was formed pursuant to trust deed dated December 3, 2024. The office of Mahesh Varun Private Family Trust is located at H-35, South Extension Part-1, Andrewsganj, South Delhi, Delhi 110 049, India.

(b) *Board of Trustees*

As on the date of this Draft Red Herring Prospectus, the trustees of Mahesh Varun Private Family Trust are Mahesh Gupta, who is the managing trustee, and Sunita Gupta, who are also the Promoters of our Company.

(c) *Beneficiaries of Trust*

The primary beneficiaries of Mahesh Varun Private Family Trust, who shall benefit from the trust during their lifetime, are Sunita Gupta and Varun Gupta, who are also the Promoters of our Company. The subsequent beneficiaries of Mahesh Varun Private Family Trust, who shall benefit out of the trust post the lifetime of the primary beneficiaries, are Avyukt Gupta, who is the son of Varun Gupta and member of the Promoter Group, and future children of Avyukt Gupta.

(d) *Settlors of Trust*

The settlor of Mahesh Varun Private Family Trust is Mahesh Gupta, who is also the Promoter of our Company.

(e) *Objects of and reasons for formation of trust*

The objects for which the Mahesh Varun Private Family Trust has been set up are as follows:

(i) To hold investments and other assets settled in the trust for and on behalf of the beneficiaries;
(ii) To provide, *inter alia*, a suitable succession planning structure to ensure seamless intergenerational transfer of the trust fund among the beneficiaries;
(iii) To maintain harmony, peace and goodwill among family members and to avoid possible disputes/litigation among members in the future; and
(iv) To ensure that the trust fund is properly managed and administered in accordance with the provisions of the trust deed.

Sunita Surbhi Private Family Trust

(a) *Trust Information*

Sunita Surbhi Private Family Trust was formed pursuant to trust deed dated December 3, 2024. The office of Sunita Surbhi Private Family Trust is located at H-35, South Extension Part-1, Andrewsganj, South Delhi, Delhi 110 049, India.

(b) *Board of Trustees*

As on the date of this Draft Red Herring Prospectus, the trustees of Sunita Surbhi Private Family Trust are Mahesh Gupta, who is the managing trustee, and Sunita Gupta, who are also the Promoters of our Company.

(c) *Beneficiaries of Trust*

The primary beneficiaries of Sunita Surbhi Private Family Trust, who shall benefit from the trust during their lifetime, are Mahesh Gupta, who is the Promoter of the Company, and Surbhi Gupta, daughter of Mahesh Gupta and member of the Promoter Group. The subsequent beneficiaries of Sunita Surbhi Private Family Trust, who shall benefit out of the trust post the lifetime of the primary beneficiaries, are Prithvi Aggarwal and future children of Surbhi Gupta, and future children of Prithvi Aggarwal and his grandchildren.

(d) *Settlors of Trust*

The settlor of Sunita Surbhi Private Family Trust is Sunita Gupta, who is also the Promoter of our Company.

(e) *Objects of and reasons for formation of trust*

The objects for which the Sunita Surbhi Private Family Trust has been set up are as follows:

(i) To hold investments and other assets settled in the trust for and on behalf of the beneficiaries;
(ii) To provide, *inter alia,* a suitable succession planning structure to ensure seamless intergenerational transfer of the trust fund among the beneficiaries;
(iii) To maintain harmony, peace and goodwill among family members and to avoid possible disputes/litigation among members in the future; and
(iv) To ensure that the trust fund is properly managed and administered in accordance with the provisions of the trust deed.

Sunita Varun Private Family Trust

(a) *Trust Information*

Sunita Varun Private Family Trust was formed pursuant to trust deed dated December 3, 2024. The office of Sunita Varun Private Family Trust is located at H-35, South Extension Part-1, Andrewsganj, South Delhi, Delhi 110 049, India.

(b) *Board of Trustees*

As on the date of this Draft Red Herring Prospectus, the trustees of Sunita Varun Private Family Trust are Mahesh Gupta, who is the managing trustee, and Sunita Gupta, who are also the Promoters of our Company.

(c) *Beneficiaries of Trust*

The primary beneficiaries of Sunita Varun Private Family Trust, who shall benefit from the trust during their lifetime, are Mahesh Gupta and Varun Gupta, who are also the Promoters of our Company. The subsequent beneficiaries of Sunita Varun Private Family Trust, who shall benefit out of the trust post the lifetime of the primary beneficiaries, are Anant Gupta, who is the son of Varun Gupta and a member of the Promoter Group, and future children of Anant Gupta.

(d) *Settlor of Trust*

The settlor of Sunita Varun Private Family Trust is Sunita Gupta, who is also the Promoter of our Company.

(e) *Objects of Trust*

The objects for which the Sunita Varun Private Family Trust has been set up are as follows:

(i) To hold investments and other assets settled in the trust for and on behalf of the beneficiaries;
(ii) To provide, *inter alia*, a suitable succession planning structure to ensure seamless intergenerational transfer of the trust fund among the beneficiaries;
(iii) To maintain harmony, peace and goodwill among family members and to avoid possible disputes/litigation among members in the future; and
(iv) To ensure that the trust fund is properly managed and administered in accordance with the provisions of the trust deed.

Except as disclosed below, our Company confirms that the permanent account numbers, bank account numbers, passport numbers, Aadhar card numbers and driving licence numbers, as applicable, of our Promoters, will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Our Promoter, Sunita Gupta does not hold a driving license.

Change in the management and control of our Company

There has been no change in the control of our Company in the last five years.

Pursuant to Board resolution dated January 8, 2025, Mahesh Varun Private Family Trust, Sunita Surbhi Private Family Trust and Sunita Varun Private Family Trust have been identified as the Promoters of the Company.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and their directorships 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 of our Promoters in our Company, see "***Capital Structure – History of the share capital held by the Promoters- Build-up of Promoter's shareholding in our Company***" on page 86.

For details of the interest of our Promoters as Directors of the Company, also see "***Our Management – Interest of Directors***" and "***Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on pages 225 and 300, respectively.

Except as disclosed below, our Promoters have no interest in (i) any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, and (ii) any transaction by our Company for acquisition of land, construction of building or supply of machinery, and there is no conflict of interest between the lessors of the immovable properties of our Company (crucial for operation of our Company) and our Promoters and Promoter Group.

Our Company has leased the Registered Office situated at H-35, South Extension – Part 1, Kidwai Nagar, New Delhi 110 049, India, one service office, and ten residential properties for our employees from our Promoter, and Chairman and Managing Director, Mahesh Gupta. The premises at H-35, South Extension – Part 1, Kidwai Nagar, New Delhi 110 049, India is also being used as a registered office by our Promoters, Mahesh Varun Private Family Trust, Sunita Surbhi Private Family Trust and Sunita Varun Private Family Trust and our Promoter Group entities, Cybertree Infosystems Private Limited, Dreamland Exim Private Limited, Kent Buildtech LLP, Kent Foundation and S.S. Appliances Private Limited, pursuant to consent from Mahesh Gupta dated January 10, 2025.

Further, our Company has leased two residential properties for our employees from our Promoter, and Non-Executive Non-Independent Director, Sunita Gupta. For details, see "***Risk Factors – We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders***" on page 42.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payments or benefits to our Promoters or members of our Promoter Group

Except in the ordinary course of business and as disclosed in "***Our Management - Terms of appointment of Directors***", "***Our Management - Interest of Directors***" and "***Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on pages 224, 225 and 300, respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of our Promoter Group.

Material guarantees to third parties with respect to the Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Disassociation by our Promoters in the three immediately preceding years

Our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of this Draft Red Herring Prospectus.

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, are as follows:

Name of Promoter	Name of relative	Relationship
Mahesh Gupta	Sunita Gupta	Spouse
	Raj Kumar Gupta	Brother
	Daya Gupta	Sister
	Rajeshwari Gupta	Sister
	Sheela Pant	Sister
	Varun Gupta	Son
	Surbhi Gupta	Daughter
	Kuldeep Kumar Jindal	Spouse's brother
	Pradip Jindall	Spouse's brother
	Rajinder Mohan Jindal	Spouse's brother
Varun Gupta	Mahesh Gupta	Father
	Sunita Gupta	Mother
	Ridhima Gupta	Spouse
	Surbhi Gupta	Sister
	Avyukt Gupta	Son
	Anant Gupta	Son
	Rakesh Jain	Spouse's father
	Usha Jain	Spouse's mother
	Gautam Jain	Spouse's brother
	Ashima Gupta	Spouse's sister
Sunita Gupta	Mahesh Gupta	Spouse
	Kuldeep Kumar Jindal	Brother
	Pradip Jindall	Brother
	Rajinder Mohan Jindal	Brother
	Varun Gupta	Son
	Surbhi Gupta	Daughter
	Raj Kumar Gupta	Spouse's brother
	Daya Gupta	Spouse's sister
	Rajeshwari Gupta	Spouse's sister
	Sheela Pant	Spouse's sister

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Avanti Automobile Trading LLC
2. Cybertree Infosystems Private Limited
3. Dreamland Exim Private Limited
4. Epitome Bath Fitting Private Limited
5. Epitome Systems Private Limited
6. Imarti Media Private Limited
7. JK Curing
8. JRCG Global Private Limited
9. JRCG Pharma Private Limited
10. JT Processors
11. Kent Appliances
12. Kent Buildtech LLP
13. Kent Foundation
14. KSN Trading
15. Mohit Properties Private Limited
16. New United Workshop Private Limited
17. Plusplus Lifesciences LLP

18. Rasika Research and Design
19. Rishabh Traders Private Limited
20. RK Globals Fze
21. S.S. Appliances Private Limited
22. Saibao Epitome Private Limited
23. Vanguard International Private Limited
24. Ziggy LSV Inc

DIVIDEND POLICY

The declaration and payment of dividend on the Equity Shares will be recommended by our Board and approved by our Shareholders, at their discretion subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013, read with the applicable rules issued thereunder to the extent applicable to our Company, and the SEBI Listing Regulations and the dividend policy of our Company, which may be reviewed and amended periodically by the Board.

The dividend distribution policy of our Company was approved and adopted by our Board on January 8, 2025 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on certain financial parameters and internal and external factors which will be considered before declaration of dividend by our Board. Such parameters and factors include, *inter alia*, profits earned during the financial year, accumulated reserves, including retained earnings, dividend payout ratios of peers in the same industry, regulatory changes etc. For details in relation to risks involved in this regard, please see "***Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.***" on page 60.

Our Company has not paid any dividends on the Equity Shares during Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, the six months ended September 30, 2024, and the period from October 1, 2024 until the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid in the future.

SECTION V – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Walker Chandiok & Co LLP
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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Kent R O Systems Limited
H-35, South Extension – Part 1
Kidwai Nagar, New Delhi 110 049
Delhi, India

1. We have examined the attached Restated Consolidated Financial Information of **Kent R O Systems Limited** (the "Company" or the "Issuer") and its subsidiary (the Company and its subsidiary together referred to as the "**Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flow for the six months period ended September 30, 2024 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Material Accounting Policies and Other Explanatory Information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on January 8, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') (together will be referred as 'Stock Exchanges') in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2(a) to the Restated Consolidated Financial Information. The responsibility of respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

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 November 25, 2024 in connection with the proposed IPO of equity shares of the Company;

b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

a. Audited Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months period ended September 30, 2024 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, except for the presentation of comparative financial information in accordance with Ind AS 34, (the "**Special Purpose Consolidated Interim Financial Statements**") which have been approved by the Board of Directors at their meeting held on January 8, 2025.

b. Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 20, 2024, September 20, 2023 and September 12, 2022 respectively.

5. For the purpose of our examination, we have relied on:

a. Auditors' report issued by us dated January 8, 2025 on the Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months period ended September 30, 2024 as referred in Paragraph 4(a) above. It includes following Emphasis of Matters paragraphs:

Emphasis of matters

(i) We draw attention to Note 2(b) to the Special Purpose Consolidated Interim Financial Statements, which describes the basis of its preparation. These Special Purpose Consolidated Interim Financial Statements have been prepared by the Holding Company's management solely for the preparation of Restated Consolidated Financial Information of the Group for the six months period ended September 30, 2024, to be included in the Draft Red Herring Prospectus which is to be filed by the Holding Company with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time in connection with the proposed Initial Public Offer of equity shares of the Holding Company. Therefore, these Special Purpose Consolidated Interim Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

(ii) We draw attention to Note 49 to the Special Purpose Consolidated Interim Financial Statements, which describes that the Holding Company had received demand notice from Central Goods and Service Tax Commissionerate, Roorkee dated September 30, 2022, towards recovery of excess refund received by the Holding Company under Budgetary Support Scheme of ₹ 152.75 million along with applicable interest for the period July 1, 2017 to June 30, 2019, basis the search proceedings conducted by Directorate General of Goods and Service Tax Intelligence ('DGGI') on the Holding Company during financial year 2020-21. The Holding Company had filed a writ petition with Hon'ble High Court of Uttarakhand and deposited ₹ 102.40 million under protest with Department of Industrial Policy and Promotion ('DIPP').

The Hon'ble High Court stayed the demand proceedings, and the matter is currently pending adjudication. Based on the legal opinion obtained, the management is confident of favorable outcome on the aforesaid matter and accordingly, no adjustments have been made to these Special Purpose Consolidated Interim Financial Statements. Our opinion is not modified in respect of this matter.

(iii) We draw attention to Note 50 to the Special Purpose Consolidated Interim Financial Statements, which describes the restatements made to the comparative financial statements as at and for the year ended March 31, 2024 and as at April 1, 2023 in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, for correction of certain identified material prior period errors and reclassifications which are further described in the aforesaid note. Our opinion is not modified in respect of this matter.

b. Auditors' Reports issued by the SNR & Company ('**Predecessor Auditor**') dated September 20, 2024, September 20, 2023 and September 12, 2022 on the audited consolidated financial statements of the Group as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively, as referred in Paragraph 4(b) above. It includes following Emphasis of Matters paragraphs:

For the year ended March 31, 2024:

We draw attention to Note no. 54 and Note no. 55 of the consolidated financial statements that describes contingent liabilities related to Directorate General of GST Intelligence ("DGGI") matter and certain income tax matters. For DGGI matter mentioned in note no. 54, the Holding Company has initiated legal proceedings by filing a writ petition with Uttarakhand High Court challenging the demand raised following a search operation. Regarding income tax matters mentioned in note no. 55, the Holding Company has filed appeals against certain tax demands. We have evaluated the adequacy of disclosures related to these matters in the financial statements and accompanying notes and consider them appropriate. Our opinion is not modified in respect of these matters.

For the year ended March 31, 2023:

We draw attention to Note no. 56 and Note no. 57 of the consolidated financial statements that describes contingent liabilities related to Directorate General of GST Intelligence ("DGGI") matter and certain income tax matters. For DGGI matter mentioned in note no. 56, the Holding Company has initiated legal proceedings by filing a writ petition with Uttarakhand High Court challenging the demand raised following a search operation. Regarding income tax matters mentioned in note no. 57, the Holding Company has filed appeals against certain tax demands. We have evaluated the adequacy of disclosures related to these matters in the financial statements and accompanying notes and consider them appropriate. Our opinion is not modified in respect of these matters.

For the year ended March 31, 2022:

We draw attention to Note 57 of the consolidated financial statements which deals with ongoing investigation by Directorate General of GST Intelligence ("DGGI") on Kent R O Systems Limited ("the Holding Company") regarding alleged non-compliance with provisions of Budgetary support scheme notified by Ministry of Commerce and Industry under notification dated 5 October 2017 ('Budgetary support scheme') and certain provisions of GST Act. As mentioned in the note, the Holding Company has been submitting information required by DGGI and is also cooperating in the investigation. As explained in the said note, the allegations pertain to excess input credit availment and excess budgetary support claim made by the Holding Company. As per the Management's detailed analysis, all input credits availed and budgetary support claims are in line with provisions of GST Act and Budgetary Support Scheme. Further, as mentioned in the said note, with respect to allegation of excess input credit availment, Holding Company has deposited the alleged excess amount under protest. Further, contingent liability of Rs. 1,752.08 lacs have been made by Holding Company that may arise from the aforesaid issue of alleged excess budgetary support claim. Our opinion is not qualified in respect of above matter.

The audits for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 were conducted by the Company's Predecessor Auditors, and accordingly reliance has been placed on the Restated Consolidated Statement of Assets and Liabilities and the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), Restated Consolidated Statements of Changes in Equity and Restated Consolidated Statement of Cash Flow, Summary Statement of Material Accounting Policies and Other Explanatory Information and (collectively, the "**2024, 2023 and 2022 Restated Consolidated Financial Information**") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Predecessor Auditors. They have also confirmed that the 2024, 2023 and 2022 Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2024;

b) does not contain any qualifications requiring adjustments, however, those qualifications/observations in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) and other matters which do not require any adjustments in the Restated Consolidated Financial Information have been disclosed in Note 45 of the Restated Consolidated Financial Information; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. As indicated in our audit report referred in paragraph 5(a) above:

We did not audit financial statements Dreamland Exim Private Limited ('Subsidiary')**,** whose share of total assets, total revenues, net cash outflows included in the Special Purpose Consolidated Interim Financial Statement for the six months period ended September 30, 2024 is tabulated below, which have been audited by other auditor, SNR & Company, and whose report has been furnished to us by the Company's management and our opinion on the Special Purpose Consolidated Interim Financial Statement, in so far as it relates to the amounts and disclosures included in respect of the said component, is based solely on the report of the other auditor:

(₹ in million)

Particulars	**As at/for the six months period ended September 30, 2024**
Total assets	280.68
Total revenues	-
Net cash out flows	(0.28)

The other auditor of the subsidiary, have examined the restated financial information and have confirmed that the restated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2024;

b) does not contain any qualifications requiring adjustments; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Predecessor Auditors and other auditor for the respective years, we report that the Restated Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2024;

   b. do not require any adjustments for the matters mentioned in paragraph 5 above and do not contain any qualifications requiring any adjustments. However, those qualifications/observations in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) and other matters which do not require any adjustments in the Restated Consolidated Financial Information have been disclosed in Note 45 of the Restated Consolidated Financial Information; and

   c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Special Purpose Consolidated Interim Financial Statements and Audited Consolidated Financial Statements mentioned in paragraph 4 above (except for the effect of the issuance of the share split and bonus issue as described in Note 34 of the Restated Consolidated Financial Information).

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Predecessor Auditors nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Madhu Sudan Malpani
Partner
Membership No: 517440

UDIN: 25517440BMLKBH2175

Place: Noida
Date: January 8, 2025

Kent R O Systems Limited
Restated Consolidated Statement of Assets and Liabilities
(All amounts are in Indian ₹ million except share data and as stated)

Particulars	Note	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets					
Non-current assets					
Property, plant and equipment	3	3,791.94	3,831.37	3,437.75	2,428.85
Capital work-in-progress	3	554.05	453.01	651.01	1,059.28
Right-of-use assets	4	2,889.81	3,281.75	3,119.85	2,834.33
Intangible assets	5	14.32	18.46	20.64	22.31
Financial assets					
- Investments	6	495.00	216.32	100.07	100.07
- Other financial assets	7	45.87	24.55	39.83	520.60
Income-tax assets (net)	8	156.57	176.05	166.39	121.12
Deferred tax assets (net)	20	-	-	24.86	-
Other non-current assets	9	1,690.21	1,350.31	776.62	987.35
Total non-current assets		**9,637.77**	**9,351.82**	**8,337.02**	**8,073.91**
Current assets					
Inventories	10	3,390.81	3,151.62	3,456.56	2,698.24
Financial assets					
- Investments	11	2,103.05	1,786.62	1,012.69	1,320.26
- Trade receivables	12	1,135.25	876.52	559.51	572.20
- Cash and cash equivalents	13	179.86	191.73	108.35	127.85
- Bank balances other than cash and cash equivalents	14	1,366.70	2,739.90	2,914.78	2,688.45
- Loans	15	86.20	83.58	69.84	120.31
- Other financial assets	7	51.53	31.75	81.21	100.22
Other current assets	9	411.87	357.57	353.00	230.71
Total current assets		**8,725.27**	**9,219.29**	**8,555.94**	**7,858.24**
Assets classified as held for sale	43	427.46	-	-	-
Total assets		**18,790.50**	**18,571.11**	**16,892.96**	**15,932.15**
Equity and liabilities					
Equity					
Equity share capital	16	9.18	9.66	9.66	9.86
Other equity	17	16,460.74	16,776.95	15,100.66	14,480.97
Total equity		**16,469.92**	**16,786.61**	**15,110.32**	**14,490.83**
Liabilities					
Non-current liabilities					
Financial liabilities					
- Borrowings	18	-	1.03	-	-
- Lease liabilities	4	18.18	18.17	16.59	17.29
Provisions	19	173.38	164.72	190.76	128.81
Deferred tax liabilities (net)	20	119.04	51.17	-	24.70
Other non-current liabilities	21	16.75	17.84	7.12	0.16
Total non-current liabilities		**327.35**	**252.93**	**214.47**	**170.96**
Current liabilities					
Financial liabilities					
- Borrowings	18	101.38	6.20	133.62	107.60
- Lease liabilities	4	15.15	18.05	21.11	19.16
- Trade payables	22				
- total outstanding dues of micro and small enterprises; and		188.80	231.82	192.05	189.16
- total outstanding dues of creditors other than micro and small enterprises		556.79	484.07	574.63	406.76
- Other financial liabilities	23	663.10	435.52	363.41	248.92
Other current liabilities	21	321.03	227.82	200.95	233.56
Provisions	19	145.92	128.09	82.40	65.20
Total current liabilities		**1,992.17**	**1,531.57**	**1,568.17**	**1,270.36**
Total liabilities		**2,319.52**	**1,784.50**	**1,782.64**	**1,441.32**
Liabilities directly associated with assets classified as held for sale	43	1.06	-	-	-
Total equity and liabilities		**18,790.50**	**18,571.11**	**16,892.96**	**15,932.15**
Material accounting policy information	2				

The accompanying notes form an integral part of these Restated Consolidated Financial Information.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.:001076N/N500013

For and on behalf of the Board of Directors of
Kent R O Systems Limited

Madhu Sudan Malpani
Partner
Membership No.: 517440

Place: Noida
Date: January 8, 2025

Dr. Mahesh Gupta
Chairman and Managing Director
DIN: 00458281

Place: Noida
Date: January 8, 2025

Varun Gupta
Joint Managing Director
DIN: 00468328

Place: Noida
Date: January 8, 2025

Sanjay Johri
Chief Financial Officer

Place: Noida
Date: January 8, 2025

Punit Kumar Trivedi
Company Secretary
M. No.: FCS 8682

Place: Noida
Date: January 8, 2025

Kent R O Systems Limited
Restated Consolidated Statement of Profit and Loss
(All amounts are in Indian ₹ million except share data and as stated)

Particulars	Note	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from continuing operations					
Revenue from operations	24	6,371.88	11,781.85	10,843.93	10,473.67
Other income	25	468.29	824.76	247.51	383.05
Total income		**6,840.17**	**12,606.61**	**11,091.44**	**10,856.72**
Expenses from continuing operations					
Cost of materials consumed	26	2,342.89	4,015.07	3,656.89	3,402.41
Purchases of stock-in-trade	27	432.57	520.25	938.28	930.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(260.00)	93.79	(396.18)	(72.39)
Employee benefits expense	29	859.51	1,711.56	1,731.83	1,555.89
Finance costs	30	5.68	8.85	9.04	9.58
Depreciation and amortisation expense	31	228.49	425.79	410.78	309.83
Other expenses	32	2,337.65	3,621.16	3,419.28	2,649.21
Total expenses		**5,946.79**	**10,396.47**	**9,769.92**	**8,784.99**
Profit before tax from continuing operations		**893.38**	**2,210.14**	**1,321.52**	**2,071.73**
Tax expense	33				
a) Current tax		126.40	467.63	394.53	523.55
b) Deferred tax (net)		68.36	72.68	(49.16)	1.38
Total tax expense		**194.76**	**540.31**	**345.37**	**524.93**
Profit after tax from continuing operations		**698.62**	**1,669.83**	**976.15**	**1,546.80**
Loss before tax from discontinued operations	43	(2.21)	(4.68)	(4.87)	(4.89)
Tax expense of discontinued operations		(0.17)	(0.30)	(0.30)	(0.30)
Loss after tax from discontinued operations		**(2.04)**	**(4.38)**	**(4.57)**	**(4.59)**
Profit for the period/year		**696.58**	**1,665.45**	**971.58**	**1,542.21**
Other comprehensive income ('OCI')					
Items that will not be reclassified to profit or loss					
- Remeasurements of net defined benefit liability/(asset)		(1.25)	14.49	(0.40)	8.83
- Income tax relating to items that will not be reclassified to profit or loss		0.32	(3.65)	0.10	(2.22)
Total other comprehensive income for the period/year		**(0.93)**	**10.84**	**(0.30)**	**6.61**
Total comprehensive income for the period/year		**695.65**	**1,676.29**	**971.28**	**1,548.82**
Profit for the period/year is attributable to:					
- Owners of the Company		696.58	1,665.45	971.58	1,542.21
- Non-controlling interests		-	-	-	-
Other comprehensive income is attributable to:					
- Owners of the Company		(0.93)	10.84	(0.30)	6.61
- Non-controlling interests		-	-	-	-
Total comprehensive income is attributable to:					
- Owners of the Company		695.65	1,676.29	971.28	1,548.82
- Non-controlling interests		-	-	-	-
Earnings per equity share from continuing operations - Basic and Diluted (in ₹)	34	6.77	15.71	9.12	14.27
Earnings per equity share from discontinued operations - Basic and Diluted (in ₹)	34	(0.02)	(0.04)	(0.04)	(0.04)
Earnings per equity share from continuing and discontinued operations - Basic and Diluted (in ₹)	34	6.75	15.67	9.08	14.23
Material accounting policy information	2				

The accompanying notes form an integral part of these Restated Consolidated Financial Information.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.:001076N/N500013

For and on behalf of the Board of Directors of
Kent R O Systems Limited

Madhu Sudan Malpani
Partner
Membership No.: 517440

Place: Noida
Date: January 8, 2025

Dr. Mahesh Gupta
Chairman and Managing Director
DIN: 00458281

Place: Noida
Date: January 8, 2025

Varun Gupta
Joint Managing Director
DIN: 00468328

Place: Noida
Date: January 8, 2025

Sanjay Johri
Chief Financial Officer

Place: Noida
Date: January 8, 2025

Punit Kumar Trivedi
Company Secretary
M. No.: FCS 8682

Place: Noida
Date: January 8, 2025

Kent R O Systems Limited
Restated Consolidated Statement of Cash Flows
(All amounts are in Indian ₹ million except share data and as stated)

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities				
Profit before tax from continuing operations	893.38	2,210.14	1,321.52	2,071.73
Loss before tax from discontinued operations	(2.21)	(4.68)	(4.87)	(4.89)
Profit before tax	**891.17**	**2,205.46**	**1,316.65**	**2,066.84**
Adjustments for:				
Depreciation and amortisation expense	230.52	429.88	414.90	313.98
Finance costs	5.68	8.85	9.04	9.58
Loss/(gain) on disposal of property, plant and equipment (net)	(1.26)	(0.65)	14.20	(1.39)
Liabilities no longer required written back	(4.36)	-	-	(35.01)
Interest income	(74.75)	(253.64)	(185.38)	(180.69)
Gain on termination of lease liabilities	(0.21)	(0.51)	(0.16)	-
Net gain on redemption and fair value of financial assets measured at FVTPL	(368.46)	(519.97)	(18.87)	(132.38)
Impairment on financial assets carried at FVTPL	-	100.00	-	-
Amortisation of deferred government grant	(0.02)	(0.03)	(0.04)	(0.05)
Bad debts written off	0.30	11.78	-	-
Allowance for expected credit loss and doubtful loans and advances	6.74	4.84	68.07	-
Unrealised foreign exchange (gain)/loss (net)	(0.43)	0.86	2.42	(0.62)
Dividend income	(9.74)	(7.47)	(9.34)	(3.37)
Operating profit before working capital changes	**675.18**	**1,979.40**	**1,611.49**	**2,036.89**
Working capital adjustments				
Inventories	(239.19)	304.94	(758.32)	(297.60)
Trade receivables	(265.59)	(333.90)	11.45	(87.95)
Trade payables	34.31	(51.38)	169.58	(112.10)
Other financial assets and other assets	(49.58)	46.99	(141.82)	32.69
Provisions and other financial and non-financial liabilites	398.01	86.49	184.83	159.60
Cash flows from operating activities	**553.14**	**2,032.54**	**1,077.21**	**1,731.53**
Income taxes paid	(106.92)	(477.29)	(439.80)	(573.62)
Net cash flows from operating activities (A)	**446.22**	**1,555.25**	**637.41**	**1,157.91**
Cash flows from investing activities				
Payment for acquisition of property plant and equipment, right-of-use assets and intangible assets[2]	(733.75)	(1,335.25)	(1,069.55)	(1,248.05)
Proceeds from sale of property, plant and equipment	4.27	50.75	9.24	7.69
Loans given	(2.73)	(8.94)	(15.47)	(4.40)
Investment made in equity shares, mutual funds and alternate investment funds	(283.41)	(642.92)	(347.64)	(662.80)
Realisation from investments made in equity shares and mutual funds	56.80	172.71	674.08	67.65
Purchase of bank deposits	(1,065.70)	(2,334.80)	(2,942.90)	(2,950.28)
Maturity of bank deposits	2,418.19	2,526.29	3,198.17	3,371.86
Interest received	71.13	248.45	183.25	180.69
Dividend received	9.74	7.47	9.34	3.37
Net cash flows from/(used in) investing activities (B)	**474.54**	**(1,316.24)**	**(301.48)**	**(1,234.27)**
Cash flows from financing activities (refer note below)				
Proceeds from long-term borrowings	-	1.03	-	-
Movement in short-term borrowings (net)	95.18	(127.42)	26.02	107.15
Payment of principal portion of lease liabilities	(9.51)	(20.78)	(19.85)	(18.71)
Payment of interest portion of lease liabilities	(1.36)	(3.10)	(2.64)	(2.71)
Finance cost paid	(4.32)	(5.75)	(6.40)	(6.87)
Payment for buy back of shares	(821.06)	-	(285.28)	-
Payment of tax and expenses for buy back of shares	(191.28)	-	(66.51)	-
Net cash (used in)/flows from financing activities (C)	**(932.35)**	**(156.02)**	**(354.66)**	**78.86**
Net (decrease)/increase in cash and cash equivalents during the period/year (A+B+C)	(11.59)	82.99	(18.73)	2.50
Cash and cash equivalents at the beginning of the period/year	191.73	108.35	127.85	126.24
Cash flow from discontinued operations during the period/year	(0.28)	0.39	(0.77)	(0.89)
Cash and cash equivalents at the end of the period/year	**179.86**	**191.73**	**108.35**	**127.85**
Cash and cash equivalents comprise of:				
- Balance with banks in current accounts (refer note 13)	179.03	188.73	107.37	126.72
- Cash on hand (refer note 13)	0.83	3.00	0.98	1.13
	179.86	**191.73**	**108.35**	**127.85**

Notes:
1 The above Statement of Cash Flows has been prepared using indirect method as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.
2 Net of movement in capital work-in-progress, capital advances and creditor for capital goods.
3 Refer note 18(4) for reconciliation of liabilities arising from financing activities.

The accompanying notes form an integral part of these Restated Consolidated Financial Information.

As per report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

For and on behalf of the Board of Directors of
Kent R O Systems Limited

Madhu Sudan Malpani
Partner
Membership No.: 517440

Place: Noida
Date: January 8, 2025

Dr. Mahesh Gupta
Chairman and Managing Director
DIN: 00458281

Place: Noida
Date: January 8, 2025

Varun Gupta
Joint Managing Director
DIN: 00468328

Place: Noida
Date: January 8, 2025

Sanjay Johri
Chief Financial Officer

Place: Noida
Date: January 8, 2025

Punit Kumar Trivedi
Company Secretary
M. No.: FCS 8682

Place: Noida
Date: January 8, 2025

Kent R O Systems Limited

Restated Consolidated Statement of Changes in Equity

(All amounts are in Indian ₹ million except share data and as stated)

a) Equity share capital*

Particulars	Number of shares	Amount
Balance as at April 1, 2021	**9,85,700**	**9.86**
Changes in equity share capital	-	-
Balance as at March 31, 2022	**9,85,700**	**9.86**
Changes in equity share capital	(19,714)	(0.20)
Balance as at March 31, 2023	**9,65,986**	**9.66**
Changes in equity share capital	-	-
Balance as at March 31, 2024	**9,65,986**	**9.66**
Changes in equity share capital	(48,298)	(0.48)
Balance as at September 30, 2024	**9,17,688**	**9.18**

*(*Refer note 16 for further details)*

b) Other equity#

Particulars	Reserves and surplus			Total
	Capital reserve	Capital redemption reserve	Retained earnings	
Balance as at April 1, 2021	**8.01**	**-**	**12,924.14**	**12,932.15**
Profit for the year	-	-	1,542.21	1,542.21
Other comprehensive income for the year:				
- Remeasurements of net defined benefit liability/(asset) (net of tax)	-	-	6.61	6.61
Total comprehensive income as at March 31, 2022	**8.01**	**-**	**14,472.96**	**14,480.97**
Transaction with owners in their capacity as owners:	-	-	-	-
Balance as at March 31, 2022	**8.01**	**-**	**14,472.96**	**14,480.97**
Profit for the year	-	-	971.58	971.58
Other comprehensive income for the year:				
- Remeasurements of net defined benefit liability/(asset) (net of tax)	-	-	(0.30)	(0.30)
Total comprehensive income as at March 31, 2023	**8.01**	**-**	**15,444.24**	**15,452.25**
Transaction with owners in their capacity as owners:				
- Buyback of equity shares (refer note 47)	-	0.20	(285.28)	(285.08)
- Tax on of buyback of equity shares (refer note 47)	-	-	(66.51)	(66.51)
Balance as at March 31, 2023	**8.01**	**0.20**	**15,092.45**	**15,100.66**
Profit for the year	-	-	1,665.45	1,665.45
Other comprehensive income for the year:				
- Remeasurements of net defined benefit liability/(asset) (net of tax)	-	-	10.84	10.84
Total comprehensive income as at March 31, 2024	**8.01**	**0.20**	**16,768.74**	**16,776.95**
Transaction with owners in their capacity as owners:	-	-	-	-
Balance as at March 31, 2024	**8.01**	**0.20**	**16,768.74**	**16,776.95**
Profit for the period	-	-	696.58	696.58
Other comprehensive income for the period:				
- Remeasurements of net defined benefit liability/(asset) (net of tax)	-	-	(0.93)	(0.93)
Total comprehensive income as at September 30, 2024	**8.01**	**0.20**	**17,464.39**	**17,472.60**
Transaction with owners in their capacity as owners:				
- Buyback of equity shares (refer note 47)	-	0.48	(821.06)	(820.58)
- Tax on of buyback of equity shares (refer note 47)	-	-	(191.28)	(191.28)
Balance as at September 30, 2024	**8.01**	**0.68**	**16,452.05**	**16,460.74**

(# Refer note 17 for further details)

The accompanying notes form an integral part of these Restated Consolidated Financial Information.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.:001076N/N500013

Madhu Sudan Malpani
Partner
Membership No.: 517440

Place: Noida
Date: January 8, 2025

For and on behalf of the Board of Directors of
Kent R O Systems Limited

Dr. Mahesh Gupta
Chairman and Managing Director
DIN: 00458281
Place: Noida
Date: January 8, 2025

Varun Gupta
Joint Managing Director
DIN: 00468328
Place: Noida
Date: January 8, 2025

Sanjay Johri
Chief Financial Officer
Place: Noida
Date: January 8, 2025

Punit Kumar Trivedi
Company Secretary
M. No.: FCS 8682
Place: Noida
Date: January 8, 2025

1. Background and corporate information

Kent R O Systems Limited (Corporate identification number: U41000DL2007PLC161952) ('the Company' or 'the Holding Company') was incorporated on April 12, 2007. The registered office is located at H-35, South Extension – Part 1, Kidwai Nagar, New Delhi – 110049. The Holding Company is engaged in manufacturing and trading of water purifiers, air purifiers, fans, kitchen appliances.

The Restated Consolidated Financial Information comprise of financial statements of the Holding Company and its subsidiary (details below), collectively referred as 'the Group'.

Name of the subsidiary	Country of incorporation	Proportion of ownership			
		September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Dreamland Exim Private Limited^	India	100%	100%	100%	100%

^*Refer note 43(b) for further details.*

2. Material accounting policies and other explanatory information

a. Basis of preparation, general information and statement of compliance with Ind AS

The Restated Consolidated Financial Information of the Group comprise of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flow and the Restated Consolidated Statement of Changes in Equity for the six months period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023, March 31, 2022, and the Summary Statement of Material Accounting Policies and Explanatory Information (collectively, the 'Restated Consolidated Financial Information'). These Restated Consolidated Financial Information of the Group has been approved by the Board of Directors of the Holding Company on January 8, 2025 and have been specifically prepared by the Management of the Holding Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with the proposed Initial Public Offering ('IPO') of its equity shares (referred to as the 'Issue').

The Restated Consolidated Financial Information comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013 ('the Act'), read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other applicable guidance.

The Restated Consolidated Financial Information has been prepared by the Management of the Holding Company to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act');
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('the SEBI ICDR Regulations'); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the 'Guidance Note').

These Restated Consolidated Financial Information have been compiled by the Management from:

a) Audited Special Purpose Consolidated Interim Financial Statements of the Group as at and for the six months period ended September 30, 2024 prepared in accordance with the Indian Accounting Standards ('Ind AS') 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India, except for the presentation of comparative financial information in accordance with Ind AS 34, (the "Special Purpose Consolidated Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on January 8, 2025.

b) Audited Consolidated Financial Statements of the Group as at and for years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 20, 2024, September 20, 2023 and September 12, 2022, respectively.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Audited Special Purpose Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2024.

In accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and Paragraph 40A of Ind AS 1, Presentation of Financial Statements, the management has restated the comparative financial information for correction of certain material prior period errors pertaining to deferred tax liabilities on fair valuations of certain investments, offsetting of tax assets and tax liabilities, recognition of prepaid CSR expenses, related tax impact and certain balance sheet reclassifications/regroupings, which are further described in the note 45 and 51.

Subsequent to six months period ended September 30, 2024, pursuant to a resolution passed in extraordinary general meeting of the Holding Company dated November 19, 2024, shareholders have approved split of each equity share having face value of ₹ 10 each into equity shares of face value of ₹ 1 each ('the split'). Further, the Holding Company in its extraordinary general meeting dated November 19, 2024, has approved the issuance of bonus shares to the equity shareholders. The record date for the said purpose was November 19, 2024.

As required under Ind AS 33 - 'Earnings per share', the effect of such share split and bonus issue is adjusted to the weighted average number of equity shares outstanding during the reporting periods for the purpose of computing earnings per equity share for all the period presented retrospectively. As a result, the effect of such share split and bonus issue has been considered in this Restated Consolidated Financial Information for the purpose of calculating earnings per equity share (Refer Note 34 for further details).

These Restated Consolidated Financial Information do not reflect the effects of the events that occurred subsequent to the respective dates of board meetings held for approval of Special Purpose Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2024 and Statutory Purpose Consolidated Financial Statements as at and for years ended March 31, 2024, March 31, 2023 and March 31, 2022, except for the share split and bonus issue as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations (refer note 45 and 51):

a) Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;

b) Adjustments for reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the groupings as per the Special Purpose Consolidated Interim Financial Statements as at and for the six months period ended September 30, 2024, as per the requirements of the SEBI ICDR Regulations, if any; and

c) The resultant impact of tax due to the aforesaid adjustments, if any.

The Restated Consolidated Financial Information are presented in ₹ and all values are stated as ₹ million, except when otherwise indicated.

b. Basis of measurement

The Restated Consolidated Financial Information have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the Restated Consolidated Financial Information have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

c. Basis of consolidation

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group has power over the investee even if it owns less than majority voting rights i.e., rights arising from other contractual arrangements. A subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss [including other comprehensive income ('OCI')] of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The subsidiary has a consistent reporting date of the balance sheet as that of the Holding Company. The Group combines the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter group transactions, balances and unrealised gains on transactions are eliminated.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance [including other comprehensive income ('OCI')] is attributed to the equity holders of the Holding Company and to the non-controlling interests, basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

d. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Division II of Schedule III of the Act. Based on the nature of the operations and the time between the acquisition of assets for processing/servicing and their realisation in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

e. Property, plant and equipment

Recognition and initial measurement
Property, plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition, construction and installation of the same. Freehold land is stated at original cost of acquisition.

Subsequent expenditures are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are generally charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as ‘Capital work-in-progress’. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition/ construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under “Other non-current assets”.

Subsequent measurement
Depreciation has been provided on the written down value basis as per the useful life prescribed in Schedule II to the Act, except in respect of the certain assets where the useful life is considered differently based on technical evaluation. Management believe that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The asset’s useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Particulars	**Useful lives estimated by management (years)**
Buildings – RCC frame structure	60 years
Buildings – Other than RCC frame structure	30 years
Plant and machinery	15 years
Moulds	15 years
Electrical installation and equipments	10 years
Furniture and fittings	10 years
Motor vehicles	8-10 years
Computers and data processing units	3 years
Office equipments	5 years

Any item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

f. Intangible assets

Recognition and initial measurement
Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

i. the technical feasibility of completing the intangible asset so that it will be available for use;
ii. the intention to complete the intangible asset and use;
iii. the ability to use the intangible asset;
iv. how the intangible asset will generate probable future economic benefits;
v. the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
vi. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is recognised in the statement profit and loss in the period in which it is incurred.

Subsequent measurement
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The asset's useful lives and methods of amortisation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

The estimated useful lives of intangible assets for the current and comparative periods are as follows:

Intangible assets	Useful lives estimated by management (years)
Computer softwares	6 years

De-recognition
An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

g. Inventories

Inventories are valued at lower of cost or net realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials and packing materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the later being allocated on the basis of normal operating capacity
Stock-in-trade	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs including taxes that are not refundable incurred in bringing the inventories to their present location and condition.

The factors that the Group considers in determining the allowance for non-moving, slow moving, obsolete and other non-saleable inventory includes ageing, usability etc., to the extent each of these factors impact the business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in the production of finished goods are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

h. Leases

Group as a lessee – Right-of-use assets and lease liabilities
A lease is defined as 'a contract, or part of a contract, that conveys the right to use of an identified asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases
The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of right-of-use assets
At lease commencement date, the Group recognises a right-of-use and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of right-of-use assets
The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities
At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight-line basis over the lease-term.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. Financial assets are classified as:
- Subsequently measured at amortised cost;
- Fair value through other comprehensive income (FVTOCI); or
- Fair value through profit or loss (FVTPL).

Recognition and initial measurement of financial assets

The Group measures a financial asset (except trade receivables) at its fair value plus or in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are adjusted. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss. Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. It represents the Group's right to an amount of consideration that is unconditional.

Subsequent measurement of financial assets

Amortised cost

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Fair value through other comprehensive income ('FVTOCI')

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is re-classified from the equity to Statement of Profit and Loss.

Fair value through profit or loss ('FVTPL')

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Derecognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach (provision matrix approach) of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Recognition and initial measurement of financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement of financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest rate method. The effective interest rate amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

j. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k. Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

l. Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

m. Foreign currency

Functional and presentation currency
The consolidated financial statements have been prepared and presented in Indian Rupees (₹), which is the Holding Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the period/year in which they arise.

n. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of statement of cash flows comprise cash at banks and on hand, short term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

o. Employee benefits

Short-term employee benefits
Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within twelve months from the end of the year in which the employee render the related service are recognized upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefits
The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. This is as per the policy of the Group. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

Defined contribution plan
Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as defined contribution plan as the Group does not carry any further obligations, apart from the contributions made on a monthly basis. The Group's contributions to these schemes are expensed in the statement of profit and loss.

Defined benefit plan
The Group’s gratuity scheme is considered as defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit ('PUC') method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs; and
- Net interest expense or income.
- Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

p. Revenue recognition

Revenue from sale of goods
Revenue from sale of goods is recognised when the Group satisfies a performance obligation upon transfer of control of goods to customers at the time of shipment to or receipt of goods by the customers as per the terms of the underlying contracts.

The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable immediately or in accordance with the agreed credit period i.e., in the range of 30 to 90 days. Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels and expected sell-through levels in supply chain. The transaction price is allocated to each separately identifiable performance obligation in the contract on the basis of the relative standalone selling prices of the promised goods. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

A receivable is recognised by the Group when control of the goods is transferred and the Group's right to an amount of consideration under the contract with the customer is unconditional, as only the passage of time is required. When either party to a contract has performed, the Group presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The Group's obligation to repair or replace faulty goods under the standard warranty terms is recognised as provision.

Rendering of services
Revenue from services is recognized as and when related services are rendered. The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for the services, excluding amounts collected on behalf of third parties (for example, indirect taxes).

A receivable is recognised by the Group when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required. When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the payment.

No element of financing is deemed present as the sales are made with insignificant credit terms depending on the specific terms agreed with customers.

Export incentives
Income in respect of entitlement towards export incentives is recognised in accordance with the relevant scheme on recognition of the related export sales. Such export incentives are recorded as part of other operating revenue.

Interest income
Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

q. Discontinued operations

A discontinued operation is a component of the entity that has been disposed-off or is classified as held for sale and:
- represents a separate major line of business or geographical area of operations; and
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately as a single amount as statement of profit and loss after tax from discontinued operations in the statement of profit and loss.

r. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognized only when realization of income is virtually certain.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue or share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t. Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

i) **Recognition of deferred tax assets –** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income (supported by convincing evidence) against which the deferred tax assets can be utilized.

ii) **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

iii) **Contingent liabilities –** At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

iv) **Impairment of financial assets –** At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

v) **Defined benefit obligation (DBO) –** Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

vi) **Useful lives of depreciable/amortisable assets –** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

vii) **Leases –** The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

viii) **Provision for warranty–** The Group gives warranty towards satisfactory performance of products during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on historical information on the nature of frequency and average costs of warranty claims. The claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The assumptions are consistent with prior years.

i) **Discounts/rebate to customers –** The Group provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates, and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer, which may be some time after the date of sale. Accordingly, the Group estimates the amount of such incentive basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking and the business forecast. Such estimates are subject to the estimation uncertainty.

ii) **Fair value measurements –** Management applies valuation techniques to determine fair value of equity/preference shares (where active market quotes are not available). This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares or stock options.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

u. Standards and amendments issued but not yet effective as at September 30, 2024

(i) Ind AS 117 – Insurance contracts

MCA amended the Companies (Indian Accounting Standards) Rules, 2015 vide notification dated August 12, 2024 and outlined scenarios where Ind AS 117 – 'Insurance Contracts'. These include warranties from manufacturers, dealers, or retailers related to goods or services and employer obligations from employee benefit plans. It also excludes retirement benefit obligations from defined benefit plans and contractual rights or obligations tied to future use of non-financial items, such as certain license fees and variable lease payments. However, the Group is not engaged in insurance contracts, hence do not have any impact on the financial statements.

(ii) Amendments to Ind AS 116

MCA amended Ind AS 116 vide its notification dated September 9, 2024 related to accounting for sale and leaseback transactions in the books of seller and lessee. The amendment requires seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amounts of the gain or loss that relates to the right-of-use retained by the seller-lessee. These rules aim to streamline accounting processes and ensure compliance with updated Ind AS requirements. However, the Group is not engaged in sale and lease back transaction, hence do not have any impact on the financial statements.

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3 Property, plant and equipment and capital work-in-progress

a. Reconciliation of carrying amount

Particulars	Freehold land	Buildings	Plant and machinery	Moulds	Electrical installations and equipments	Furniture and fittings	Motor Vehicles	Computers and data processing units	Office equipments	Total	Capital work-in-progress
Gross carrying values											
As at April 1, 2021	**113.89**	**2,737.02**	**470.66**	**178.35**	**79.03**	**102.66**	**56.44**	**123.75**	**104.60**	**3,966.40**	**489.24**
Additions for the year	-	10.69	39.51	27.15	-	0.49	26.97	20.42	1.37	126.60	647.39
Disposals/capitalisations for the year	-	-	(7.90)	-	-	(6.49)	(29.72)	(11.33)	(0.89)	(56.33)	(77.35)
As at March 31, 2022	**113.89**	**2,747.71**	**502.27**	**205.50**	**79.03**	**96.66**	**53.69**	**132.84**	**105.08**	**4,036.67**	**1,059.28**
Additions for the year	-	931.74	233.56	45.94	40.56	8.33	39.80	28.87	39.01	1,367.81	851.85
Disposals/capitalisations for the year	-	-	-	(9.78)	-	-	(12.85)	(13.62)	(0.17)	(36.42)	(1,260.12)
As at March 31, 2023	**113.89**	**3,679.45**	**735.83**	**241.66**	**119.59**	**104.99**	**80.64**	**148.09**	**143.92**	**5,368.06**	**651.01**
Regrouping of assets during the year	-	-	7.47	-	-	(7.47)	-	-	-	-	-
Reclassified to intangible assets	-	-	-	-	-	-	-	(5.13)	(0.59)	(5.72)	-
Additions for the year	-	708.73	29.79	42.57	9.95	4.37	4.74	6.62	3.73	810.50	271.78
Disposals/capitalisations for the year	-	(61.92)	(0.58)	-	(0.31)	(2.50)	(3.67)	(2.62)	(5.72)	(77.32)	(469.78)
As at March 31, 2024	**113.89**	**4,326.26**	**772.51**	**284.23**	**129.23**	**99.39**	**81.71**	**146.96**	**141.34**	**6,095.52**	**453.01**
Additions for the period	73.61	78.34	3.48	7.65	-	0.01	45.34	8.75	0.84	218.02	126.17
Classified as assets held for sale during the period (refer note 43(a) and (b) for details)	-	(78.64)	(0.47)	-	(2.57)	(9.05)	-	(0.40)	(5.61)	(96.74)	-
Disposals/capitalisations for the period	-	-	-	-	-	-	(19.92)	-	(0.14)	(20.06)	(25.13)
As at September 30, 2024	**187.50**	**4,325.96**	**775.52**	**291.88**	**126.66**	**90.35**	**107.13**	**155.31**	**136.43**	**6,196.74**	**554.05**
Accumulated depreciation											
As at April 1, 2021	**-**	**716.24**	**253.00**	**88.72**	**60.20**	**73.21**	**20.47**	**97.48**	**90.84**	**1,400.16**	**-**
Charge for the year	-	141.88	43.56	18.38	4.82	7.39	16.64	20.12	4.91	257.70	-
Disposals for the year	-	-	(6.07)	-	-	(5.92)	(26.44)	(10.79)	(0.82)	(50.04)	-
As at March 31, 2022	**-**	**858.12**	**290.49**	**107.10**	**65.02**	**74.68**	**10.67**	**106.81**	**94.93**	**1,607.82**	**-**
Charge for the year	-	190.36	67.62	22.50	11.01	6.23	15.62	22.78	15.25	351.37	-
Disposals for the year	-	-	-	(8.75)	-	-	(7.05)	(12.94)	(0.14)	(28.88)	-
As at March 31, 2023	**-**	**1,048.48**	**358.11**	**120.85**	**76.03**	**80.91**	**19.24**	**116.65**	**110.04**	**1,930.31**	**-**
Regrouping of assets during the year	-	-	7.11	-	-	(7.11)	-	-	-	-	-
Reclassified to intangible assets	-	-		-	-	-	-	(2.25)	(0.56)	(2.81)	-
Charge for the year	-	203.25	69.56	25.82	11.80	5.80	19.28	14.92	13.44	363.87	-
Disposals for the year	-	(13.26)	(0.49)	-	(0.21)	(1.98)	(3.42)	(2.50)	(5.36)	(27.22)	-
As at March 31, 2024	**-**	**1,238.47**	**434.29**	**146.67**	**87.62**	**77.62**	**35.10**	**126.82**	**117.56**	**2,264.15**	**-**
Charge for the period	-	123.40	30.75	12.61	5.31	2.60	10.14	5.79	4.31	194.91	-
Classified as assets held for sale during the period (refer note 43(a) and (b) for details)	-	(21.58)	(0.34)	-	(2.20)	(7.62)	-	(0.38)	(5.09)	(37.21)	-
Disposals for the period	-	-	-	-	-	-	(16.92)	-	(0.13)	(17.05)	-
As at September 30, 2024	**-**	**1,340.29**	**464.70**	**159.28**	**90.73**	**72.60**	**28.32**	**132.23**	**116.65**	**2,404.80**	**-**
Net carrying values											
As at March 31, 2022	**113.89**	**1,889.59**	**211.78**	**98.40**	**14.01**	**21.98**	**43.02**	**26.03**	**10.15**	**2,428.85**	**1,059.28**
As at March 31, 2023	**113.89**	**2,630.97**	**377.72**	**120.81**	**43.56**	**24.08**	**61.40**	**31.44**	**33.88**	**3,437.75**	**651.01**
As at March 31, 2024	**113.89**	**3,087.79**	**338.22**	**137.56**	**41.61**	**21.77**	**46.61**	**20.14**	**23.78**	**3,831.37**	**453.01**
As at September 30, 2024	**187.50**	**2,985.67**	**310.82**	**132.60**	**35.93**	**17.75**	**78.81**	**23.08**	**19.78**	**3,791.94**	**554.05**

3 **Property, plant and equipment and capital work-in-progress (Cont'd)**

Notes:
i) Refer note 36(b) for disclosure of contractual commitments for acquisition of property, plant and equipment.
ii) None of the property, plant and equipment are pledged or given as security or under lien.
iii) The Group has not revalued its property, plant and equipment during the six months period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively.
iv) The Group does not have any benami property and no proceedings have been initiated or pending against the Company for holding any benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

b. Ageing of Capital work-in-progress ('CWIP')

As at September 30, 2024

Particulars	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	265.22	197.10	75.70	16.03	**554.05**
Projects temporarily suspended	-	-	-	-	**-**
	265.22	**197.10**	**75.70**	**16.03**	**554.05**

As at March 31, 2024

Particulars	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	271.77	132.31	39.52	9.41	**453.01**
Projects temporarily suspended	-	-	-	-	**-**
	271.77	**132.31**	**39.52**	**9.41**	**453.01**

As at March 31, 2023

Particulars	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	421.47	215.71	13.79	0.04	**651.01**
Projects temporarily suspended	-	-	-	-	**-**
	421.47	**215.71**	**13.79**	**0.04**	**651.01**

As at March 31, 2022

Particulars	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	587.99	238.30	192.18	40.81	**1,059.28**
Projects temporarily suspended	-	-	-	-	**-**
	587.99	**238.30**	**192.18**	**40.81**	**1,059.28**

Note: The Group does not have any capital-work-in-progress which is overdue or has exceeded its cost compared to its original plan as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

4 Leases

	Particulars	Land	Buildings	Total
a)	**Right-of-use assets**			
	Gross carrying values			
	As at April 1, 2021	**2,634.73**	**60.78**	**2,695.51**
	Additions for the year	260.94	19.49	280.43
	Disposals for the year	-	(15.83)	(15.83)
	As at March 31, 2022	**2,895.67**	**64.44**	**2,960.11**
	Additions for the year	322.88	24.39	347.27
	Disposals (including termination and modification)	-	(21.94)	(21.94)
	As at March 31, 2023	**3,218.55**	**66.89**	**3,285.44**
	Additions for the year	203.01	20.13	223.14
	Disposals (including termination and modification)	-	(11.15)	(11.15)
	As at March 31, 2024	**3,421.56**	**75.87**	**3,497.43**
	Additions for the period	-	9.11	9.11
	Classified as assets held for sale during the period (refer note 43(a) and (b) for details)	(407.02)	-	(407.02)
	Disposals (including termination and modification)	-	(26.85)	(26.85)
	As at September 30, 2024	**3,014.54**	**58.13**	**3,072.67**
	Accumulated depreciation			
	As at April 1, 2021	**60.88**	**27.85**	**88.73**
	Charge for the year	34.17	18.71	52.88
	Disposals for the year	-	(15.83)	(15.83)
	As at March 31, 2022	**95.05**	**30.73**	**125.78**
	Charge for the year	38.92	19.70	58.62
	Disposals (including termination and modification)	-	(18.81)	(18.81)
	As at March 31, 2023	**133.97**	**31.62**	**165.59**
	Charge for the year	40.03	20.89	60.92
	Disposals (including termination and modification)	-	(10.83)	(10.83)
	As at March 31, 2024	**174.00**	**41.68**	**215.68**
	Charge for the period	22.02	9.45	31.47
	Classified as assets held for sale during the period (refer note 43(a) and (b) for details)	(39.72)	-	(39.72)
	Disposals (including termination and modification)	-	(24.57)	(24.57)
	As at September 30, 2024	**156.30**	**26.56**	**182.86**
	Net carrying values			
	As at March 31, 2022	2,800.62	33.71	**2,834.33**
	As at March 31, 2023	3,084.58	35.27	**3,119.85**
	As at March 31, 2024	3,247.56	34.19	**3,281.75**
	As at September 30, 2024	2,858.24	31.57	**2,889.81**

b)	**Lease liabilities**	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
	Non-current	18.18	18.17	16.59	17.29
	Current	15.15	18.05	21.11	19.16

c) Extension and termination options

Extension and termination options are included in all leases. These terms are used to maximise operational flexibility in terms of managing contracts.

d) Lease payments not included in measurement of lease liability

The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis. The details of all expenses are as follows:

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term lease rent	7.44	9.41	6.39	5.84
Depreciation on right-of-use assets	31.47	60.92	58.62	52.88
Interest expense on lease liabilities	1.36	3.10	2.64	2.71

e) Maturity of lease liabilities

The lease liabilities are secured by related underlying assets. The table below analyses the lease liabilities into relevant maturity groupings based on their contractual maturities:

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Upto 1 year	17.41	18.67	21.93	19.82
From 1 year to 5 years	19.59	21.55	19.42	19.64
Later than 5 years	-	-	-	-

5 Intangible assets

Particulars	Computer softwares	Intangible assets under development
Gross carrying values		
As at April 1, 2021	**119.66**	**18.69**
Additions for the year	18.69	(18.69)
Disposals for the year	-	-
As at March 31, 2022	**138.35**	**-**
Additions for the year	3.24	-
Disposals for the year	-	-
As at March 31, 2023	**141.59**	**-**
Reclassified from property, plant and equipment	5.73	-
Additions for the year	-	-
Disposals for the year	(0.18)	-
As at March 31, 2024	**147.14**	**-**
Additions for the period	-	-
Disposals for the period	-	-
As at September 30, 2024	**147.14**	**-**
Accumulated amortisation		
As at April 1, 2021	**112.64**	
Charge for the year	3.40	-
Disposals for the year	-	-
As at March 31, 2022	**116.04**	**-**
Charge for the year	4.91	-
Disposals for the year	-	-
As at March 31, 2023	**120.95**	**-**
Reclassified from property, plant and equipment	2.81	-
Charge for the year	5.09	-
Disposals for the year	(0.17)	-
As at March 31, 2024	**128.68**	**-**
Charge for the period	4.14	-
Disposals for the period	-	-
As at September 30, 2024	**132.82**	**-**
Net carrying values		
As at March 31, 2022	**22.31**	**-**
As at March 31, 2023	**20.64**	**-**
As at March 31, 2024	**18.46**	**-**
As at September 30, 2024	**14.32**	**-**

Notes:

(i) None of the assets are pledged or given as security or under lien.

(ii) The Holding Company has not revalued its intangible assets during the period.

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6 Investments - Non-current

	Particulars	Face value	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount
I	**Investments in equity instruments (Unquoted, fully paid up)** **Other companies [carried at fair value through profit or loss ('FVTPL')]**									
i	National Stock Exchange Limited	₹ 1	30,000	186.00	30,000	144.00	-	-	-	-
ii	SBI Funds Management Limited	₹ 1	42,500	112.63	42,500	72.25	-	-	-	-
iii	National Securities Depository Limited	₹ 1	1,28,000	108.80	-	-	-	-	-	-
iv	Water Quality India Association	₹ 10	7,100	0.07	7,100	0.07	7,100	0.07	7,100	0.07
v	Eduisfun Technologies Private Limited	₹ 10	1	0.20	1	0.20	1	0.20	1	0.20
	Less: Impairment (refer note 3 below)			(0.20)		(0.20)		-		-
	Total (I)			**407.50**		**216.32**		**0.27**		**0.27**
II	**Investments in Compulsorily Convertible Preference Shares (Unquoted, fully paid up)** **Other companies [carried at fair value through profit or loss ('FVTPL')]**									
i	Eduisfun Technologies Private Limited	₹ 10	499	99.80	499	99.80	499	99.80	499	99.80
	Less: Impairment (refer note 3 below)			(99.80)		(99.80)		-		-
	Total (II)			**-**		**-**		**99.80**		**99.80**
III	**Investments in Alternate Investment Fund (Unquoted) [carried at fair value through profit or loss ('FVTPL')]**									
i	IndiaRealty Excellence Fund VI	₹ 10,000	8,750	87.50	-	-	-	-	-	-
	Total (III)			**87.50**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (I+II+III)			**495.00**		**216.32**		**100.07**		**100.07**
	Aggregate amount of quoted investments (at cost)			-		-		-		-
	Aggregate amount of unquoted investments (at cost)			450.53		263.83		100.07		100.07
	Aggregate amount of impairment in value of investments			100.00		100.00		-		-

Notes:

1 Refer note 39 for disclosure of fair value in respect of financial assets measured at cost and disclosures for financial risk management.

2 The Holding Company has recognised the financial assets on fair value through profit and loss and the gain or loss on above financial assets is recognised in statement of profit and loss and presented within other gain/losses in the period in which it arises.

3 The equity share and compulsorily convertible preference shares are fair value instruments. Till March 31, 2023, the fair value (as per valuation report) was equal to carrying value. However, during the year ended March 31, 2024, considering the underlying business scenario, the Group has impaired the entire investment. The similar assessment has been maintained as at September 30, 2024.

7 Other financial assets

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current				
(Unsecured, considered good)				
Bank deposits with original and remaining maturity of more than twelve months	-	10.01	0.33	0.33
Bank deposits with original and remaining maturity of more than twelve months[1]	32.89	2.17	28.46	510.06
Security deposits	12.98	12.37	11.04	10.21
	45.87	**24.55**	**39.83**	**520.60**
Current				
(Unsecured, considered good)				
Security deposits	1.81	1.55	56.71	19.71
Subsidy receivables[2]	3.07	2.09	4.67	33.11
Amount receivable from payment gateways	46.65	25.64	14.85	44.81
Other receivables	-	2.47	4.98	2.59
	51.53	**31.75**	**81.21**	**100.22**

Notes:
1 Pledged/deposited with various statutory and working capital limits sanctioned from banks.
2 Refer note 38(II) for further details.
3 Refer note 39 for disclosure of fair value in respect of financial assets measured at cost and disclosures for financial risk management.
4 Refer note 43(b) for details of assets classified as held for sale during the reporting period.

8 Income-tax assets (net)

Advance income tax/tax deducted at source	200.31	480.93	439.80	534.69
Provision for taxation	(126.71)	(467.17)	(394.53)	(522.19)
Tax assets for earlier assessment years	82.97	162.29	121.12	108.62
	156.57	**176.05**	**166.39**	**121.12**

9 Other assets

Non-current				
(Unsecured, considered good)				
Capital advances	1,503.37	1,138.20	561.08	809.52
Advances other than capital advances				
- Balances with statutory authorities under protest[1]	176.36	176.36	176.36	175.21
- Prepaid expenses	10.48	35.75	39.18	2.62
	1,690.21	**1,350.31**	**776.62**	**987.35**
Current				
(Unsecured, considered good)				
Balances with statutory authorities	137.15	154.56	191.85	121.07
Prepaid expenses[2 and 3]	69.54	77.78	82.75	29.41
Advances to vendors	204.53	124.44	77.50	79.01
Other advances	0.65	0.79	0.90	1.22
	411.87	**357.57**	**353.00**	**230.71**

Notes:
1 Refer note 36(a) for further details.
2 Prepaid expenses include excess expenditure incurred under Corporate Social Responsibility (refer note 41).
3 Refer note 43(b) for details of assets classified as held for sale during the reporting period.

10 Inventories

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)				
Raw materials and packing materials	1,512.23	1,521.50	1,736.20	1,391.47
Work-in-progress	18.75	0.82	1.65	0.05
Finished goods	1,477.06	1,361.44	1,295.94	868.46
Stock-in-trade	343.71	217.26	375.72	408.62
Stores and spares	39.06	50.60	47.05	29.64
	3,390.81	**3,151.62**	**3,456.56**	**2,698.24**

Notes:
1 The above includes goods in transit as under:

Raw materials and packing materials	8.82	7.83	28.12	10.92
Finished goods	54.01	9.06	-	-
Stock-in-trade	6.18	3.63	-	-

2 The stock of scrap materials have been taken at net realisable value.
3 During the period ₹ 35.27 million (March 31, 2024: ₹ 5.02 million, March 31, 2023: ₹ Nil, March 31, 2022: ₹ Nil) was recognised as an expense for inventory on account of obsolete, slow moving inventory and impact of net realisable value.

11 Investments - Current

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
a) Investments in equity instruments - quoted, fully paid-up [carried at fair value through profit or loss ('FVTPL')]				
Deccan Health Care Limited [162,154 equity shares of ₹ 10 each, (March 31, 2024 - 162,154 equity shares, March 31, 2023 - 968,800 equity shares and March 31, 2022 - 968,800 equity shares)]	4.27	4.48	26.64	34.63
Lemon Tree Hotels Limited [406,160 equity shares of ₹ 10 each, (March 31, 2024 - 406,160 equity shares, March 31, 2023 - 356,160 equity shares and March 31, 2022 - 406,160 equity shares)]	49.50	53.02	31.38	25.75
Ritco Logistics Limited [200,000 equity shares of ₹ 10 each, (March 31, 2024 - 200,000 equity shares, March 31, 2023 - 200,000 equity shares and March 31, 2022 - 200,000 equity shares)]	65.07	43.64	30.30	14.00
DLF Limited [80,000 equity shares of ₹ 2 each, (March 31, 2024 - 80,000 equity shares, March 31, 2023 - 80,000 equity shares and March 31, 2022 - 80,000 equity shares)]	71.61	71.76	28.54	30.44
Hindustan Unilever Limited [10,000 equity shares of ₹ 1 each, (March 31, 2024 - 10,000 equity shares, March 31, 2023 - 10,000 equity shares and March 31, 2022 - 10,000 equity shares)]	29.58	22.64	25.60	20.49
Jio Financial Services Limited [10,000 equity shares of ₹ 10 each, (March 31, 2024 - 10,000 equity shares, March 31, 2023 - Nil equity shares and March 31, 2022 - Nil equity shares)]	3.51	3.54	-	-
Kajaria Ceramics Limited [76,800 equity shares of ₹ 1 each, (March 31, 2024 - 76,800 equity shares, March 31, 2023 - 76,800 equity shares and March 31, 2022 - 76,800 equity shares)]	112.58	88.69	80.97	78.28
Reliance Industries Limited [10,000 equity shares of ₹ 10 each, (March 31, 2024 - 10,000 equity shares, March 31, 2023 - 10,000 equity shares and March 31, 2022 - 10,000 equity shares)]	29.53	29.72	23.31	26.35
Salora International Limited [45,000 equity shares of ₹ 10 each, (March 31, 2024 - 45,000 equity shares, March 31, 2023 - 45,000 equity shares and March 31, 2022 - 45,000 equity shares)]	2.67	2.76	1.35	1.89
State Bank of India [60,000 equity shares of ₹ 10 each, (March 31, 2024 - 60,000 equity shares, March 31, 2023 - 60,000 equity shares and March 31, 2022- 60,000 equity shares)]	47.27	45.14	31.43	29.61
Vodafone Idea Limited [500,000 equity shares of ₹ 10 each, (March 31, 2024 - 500,000 equity shares, March 31, 2023 - 1,000,000 equity shares and March 31, 2022 - 1,000,000 equity shares)]	5.18	6.63	5.80	9.65
HDFC Bank Limited [39,947 equity shares of ₹ 1 each, (March 31, 2024 - 39,947 equity shares, March 31, 2023 - 83,000 equity shares and March 31, 2022 - 83,000 equity shares)]	69.19	57.85	133.59	122.04
ICICI Bank Limited [120,000 equity shares of ₹ 2 each, (March 31, 2024 - 120,000 equity shares, March 31, 2023 - 120,000 equity shares and March 31, 2022 - 120,000 equity shares)]	152.74	131.50	105.27	87.64
Piramal Enterprises Limited [Nil equity shares, (March 31, 2024 - 68,150 equity shares of ₹ 2 each, March 31, 2023 - Nil equity shares and March 31, 2022 - Nil equity shares)]	-	57.84	-	-
Punjab National Bank Limited [1,645,000 equity shares of ₹ 2 each, (March 31, 2024 - 1,193,000 equity shares, March 31, 2023 - Nil equity shares and March 31, 2022 - Nil equity shares)]	176.26	148.35	-	-
Tata Consultancy Services Limited [15,000 equity shares of ₹ 1 each, (March 31, 2024 - 15,000 equity shares, March 31, 2023 - 25,000 equity shares and March 31, 2022 - 25,000 equity shares)]	64.03	58.25	80.15	93.50
Innovative Ideals and Services Limited [Nil equity shares of ₹ 10 each, (March 31, 2024 - Nil equity shares, March 31, 2023 - 400,000 equity shares and March 31, 2022 - 400,000 equity shares)]	-	-	1.04	3.92
Infosys Limited [Nil equity shares of ₹ 5 each, (March 31, 2024 - Nil equity shares, March 31, 2023 - 10,000 equity shares and March 31, 2022 - 10,000 equity shares)]	-	-	14.28	19.07
(a)	**882.99**	**825.81**	**619.65**	**597.26**

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11 Investments - Current (Cont'd)

b) Investments in mutual funds - quoted, fully paid-up [carried at fair value through profit or loss ('FVTPL')]

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
HDFC Banking & Financial Services Fund Regular Growth [9,312,255.564 units (March 31, 2024 - 9,312,255.564 units, March 31, 2023 - 9,312,255.564 units, March 31, 2022 -2,52,486.57 units)]	151.52	129.13	102.08	72.07
ICICI Prudential India Opportunities Fund [6,945,325.738 units (March 31, 2024 - 6,945,325.738 units, March 31, 2023 -Nil units, March 31, 2022 - Nil units)]	249.75	205.44	-	-
Parag Parikh Flexi Cap - Regular Plan [1,681,447.332 units (March 31, 2024 - 1,681,447.332 units, March 31, 2023 -Nil units, March 31, 2022 - Nil units)]	137.47	116.56	-	-
ASK Emerging Opportunities Portfolio [103,953.17 units (March 31, 2024 - 103,953.17 units, March 31, 2023 - 103,953.17 units, March 31, 2022 - Nil units)]	148.47	125.20	93.48	-
Motilal Oswal Growth Anchors Fund [8,828,171.719 units (March 31, 2024 - 5,679,268.372 units, March 31, 2023 -Nil units, March 31, 2022 - Nil units)]	147.93	70.87	-	-
Motilal Oswal India Excellence Fund [11,469,578.034 units (March 31, 2024 - 11,469,578.034 units, March 31, 2023 - 11,469,578.034 units, March 31, 2022 - 7,481,847.56 units)]	185.88	142.90	86.50	69.88
3P India Equity Fund I [868,686.292 units (March 31, 2024 - 868,686.292 units, March 31, 2023 -Nil units, March 31, 2022 - Nil units)]	134.17	115.17	-	-
Athena Enhanced Equity Fund [486,041.378 units (March 31, 2024 - 486,041.378 units, March 31, 2023 -Nil units, March 31, 2022 - Nil units)]	64.87	55.54	-	-
Axis New Opportunities Alternate Investment Fund-I Nil units (March 31, 2024 - Nil units, March 31, 2023 - 301.83 units, March 31, 2022 - 601.07 units)]	-	-	10.38	72.53
Ask India 2025 Equity Fund Nil units (March 31, 2024 - Nil units, March 31, 2023 - Nil units, March 31, 2022 -47,178.33 units)]	-	-	-	87.08
Motilal Oswal Multicap 35 Fund Nil units (March 31, 2024 - Nil units, March 31, 2023 - Nil units, March 31, 2022 -3,710,168.35 units)]	-	-	-	119.67
ICICI Growth Fund Nil units (March 31, 2024 - Nil units, March 31, 2023 - 51,59,700.7 units, March 31, 2022 -Nil units)]	-	-	100.60	-
Nex Trillion Dollar opportunity Strategy Nil units (March 31, 2024 - Nil units, March 31, 2023 - Nil units, March 31, 2022 - 204,465 units)]	-	-	-	204.46
Ambit Coffee Can Portfolio Nil units (March 31, 2024 - Nil units, March 31, 2023 - Nil units, March 31, 2022 - 63,585 units)]	-	-	-	97.31
(b)	**1,220.06**	**960.81**	**393.04**	**723.00**
(a+b)	**2,103.05**	**1,786.62**	**1,012.69**	**1,320.26**

Notes:

	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
a) Aggregate amount of quoted investments (at cost)	1,278.00	1,244.22	958.28	1,159.92
b) Aggregate amount of unquoted investments (at cost)	-	-	-	-
c) Aggregate amount of impairment in value of investments	-	-	-	-

12 Trade receivables

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Trade receivables				
Unsecured, considered good	1,143.01	879.74	559.51	572.20
Unsecured, credit impaired	3.82	1.62	-	-
Less: Allowance for expected credit loss				
Unsecured, considered good	(7.76)	(3.22)	-	-
Unsecured, credit impaired	(3.82)	(1.62)	-	-
	1,135.25	**876.52**	**559.51**	**572.20**
Of the above, trade receivables due from related parties	-	-	-	2.65

Notes:

a) **Trade receivables ageing schedule as at September 30, 2024**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Unsecured, considered good	749.40	323.46	50.07	12.39	7.69	-	1,143.01
Unsecured, credit impaired	-	-	-	-	-	3.82	3.82
	749.40	**323.46**	**50.07**	**12.39**	**7.69**	**3.82**	**1,146.83**
Allowance for expected credit loss	-	-	(0.70)	(1.29)	(5.77)	(3.82)	(11.58)
	749.40	**323.46**	**49.37**	**11.10**	**1.92**	**-**	**1,135.25**

Trade receivables ageing schedule as at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Unsecured, considered good	508.87	347.55	9.60	10.55	3.17	-	879.74
Unsecured, credit impaired	-	-	-			1.62	1.62
	508.87	**347.55**	**9.60**	**10.55**	**3.17**	**1.62**	**881.36**
Allowance for expected credit loss	-	-	-	(1.61)	(1.61)	(1.62)	(4.84)
	508.87	**347.55**	**9.60**	**8.94**	**1.56**	**-**	**876.52**

Trade receivables ageing schedule as at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Unsecured, considered good	221.98	296.29	21.74	12.39	3.29	3.82	**559.51**
Unsecured, credit impaired	-	-	-	-	-	-	-
	221.98	**296.29**	**21.74**	**12.39**	**3.29**	**3.82**	**559.51**
Allowance for expected credit loss	-	-	-	-	-	-	-
	221.98	**296.29**	**21.74**	**12.39**	**3.29**	**3.82**	**559.51**

Trade receivables ageing schedule as at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Unsecured, considered good	291.03	255.94	14.97	5.82	1.86	2.58	**572.20**
Unsecured, credit impaired	-	-	-	-	-	-	-
	291.03	**255.94**	**14.97**	**5.82**	**1.86**	**2.58**	**572.20**
Allowance for expected credit loss	-	-	-	-	-	-	-
	291.03	**255.94**	**14.97**	**5.82**	**1.86**	**2.58**	**572.20**

b) No trade or other receivables are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, director or member.
c) Refer note 39 for disclosure of fair value in respect of financial assets measured at cost and disclosures for financial risk management.
d) Trade receivables represent the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

13 Cash and cash equivalents

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance with banks in current accounts	179.03	188.73	107.37	126.72
Cash on hand	0.83	3.00	0.98	1.13
	179.86	**191.73**	**108.35**	**127.85**

Notes:
a) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of current and preceding reporting dates.
b) Refer note 39 for disclosure of fair value in respect of financial assets measured at cost and disclosures for financial risk management.
c) Refer note 43(b) for details of assets classified as held for sale during the reporting period.

14 Bank balances other than cash and cash equivalents

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Bank deposits account with original maturity of more than three months but expiring less than twelve months[1]	0.91	336.42	-	-
Bank deposits account with original maturity of more than three months but expiring less than twelve months	-	-	205.80	-
Bank deposits account with original maturity of more than twelve months[1 and 2]	316.25	-	295.86	343.84
Bank deposits account with original maturity of more than twelve months[2 and 3]	1,049.54	2,403.48	2,413.12	2,344.61
	1,366.70	**2,739.90**	**2,914.78**	**2,688.45**

Notes:
1 Pledged/deposited with various statutory and working capital limits sanctioned from banks.
2 Bank deposits with original maturity of more than 12 months but remaining maturity of less than 12 months have been disclosed under other bank balances.
3 The deposits maintained by the Holding Company with banks comprise of the time deposits, which may be withdrawn by the Holding Company at any point of time without prior notice and are made for varying periods between one day to twelve months depending on the immediate cash requirements of the Holding Company and earn interest at the respective short-term deposit rates.
4 Refer note 39 for disclosure of fair value in respect of financial assets measured at cost and disclosures for financial risk management.

15 Loans

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered doubtful)				
Loans to others	-	68.07	68.07	-
Less: Allowance for expected credit loss	-	(68.07)	(68.07)	-
Sub-total (a)	**-**	**-**	**-**	**-**
(Unsecured, considered good)				
Loans to others	86.20	83.58	69.84	120.31
Sub-total (b)	**86.20**	**83.58**	**69.84**	**120.31**
(a+b)	**86.20**	**83.58**	**69.84**	**120.31**

Notes:
1 Refer note 39 for disclosure of fair value in respect of financial assets measured at cost and disclosures for financial risk management.
2 The Holding has not granted any loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013).

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16 Equity share capital

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Authorised				
1,500,000 (March 31, 2024: 1,500,000, March 31, 2023: 1,500,000, March 31, 2022: 1,500,000) equity shares of ₹ 10 each*	15.00	15.00	15.00	15.00
Issued, subscribed and fully paid up				
917,688 (March 31, 2024: 965,986, March 31, 2023: 965,986, March 31, 2022: 985,700) equity shares of ₹ 10 each*	9.18	9.66	9.66	9.86
	9.18	**9.66**	**9.66**	**9.86**

**Refer note 16(vii) below.*

(i) **Reconciliation of number of shares:**

Equity shares	As at September 30, 2024		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the period/year	**9,65,986**	**9.66**	**9,65,986**	**9.66**
Issued during the period/year	-	-	-	-
Share extinguished on buy back during the period/year	(48,298)	(0.48)	-	-
Equity shares at the end of the period/year	**9,17,688**	**9.18**	**9,65,986**	**9.66**

Equity shares	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	9,85,700	9.86	9,85,700	9.86
Issued during the year	-	-	-	-
Share extinguished on buy back during the year	(19,714)	(0.20)	-	-
Equity shares at the end of the year	**9,65,986**	**9.66**	**9,85,700**	**9.86**

(ii) **Terms/rights attached to equity shares:**
The Holding Company has only one class of equity shares having a par value of ₹ 10 per share (refer note 16D). Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders. The Holding Company did not declare any dividend on equity shares during any of the reporting period. The dividend, if proposed by Board of Directors, is subject to the approval of shareholders in the Annual General Meeting.

(iii) **Details of shareholders holding more than 5% of share capital in the Holding Company**

Equity shares	As at September 30, 2024		As at March 31, 2024	
	Number of shares	% holding	Number of shares	% holding
Dr. Mahesh Gupta	4,69,690	51.18%	4,94,410	51.18%
Mrs. Sunita Gupta	3,36,091	36.62%	3,53,780	36.62%
Mr. Varun Gupta	1,09,857	11.97%	1,15,640	11.97%

Equity shares	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Dr. Mahesh Gupta	4,94,410	51.18%	5,04,500	51.18%
Mrs. Sunita Gupta	3,53,780	36.62%	3,61,000	36.62%
Mr. Varun Gupta	1,15,640	11.97%	1,17,999	11.97%

(iv) **Disclosure of promoter's shareholding :**

Name of the promoters	As at September 30, 2024			As at March 31, 2024		
	Number of shares	% of total shares	% of change	Number of shares	% of total shares	% of change
Dr. Mahesh Gupta	4,69,690	51.18%	-	4,94,410	51.18%	-
Mrs. Sunita Gupta	3,36,091	36.62%	-	3,53,780	36.62%	-
Mr. Varun Gupta	1,09,857	11.97%	-	1,15,640	11.97%	-

Name of the promoters	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% of total shares	% of change	Number of shares	% of total shares	% of change
Dr. Mahesh Gupta	4,94,410	51.18%	-	5,04,500	51.18%	-
Mrs. Sunita Gupta	3,53,780	36.62%	-	3,61,000	36.62%	-
Mr. Varun Gupta	1,15,640	11.97%	-	1,17,999	11.97%	-

The Holding Company in their meeting held on January 8, 2025, identified Mahesh Varun Private Family Trust, Sunita Surbhi Private Family Trust, Sunita Varun Private Family Trust as promoter Group. However, as at September 30, 2024, they do not hold any share in the Holding Company.

(v) **Shares reserved for issue under options**
The Holding Company has not reserved any shares for issuance under options. Refer Note 48(b) for further details.

(vi) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

No bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

The Holding Company bought back 48,298 equity shares (March 31, 2024: Nil) for an aggregate amount of ₹ 821.07 million being 5.00% of the total paid up equity share capital at ₹ 17,000 per equity share. The equity shares bought back were extinguished on November 29, 2024. Refer note 47 for further details.

The Holding Company bought back 19,714 equity shares during the financial year ended March 31, 2023 (March 31, 2022: Nil) for an aggregate amount of ₹ 285.48 million being 2.00% of the total paid up equity share capital at ₹ 14,481 per equity share. The equity shares bought back were extinguished on September 9, 2022. Refer note 47 for further details.

(vii) **Changes in equity share capital:**
The Holding Company has increased the authorised share capital from existing 1,500,000 equity shares to 150,000,000 equity shares of ₹ 1 each, which was approved by the Board of Directors in their meeting and shareholders in their Extra-ordinary General meeting held on November 19, 2024, respectively.

Subsequent to six months period ended September 30, 2024, pursuant to a resolution passed in extraordinary general meeting of the Holding Company dated November 19, 2024, shareholders have approved split of each equity share having face value of ₹ 10 each into equity shares of face value of ₹ 1 each ('the split').

Subsequent to six months period ended September 30, 2024, on November 19, 2024, the Board of Directors of the Holding Company has approved bonus issue in the ratio of 10 equity shares for every 1 existing equity share and the same has been duly approved by the shareholders of the Holding Company.

17 Other equity

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Reserves and surplus				
Capital reserve	8.01	8.01	8.01	8.01
Capital redemption reserve	0.68	0.20	0.20	-
Retained earnings	16,452.05	16,768.74	15,092.45	14,472.96
	16,460.74	**16,776.95**	**15,100.66**	**14,480.97**

Nature and purpose of reserves:

a) Capital reserve

Capital reserve represents the difference between cost of acquisition of investment of the Holding Company in its wholly owned subsidiary Dreamland Exim Private Limited and carrying value of its assets and liabilities.

b) Capital redemption reserve

The Holding Company has recognised capital redemption reserve from its retained earnings on buy-back of equity shares. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back. This balance will be utilised in accordance with the provisions of the Act.

c) Retained earnings

Retained earnings are the profits that Group has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. It includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the statement of profit and loss.

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18 Borrowings[3]

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current:				
Unsecured from others				
Rupee loan[1]	-	1.03	-	-
	-	**1.03**	**-**	**-**
Current:				
Secured from banks				
Working capital facilities[2]	101.38	6.20	133.62	107.60
	101.38	**6.20**	**133.62**	**107.60**

Notes:

1 Refer note 42 for disclosure of related party balances as at each reporting dates.

2 Secured by hypothetication of bank deposits earmarked with the banks from which overdraft facilities has been availed and therefore, the quarterly returns or statements of current assets is not required filed by the Holding Company with banks. There is no default in payments of interest thereon.

3 Refer note 39 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

4 Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities including both changes arising from cash flows and non-cash changes:

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	**Long-term borrowings**				
	Balance at the beginning of the year	1.03	-	-	-
	Proceeds from long-term borrowings	-	1.03	-	-
	Balance at the end of the year	**1.03**	**1.03**	**-**	**-**
b)	**Short-term borrowings**				
	Balance at the beginning of the year	6.20	133.62	107.60	0.45
	Movement in short term-borrowings (net)	95.18	(127.42)	26.02	107.15
	Finance cost accrued during the year	0.84	1.93	1.84	2.13
	Finance cost paid during the year	(0.84)	(1.93)	(1.84)	(2.13)
	Balance at the end of the year	**101.38**	**6.20**	**133.62**	**107.60**
c)	**Lease liabilities**				
	Balance at the beginning of the year	36.22	37.70	36.45	35.67
	Additions during the year	9.11	20.13	24.39	19.49
	Finance cost accrued during the year	1.36	3.10	2.64	2.71
	Modified terminated during the year	(2.49)	(0.83)	(3.29)	-
	Payment of principal portion of lease liabilities	(9.51)	(20.78)	(19.85)	(18.71)
	Payment of interest portion of lease liabilities	(1.36)	(3.10)	(2.64)	(2.71)
	Balance at the end of the year	**33.33**	**36.22**	**37.70**	**36.45**

5 Refer note 43(b) for details of liabilities directly associated with assets classified as held for sale.

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19 Provisions

Particulars		As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current:					
Provision for employee benefits:					
Gratuity[1]		69.90	56.56	63.83	57.49
Compensated absences		32.36	32.31	32.76	26.32
Sub-total (a)		**102.26**	**88.87**	**96.59**	**83.81**
Other provisions[2]:					
Provision for service charges		71.12	75.85	94.17	45.00
Sub-total (b)		**71.12**	**75.85**	**94.17**	**45.00**
	(a+b)	**173.38**	**164.72**	**190.76**	**128.81**
Current:					
Provision for employee benefits:					
Compensated absences		10.79	10.38	9.90	7.78
Sub-total (c)		**10.79**	**10.38**	**9.90**	**7.78**
Other provisions[2]:					
Provision for warranty		38.15	31.36	29.09	28.16
Provision for service charges		96.98	86.35	43.41	29.26
Sub-total (d)		**135.13**	**117.71**	**72.50**	**57.42**
	(c+d)	**145.92**	**128.09**	**82.40**	**65.20**

Notes:
1 Refer note 37(a) for further disclosure related to employee benefit obligations.
2 Refer note 38(I) for movement in these provisions.

20 Deferred tax liabilities/(assets) (net)

Particulars		As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Tax effects of items constituting deferred tax liabilities					
Difference between written down value of property, plant and equipment and intangible assets as per books of accounts and income-tax		81.66	80.01	70.87	58.68
Right-of-use assets		7.94	8.60	8.88	8.48
Financial assets carried at fair value through profit or loss		141.38	75.31	4.30	19.05
	Total (a)	**230.98**	**163.92**	**84.05**	**86.21**
Tax effects of items constituting deferred tax assets					
Deferred government grants		0.02	0.03	0.03	0.04
Lease liabilities		8.39	9.12	9.49	9.17
Provision for employee benefits		48.71	37.76	40.31	26.52
Expenses allowed under tax on payment basis		51.91	48.71	41.95	25.78
Provision/impairment for doubtful receivables, loans and advances		2.91	17.13	17.13	-
	Total (b)	**111.94**	**112.75**	**108.91**	**61.51**
Deferred tax liabilities/(assets)	**Net (a-b)**	**119.04**	**51.17**	**(24.86)**	**24.70**

Note: Refer note 33 for movement in deferred tax assets and liabilities.

21 Other liabilities

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current:				
Revenue received in advance[1 and 2]	16.72	17.77	7.09	0.12
Deferred government grant	0.03	0.07	0.03	0.04
	16.75	**17.84**	**7.12**	**0.16**
Current:				
Revenue received in advance[1 and 2]	117.35	75.15	69.20	60.35
Advance from customers[1]	93.59	47.91	54.66	49.19
Deferred government grant	0.05	0.03	0.10	0.14
Statutory dues	110.04	104.73	76.99	123.88
	321.03	**227.82**	**200.95**	**233.56**

Notes:
1 Refer note 35D for further details.
2 The Holding Company has entered into the agreements with customer for sale of services. The Holding Company has identified these performance obligations and recognised the contract liabilities in respect of contracts, where the Company has obligation to deliver the goods and perform specified services to a customer for which the Holding Company has received consideration. There has been no significant change in the contract liabilities.

22 Trade payables

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note (ii) below)	188.80	231.82	192.05	189.16
Total outstanding dues to creditors other than micro enterprises and small enterprises	247.11	372.33	495.22	348.37
Sub total (a)	**435.91**	**604.15**	**687.27**	**537.53**
Expenses payable	309.68	111.74	79.41	58.39
Sub total (b)	**309.68**	**111.74**	**79.41**	**58.39**
(a+b)	**745.59**	**715.89**	**766.68**	**595.92**

Notes:

i) Trade payables ageing schedule as at September 30, 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Un-disputed						
Total outstanding dues of micro enterprises and small enterprises	188.80	-	-	-	-	**188.80**
Total outstanding due of creditors other than micro enterprises and small enterprises	232.65	5.74	0.87	0.50	-	**239.76**
Expenses payable	309.68	-	-	-	-	**309.68**
Disputed						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Total outstanding due of creditors other than micro enterprises and small enterprises	-	-	-	-	7.35	**7.35**
	731.13	**5.74**	**0.87**	**0.50**	**7.35**	**745.59**

Trade payables ageing schedule as at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Un-disputed						
Total outstanding dues of micro enterprises and small enterprises	231.82	-	-	-	-	**231.82**
Total outstanding due of creditors other than micro enterprises and small enterprises	356.23	8.25	0.50	-	-	**364.98**
Expenses payable	111.74	-	-	-	-	**111.74**
Disputed						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Total outstanding due of creditors other than micro enterprises and small enterprises	-	-	-	-	7.35	**7.35**
	699.79	**8.25**	**0.50**	**-**	**7.35**	**715.89**

Trade payables ageing schedule as at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Un-disputed						
Total outstanding dues of micro enterprises and small enterprises	192.05	-	-	-	-	**192.05**
Total outstanding due of creditors other than micro enterprises and small enterprises	471.43	13.74	0.85	1.85	-	**487.87**
Expenses payable	79.41	-	-	-	-	**79.41**
Disputed						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Total outstanding due of creditors other than micro enterprises and small enterprises	-	-	-	-	7.35	**7.35**
	742.89	**13.74**	**0.85**	**1.85**	**7.35**	**766.68**

Trade payables ageing schedule as at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Un-disputed						
Total outstanding dues of micro enterprises and small enterprises	189.16	-	-	-	-	**189.16**
Total outstanding due of creditors other than micro enterprises and small enterprises	187.87	148.61	4.44	0.10	-	**341.02**
Expenses payable	58.39	-	-	-	-	**58.39**
Disputed						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Total outstanding due of creditors other than micro enterprises and small enterprises	-	-	-	-	7.35	**7.35**
	435.42	**148.61**	**4.44**	**0.10**	**7.35**	**595.92**

ii) Disclosures required under Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006:

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006 as at reporting date is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:				
Principal	188.80	231.82	192.05	189.16
Interest	-	-	-	-
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period/year	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period/year	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-	-

iii) Refer note 39 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

iv) Refer note 42 for disclosure of related party balances as at each reporting dates.

v) Refer note 43(b) for details of liabilities directly associated with assets classified as held for sale.

23 Other financial liabilities

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Book overdraft[1 and 2]	353.20	102.55	92.07	-
Employee related payables[2]	193.70	168.22	169.22	133.19
Security deposits	83.60	82.63	77.38	74.56
Creditors for capital goods	32.60	82.12	24.74	41.17
	663.10	**435.52**	**363.41**	**248.92**

Notes:

1 This represents amounts of cheques issued in excess of balances in certain bank accounts, which were presented for payment by parties subsequent to the period/year end.

2 Refer note 42 for disclosure of related party balances as at each reporting dates.

3 Refer note 39 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

24 Revenue from operations

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Revenue from sale of goods				
	Export	157.64	342.87	337.54	352.17
	Domestic	6,098.51	11,267.05	10,335.34	9,964.04
b)	Revenue from sale of services	107.16	155.87	155.73	142.48
c)	Other operating revenue				
	Sale of scrap	5.50	9.01	9.46	7.91
	Export incentives[1]	3.07	7.05	5.86	7.07
		6,371.88	**11,781.85**	**10,843.93**	**10,473.67**

Notes:
1 It comprise of Duty drawback and Remission of Duties and Taxes on Exported Products ('RODTEP'). The Holding Company has complied all the attached condition.
2 Refer note 35 for further disclosures.

25 Other income

Interest income on:				
- financial assets carried at amortised cost	72.10	224.54	185.38	180.69
- income tax refund	2.65	29.10	-	-
Dividend income	9.74	7.47	9.34	3.37
Other non-operating income				
- Net gain on redemption and fair value of financial assets measured at FVTPL[1]	368.46	519.97	18.87	132.38
- Liabilities no longer required written back	4.36	-	-	35.01
- Gain on termination of lease liabilities	0.21	0.51	0.16	-
- Amortisation of deferred government grant	0.02	0.03	0.04	0.05
- Foreign currency transactions and translations (net)	7.49	14.16	10.86	14.62
- Gain on sale of property, plant and equipment (net)	1.26	0.65	-	1.39
- Rent income	1.98	1.52	3.16	2.75
- Miscellaneous income	0.02	26.81	19.70	12.79
	468.29	**824.76**	**247.51**	**383.05**

Notes:
1 This includes net gain/(loss) on fair value changes for ₹ 374.54 million (March 31, 2024: ₹ 540.42 million, March 31, 2023: (₹ 104.77) million and March 31, 2022: ₹ 64.73 million). Refer note 6 and 11 for details of investments classified at fair value through profit or loss.

26 Cost of materials consumed

Raw materials and packing materials				
Cost of materials consumed	2,342.89	4,015.07	3,656.89	3,402.41
	2,342.89	**4,015.07**	**3,656.89**	**3,402.41**

27 Purchases of stock-in-trade

Purchases*	432.57	520.25	938.28	930.46
	432.57	**520.25**	**938.28**	**930.46**

*Refer note 42 for disclosures of related party transactions.

28 Changes in inventories of finished goods, work-in-progress and stock-in-trade

a) Inventories at the end of the period/year:				
Finished goods	1,477.06	1,361.44	1,295.94	868.46
Stock-in-trade	343.71	217.26	375.72	408.62
Work-in-progress	18.75	0.82	1.65	0.05
	1,839.52	**1,579.52**	**1,673.31**	**1,277.13**
b) Inventories at the beginning of the period/year:				
Finished goods	1,361.44	1,295.94	868.46	950.81
Stock-in-trade	217.26	375.72	408.62	253.93
Work-in-progress	0.82	1.65	0.05	-
	1,579.52	**1,673.31**	**1,277.13**	**1,204.74**
Net (increase)/decrease	**(260.00)**	**93.79**	**(396.18)**	**(72.39)**

29 Employee benefits expense

Salaries, wages, bonus, commission and other benefits[1]	792.22	1,575.41	1,594.23	1,432.65
Contribution to provident and other funds[2]	35.64	71.73	75.88	71.85
Gratuity expense[3]	12.09	27.22	25.94	24.98
Staff welfare expense	19.56	37.20	35.78	26.41
	859.51	**1,711.56**	**1,731.83**	**1,555.89**

Notes:
1 Refer note 42 for disclosures of related party transactions.
2 Refer note 37(b) for further disclosure related to defined contribution plan.
3 Refer note 37(a) for further disclosure related to defined benefit plan.

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30 Finance costs

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on:				
- Working capital facilities from banks	0.84	1.93	1.84	2.13
- lease liabilities	1.36	3.10	2.64	2.71
Other borrowing costs	3.48	3.82	4.56	4.74
	5.68	**8.85**	**9.04**	**9.58**

31 Depreciation and amortisation expense

Depreciation on property, plant and equipment (refer note 3)	194.91	363.87	351.37	257.70
Depreciation on right-of-use assets (refer note 4)	31.47	60.92	58.62	52.88
Amortisation of intangible assets (refer note 5)	4.14	5.09	4.91	3.40
Less: Depreciation on assets classified as held for sale [note 43(b)(ii)]	(2.03)	(4.09)	(4.12)	(4.15)
	228.49	**425.79**	**410.78**	**309.83**

32 Other expenses

Power and fuel	28.79	44.96	46.18	39.07
Lease rent[1]	7.44	9.41	6.39	5.84
Repair and maintenance:				
- Plant and machinery	5.36	6.46	1.22	1.49
- Buildings	4.10	2.39	5.02	-
- Others	34.85	67.84	82.51	90.62
Rates and taxes	17.50	18.03	19.88	5.59
Testing and inspection	9.86	12.10	6.59	5.29
Insurance	5.54	10.56	9.82	8.97
Advertisement and business promotion[1]	1,288.99	1,550.40	1,437.02	1,186.42
Information technology expense	75.99	138.42	129.04	57.30
Royalty on intellectual property rights[1]	72.92	134.64	123.74	79.30
Sub contracting expenses	240.32	440.25	426.90	316.90
Commission expense	106.57	217.99	213.00	167.06
Travelling and conveyance	63.64	115.80	123.03	96.47
Communication	9.99	20.59	19.81	16.83
Legal and professional charges[1]	19.97	69.24	61.87	52.55
Payments to the auditors:				
- As statutory auditors	3.86	1.60	1.55	1.55
- For certification and other matters	-	0.30	0.58	2.24
- For reimbursement of expense	-	0.15	0.12	0.16
Corporate social responsibility (refer note 41)	17.54	38.62	37.60	40.20
Donations	5.87	1.24	5.60	5.55
Research and development expenditure	4.15	5.55	21.46	5.19
Freight and forwarding	171.46	281.15	242.83	200.67
Bad debts written off	0.30	11.78	-	-
Loss on disposal of property, plant and equipment	-	-	14.20	-
Impairment on financial assets carried at FVTPL	-	100.00	-	-
Allowance for expected credit loss and doubtful loans and advances	6.74	4.84	68.07	-
Printing and stationary	3.07	6.62	8.55	6.48
Product warranties and service charges[2]	129.71	303.45	300.21	235.19
Miscellaneous	3.12	6.78	6.49	22.28
	2,337.65	**3,621.16**	**3,419.28**	**2,649.21**

Notes:

1 Refer note 42 for disclosures of related party transactions.

2 Refer note 38(I) for further details.

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33 Tax expense

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
The income tax expense consist of the following:				
Tax expense from continuing operations:				
Current tax	126.40	467.63	394.53	523.55
Deferred tax (net)	68.36	72.68	(49.16)	1.38
Total tax expense recognised in statement of profit and loss from continuing operations (A)	**194.76**	**540.31**	**345.37**	**524.93**
Tax expense from discontinued operations (B):	(0.17)	(0.30)	(0.30)	(0.30)
Tax impact recognised in other comprehensive income on remeasurement gain on defined benefit plans	0.32	(3.65)	0.10	(2.22)
Total (A+B+C)	**194.27**	**543.66**	**344.97**	**526.85**

a) **Reconciliation of tax expense applicable to loss before tax at the latest statutory enacted tax rate to income tax expense reported is as follows:**

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the period/year from continuing and discontinued operations	891.17	2,205.46	1,316.65	2,066.84
At statutory income tax rate of 25.17%	**224.29**	**555.07**	**331.37**	**520.18**
Adjustments on account of:				
Non-deductible expense	5.89	5.35	30.14	11.51
Due to differential tax rate	(28.28)	(39.87)	(14.74)	(20.99)
Other adjustments	(7.31)	19.46	(1.70)	13.93
	194.59	**540.01**	**345.07**	**524.63**

b) **Movement in deferred tax (assets)/liabilities for the six months period ended September 30, 2024:**

Particulars	As at March 31, 2024	Charged/(credited) to statement of profit and loss	(Charged)/credited to other comprehensive income	As at September 30, 2024
Deferred tax liabilities on account of:				
Difference between written down value of property, plant and equipment and intangible assets as per books of accounts and income-tax	80.01	1.65	-	81.66
Right-of-use assets	8.60	(0.66)	-	7.94
Financial assets carried at fair value through profit or loss	75.31	66.07	-	141.38
Total deferred tax liabilities:	**163.92**	**67.06**	**-**	**230.98**
Deferred tax assets on account of:				
Deferred government grants	0.03	(0.01)	-	0.02
Lease liabilities	9.12	(0.73)	-	8.39
Provision for employee benefits	37.76	10.63	0.32	48.71
Expenses allowed under tax on payment basis	48.71	3.20	-	51.91
Provision/impairment for doubtful receivables, loans and advances	17.13	(14.22)	-	2.91
Total deferred tax assets:	**112.75**	**(1.13)**	**0.32**	**111.94**
Net deferred tax liabilities/(assets) reflected in the balance sheet	**51.17**	**68.19**	**(0.32)**	**119.04**

Movement in deferred tax (assets)/liabilities for the year ended March 31, 2024:

Particulars	As at March 31, 2023	Charged/(credited) to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2024
Deferred tax liabilities on account of:				
Difference between written down value of property, plant and equipment and intangible assets as per books of accounts and income-tax	70.87	9.14	-	80.01
Right-of-use assets	8.88	(0.28)	-	8.60
Financial assets carried at fair value through profit or loss	4.30	71.01	-	75.31
Total deferred tax liabilities:	**84.05**	**79.87**	**-**	**163.92**
Deferred tax assets on account of:				
Deferred government grants	0.03	-	-	0.03
Lease liabilities	9.49	(0.37)	-	9.12
Provision for employee benefits	40.31	1.10	(3.65)	37.76
Expenses allowed under tax on payment basis	41.95	6.76	-	48.71
Provision/impairment for doubtful receivables, loans and advances	17.13	-	-	17.13
Total deferred tax assets:	**108.91**	**7.49**	**(3.65)**	**112.75**
Net deferred tax liabilities/(assets) reflected in the balance sheet	**(24.86)**	**72.38**	**3.65**	**51.17**

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Movement in deferred tax (assets)/liabilities for the year ended March 31, 2023:

Particulars	As at March 31, 2022	Charged/(credited) to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2023
Deferred tax liabilities on account of:				
Difference between written down value of property, plant and equipment and intangible assets as per books of accounts and income-tax	58.68	12.19	-	70.87
Right-of-use assets	8.48	0.40	-	8.88
Financial assets carried at fair value through profit or loss	19.05	(14.75)	-	4.30
Total deferred tax liabilities:	**86.21**	**(2.16)**	**-**	**84.05**
Deferred tax assets on account of:				
Deferred government grants	0.04	(0.01)	-	0.03
Lease liabilities	9.17	0.32	-	9.49
Provision for employee benefits	26.52	13.69	0.10	40.31
Expenses allowed under tax on payment basis	25.78	16.17	-	41.95
Provision/impairment for doubtful receivables, loans and advances	-	17.13	-	17.13
Total deferred tax assets:	**61.51**	**47.30**	**0.10**	**108.91**
Net deferred tax liabilities/(assets) reflected in the balance sheet	**24.70**	**(49.46)**	**(0.10)**	**(24.86)**

Movement in deferred tax (assets)/liabilities for the year ended March 31, 2022:

Particulars	As at April 01, 2021	Charged/(credited) to statement of profit and loss	(Charged)/credited to other comprehensive income	As at March 31, 2022
Deferred tax liabilities on account of:				
Difference between written down value of property, plant and equipment and intangible assets as per books of accounts and income-tax	53.00	5.68	-	58.68
Right-of-use assets	8.29	0.19	-	8.48
Financial assets carried at fair value through profit or loss	11.46	7.59	-	19.05
Total deferred tax liabilities:	**72.75**	**13.46**	**-**	**86.21**
Deferred tax assets on account of:				
Deferred government grants	0.06	(0.02)	-	0.04
Lease liabilities	8.98	0.19	-	9.17
Provision for employee benefits	33.50	(4.76)	(2.22)	26.52
Expenses allowed under tax on payment basis	-	25.78	-	25.78
Provision/impairment for doubtful receivables, loans and advances	8.81	(8.81)	-	-
Total deferred tax assets:	**51.35**	**12.38**	**(2.22)**	**61.51**
Net deferred tax liabilities/(assets) reflected in the balance sheet	**21.40**	**1.08**	**2.22**	**24.70**

34 Earning per share ('EPS')

	Particulars	For the six months period ended September 30, 2024*	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	Profit for the period/year attributable to share holders of continuing operations	698.62	1,669.83	976.15	1,546.80
	Loss for the period/year attributable to share holders of discontinued operations	(2.04)	(4.38)	(4.57)	(4.59)
	Profit attributable to share holders of continued and discontinued operations	**696.58**	**1,665.45**	**971.58**	**1,542.21**
	Weighted average number of shares outstanding at the end of the year (in numbers)	9,38,274	9,65,986	9,78,355	9,85,700
	Effect of bonus issue and share split (refer notes below)	10,22,71,866	10,52,92,474	10,60,58,465	10,74,41,300
	Weighted average number of shares adjusted for the effect of above outstanding at the end of the year (in numbers)	**10,32,10,140**	**10,62,58,460**	**10,70,36,820**	**10,84,27,000**
a)	Earning per share from continuing operations (in ₹)				
	- Basic and diluted	6.77	15.71	9.12	14.27
b)	Earning per share from continuing operations (in ₹)				
	- Basic and diluted	(0.02)	(0.04)	(0.04)	(0.04)
c)	Earning per share from continuing and discontinued operations (in ₹)				
	- Basic and diluted	6.75	15.67	9.08	14.23

**Not annualised*

Notes:

(i) Subsequent to six months period ended September 30, 2024, pursuant to a resolution passed in extraordinary general meeting of the Holding Company dated November 19, 2024, shareholders have approved split of each equity share having face value of ₹ 10 each into equity shares of face value of ₹ 1 each ('the split'). As prescribed under Ind AS 33, 'Earnings per Share', the Group has presented basic and diluted earnings per share after considering the aforementioned split of shares for the current as well as previous periods.

(ii) Subsequent to six months period ended September 30, 2024, on November 19, 2024, the Board of Directors of the Holding Company has approved bonus issue in the ratio of 10 equity shares for every 1 existing equity share and the same has been duly approved by the shareholders of the Holding Company. Considering the bonus issue has happened before the date of approval of the consolidated financial statements and hence, as prescribed under Ind AS, the Group has presented basic and diluted earnings per share basis the new number of shares for current as well as previous periods.

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35 Disclosures as per Ind AS 115

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Reconciliation of revenue recognised in statement of profit and loss with contracted price**				
	Revenue as per contracted price	6,473.33	11,850.31	11,060.30	10,534.17
	Less: Rebates and discounts	104.52	75.51	222.23	67.57
	Total revenue from contract with customers	**6,368.81**	**11,774.80**	**10,838.07**	**10,466.60**
	Add : Export incentives	3.07	7.05	5.86	7.07
	Total revenue from operations	**6,371.88**	**11,781.85**	**10,843.93**	**10,473.67**
B	**Timing of revenue recognition**				
	Goods transferred at a point in time	6,261.65	11,618.93	10,682.34	10,324.12
	Services transferred over the time	107.16	155.87	155.73	142.48
	Total revenue from contract with customers	**6,368.81**	**11,774.80**	**10,838.07**	**10,466.60**
	Add : Export incentives	3.07	7.05	5.86	7.07
	Total revenue from operations	**6,371.88**	**11,781.85**	**10,843.93**	**10,473.67**
C	**Contract balances**				
	- Contract assets	-	-	-	-
	- Contract liabilities[1]	227.66	140.83	130.95	109.66

1. The contract liabilities are in form advance received from customer for which the obligation of supply of goods and services is not completed at the year end and the transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of goods and services.

D	**Movement in contract liabilities**				
	Opening balance of contract liabilities	140.83	130.95	109.66	110.75
	Addition in balance of contract liabilities for period/year	210.94	123.06	123.86	109.54
	Amount of revenue recognised against opening contract liabilities	(124.11)	(113.18)	(102.57)	(110.63)
	Closing balance of contract liabilities	227.66	140.83	130.95	109.66

E The Holding Company is primarily engaged in the business of trading and manufacturing of diverse range of products including water purifiers, kitchen and home appliances, fans and water softeners. Information reported to and evaluated regularly by chief operating decision maker for the purpose of resource allocation and assessing performance focuses on the business as a whole. The geographical segmentation is insignificant as the export turnover is less than 10% of the total turnover. Revenue from transactions with a single external customer did not amount to 10% or more of the Holding Company's revenue from external customers for the reported periods.

The Holding Company's main revenue is from sale of water purifiers, spares and servicing.

Revenue from external customers	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
India	6,214.24	11,438.98	10,506.39	10,121.50
Outside India	157.64	342.87	337.54	352.17
Total revenue	**6,371.88**	**11,781.85**	**10,843.93**	**10,473.67**

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36 Commitments and contingencies

(a) Contingent liabilities *(to the extent not provided for)*

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Disputed tax liabilities in respect of pending litigations before appellate authorities[1]	163.34	163.34	160.21	153.14
Corporate guarantees issued to bank against facilities sanctioned to dealers/distributors	3.72	-	-	-

Notes:

1 The various disputed tax litigations are as under :

Description	Period to which it relates	As at September 30, 2024			As at March 31, 2024		
		Amount disputed	Deposited/withheld under protest	Provision for expected liability	Amount disputed	Deposited/withheld under protest	Provision for expected liability
Income tax							
Disallowances/additions made by the Assessing Officer	Financial year 2016-17 [refer note (i)]	3.13	-	-	3.13	-	-
	Financial year 2021-22 [refer note (ii)]	2.05	-	-	2.05	-	-
	Financial year 2020-21 [refer note (ii)]	4.26	-	-	4.26	-	-
Goods and services tax							
Disallowances/additions made by the Assessing Officer	Financial year 2022-23 [refer note (iv)]	1.15	1.15	-	1.15	1.15	-
Directorate General of GST Intelligence							
Ongoing proceedings [refer note 50]	Financial year 2020-21	152.75	175.21	-	152.75	175.21	-

Description	Period to which it relates	As at March 31, 2023			As at March 31, 2022		
		Amount disputed	Deposited/withheld under protest	Provision for expected liability	Amount disputed	Deposited/withheld under protest	Provision for expected liability
Income tax							
Disallowances/additions made by the Assessing Officer	Financial year 2021-22 [refer note (ii)]	2.05	-	-	-	-	-
	Financial year 2020-21 [refer note (ii)]	4.26	-	-	-	-	-
Indirect tax							
Disallowances/additions made by the Assessing Officer	Financial year 2022-23 [refer note (iv)]	1.15	1.15	-	-	-	-
	Financial year 2010-11 [refer note (v)]	-	-	-	0.39	-	-
Directorate General of GST Intelligence							
Ongoing proceedings [refer note 50]	Financial year 2020-21	152.75	175.21	-	152.75	175.21	-

Notes :

i) Includes addition on account of disallowance of depreciation on certain assets and expenses incurred in relation to earning of exempt income as per Section 14A of the Income tax Act, 1961. The Appeal against the said matter has been filed with the Commissioner of Income Tax (Appeals) by the management of the Holding Company and it believes that it has merit in this case and is of the view that no liability shall devolve on the Holding Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in these financial statements.

ii) Includes addition on account of disallowance of certain expenses. The Appeal against the said matter has been filed with the Commissioner of Income Tax (Appeals) by the management of the Holding Company and it believes that it would be able to disclose all the relevant facts through proper documentation and is of the view that no liability shall devolve on the Holding Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in these financial statements.

iii) The Holding Company has filed appeals with the Commissioner of Income Tax (Appeals) for the financial years ending 2017-2018, 2018-2019 and 2019-2020 against demands amounting to ₹2.68 million, ₹4.78 million and ₹6.69 million, respectively. These demands are expected to be offset by the Minimum Alternate Tax ('MAT') credit available to the Holding Company for the respective years. However, in the financial year ended March 31, 2020, the Holding Company adopted the new tax regime under the Income tax Act, 1961. As a result, the available MAT credit was charged to the statement of profit and loss. Accordingly, the liability for these stated litigations is not expected to have any impact on the Holding Company's financial position.

iv) Includes addition on account of disallowance on account of additions made by respective authorities due to a mismatch in the quantity and invoice value mentioned in the Bill of Entry (import document) and the e-way bill. The Appeal has been filed against the said matter by the management of the Holding Company and it believes that no liability shall devolve on the Holding Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in these financial statements.

v) Represents demand of Value Added Tax (VAT) in relation from West Bengal VAT authorities against which the Appeal has been filed by the management of the Holding Company with Joint Commissioner, Commercial Taxes.

2 The Holding Company is contesting various legal cases with its distributors and other parties at various forums. Based on the legal view from external consultants and internal analysis, the Holding Company is of the view that the likelihood of any outflow of the resources is remote in these cases.

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36 Commitments and Contingencies (Cont'd)

(b) Capital commitments

(Estimated amount of contracts remaining to be executed, to the extent not provided for)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment (net of capital advances)	739.18	1,145.26	681.19	709.49

37 Employee benefit obligations

a) Gratuity - defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Holding Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Holding Company contributes the ascertained liability to Life Insurance Company Limited with whom the plan assets are maintained, through Kent Gratuity Trust.

A. Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. The defined benefit plan typically exposes the Holding Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk

A fall in the discount rate which is linked to the Government security rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Longevity risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary increase risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

B. The principal assumptions used for the purpose of the actuarial valuations for the funded plan were as follows:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount rate	7.15%	6.90%	7.30%	6.00%
Future salary increase	8.00%	8.00%	9.00%	8.00%
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement age	58 years and 60 years	58 years and 60 years	58 years and 60 years	58 years and 60 years
Attrition/withdrawal rates				
Upto 30 years	28.77%	28.77%	28.77%	28.77%
31 - 44 years	24.28%	24.28%	24.28%	24.28%
Above 44 years	16.00%	16.00%	16.00%	16.00%

C. Amounts recognised in the restated statement of profit and loss in respect of the defined benefit plan are as follows.

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	10.10	22.55	22.50	21.58
Interest cost	5.40	10.76	7.79	6.38
Interest income on plan assets	(3.41)	(6.09)	(4.35)	(2.98)
Total expense recognised in the statement of profit and loss	**12.09**	**27.22**	**25.94**	**24.98**
Components of defined benefit cost recognised in the Other Comprehensive Income				
Actuarial (gains)/losses due to				
-change in demographic assumptions	-	-	-	0.49
-change in financial assumptions	1.73	(5.62)	(2.19)	(3.65)
-experience variance	(3.61)	(10.16)	1.60	(7.48)
-return on assets	3.13	1.29	0.99	1.81
	1.25	**(14.49)**	**0.40**	**(8.83)**

D. The amount included in the Balance Sheet arising from the Holding Company's obligation in respect of the its defined benefit plan is as follows.

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the end of the period/year	160.44	153.52	147.11	129.99
Fair value of plan assets as at the end of the period/year	90.54	96.96	83.28	72.50
Net liability recognised in the balance sheet	**69.90**	**56.56**	**63.83**	**57.49**

E. Movements in the present value of the defined benefit obligation and fair value of plan assets are as follows

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Change in defined benefit obligation				
Present value of defined benefit obligation as at the beginning of the period/year	153.52	147.11	129.99	118.26
Current service cost	10.10	22.55	22.50	21.58
Interest cost	5.40	10.76	7.79	6.38
Benefits paid	(6.70)	(11.12)	(12.58)	(5.59)
Actuarial loss/(gain)	(1.88)	(15.78)	(0.59)	(10.64)
Present value of defined benefit obligation at the end of the period/year	**160.44**	**153.52**	**147.11**	**129.99**
Change in fair value of assets				
Fair value of plan assets as at the beginning of the period / year	96.96	83.28	72.50	55.22
Expected return on plan assets	3.41	6.09	4.35	2.98
Employer's contribution	-	20.00	20.00	21.70
Benefits paid	(6.70)	(11.12)	(12.58)	(5.59)
Actuarial gains/(loss)	(3.13)	(1.29)	(0.99)	(1.81)
Fair value of plan assets at the end of the period / year	**90.54**	**96.96**	**83.28**	**72.50**

F. Maturity profile of defined benefit obligation

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Within next 12 months	36.76	10.39	33.55	24.82
Between 1-5 years	94.78	25.47	87.04	76.94
Beyond 5 years	60.09	15.51	55.99	46.74
Beyond 10 years	35.66	9.26	38.55	30.58

G. The Holding Company expects to contribute ₹ 90.92 million to its gratuity fund as on September 30, 2024 (March 31, 2024: ₹ 77.13 million, March 31, 2023: ₹ 85.79 million and March 31, 2022: ₹ 78.44 million).

H. The average future service for the defined benefit obligation is 22.05 years as on September 30, 2024 (March 31, 2024 - 22.06 years, March 31, 2023 : 23.97 years and March 31, 2022 - 23.98 years)

I. Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result are given as below:

Discount rate				
Decrease in defined benefit obligation if discount rate increases by 1%	(6.70)	(6.39)	(6.21)	(5.81)
Increase in defined benefit obligation if discount rate decreases by 1%	7.25	6.95	6.77	6.34
Future salary increase				
Increase in defined benefit obligation if salary increases by 1%	7.06	6.69	6.46	6.09
Decrease in defined benefit obligation if salary decreases by 1%	(6.66)	(6.69)	(6.09)	(5.08)
Attrition/withdrawal rates				
Increase in defined benefit obligation if attrition rate increases by 5%	(5.28)	(4.90)	(6.67)	(7.60)
Decrease in defined benefit obligation if attrition rate decreases by 5%	8.89	7.88	12.25	13.96

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of another as some of the assumption may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the balance sheet date ,which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

b) Defined contribution plan

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to Provident fund*	30.45	61.19	64.72	60.31

**included in note 29 - Employee benefit expenses under 'Contribution to provident and other funds'.*

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38 Disclosures as per Ind AS 37 and Ind AS 20

I. Other provisions:

The Holding Company warrants that their products will perform in all material respects in accordance with the standard specifications during the warranty period. Provision for warranty is recognized for expected warranty claims on products sold which are under warranty as the end of current period/year. The table above gives information about movement in warranty provisions. The movement in the provision is as follows:

a) Provision for warranty

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period/year	**31.36**	**29.09**	**28.16**	**23.92**
Provision during the period/year	51.27	118.47	80.66	54.24
Utilised during the period/year	44.48	116.20	79.73	50.00
Balance at the end of the period/year	**38.15**	**31.36**	**29.09**	**28.16**

b) Provision for service charges

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period/year	**162.20**	**137.58**	**74.26**	**-**
Provision during the period/year	78.44	184.98	219.55	180.95
Utilised during the period/year	72.54	160.36	156.23	106.69
Balance at the end of the period/year	**168.10**	**162.20**	**137.58**	**74.26**

II. Subsidy receivables

a) Duty Drawback, Remissions of Duties and Taxes on Exported Products ('RoDTEP')

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period/year	**2.09**	**4.67**	**33.11**	**27.48**
Accrued/purchased during the period/year	3.07	7.05	5.86	7.07
Utilised/received during the period/year	2.09	9.63	34.30	1.44
Balance at the end of the period/year	**3.07**	**2.09**	**4.67**	**33.11**

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39 Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As at September 30, 2024

Particulars	Carrying value				Fair value measurement inputs		
	Note	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	6	495.00	-	**495.00**	-	494.93	0.07
(ii) Other financial assets*	7	-	45.87	**45.87**	-	-	45.87
Current							
(i) Investments	11	2,103.05	-	**2,103.05**	2,103.05	-	-
(ii) Trade receivables*	12	-	1,135.25	**1,135.25**	-	-	1,135.25
(iii) Cash and cash equivalents*	13	-	179.86	**179.86**	-	-	179.86
(iv) Bank balances other than cash and cash equivalents, above *	14	-	1,366.70	**1,366.70**	-	-	1,366.70
(v) Loans*	15	-	86.20	**86.20**	-	-	86.20
(vi) Other financial assets*	7	-	51.53	**51.53**	-	-	51.53
Total		**2,598.05**	**2,865.41**	**5,463.46**			
Financial liabilities							
Non-current							
(i) Borrowings#	43	-	1.03	**1.03**	-	-	1.03
(ii) Lease liabilities#	4	-	18.18	**18.18**	-	-	18.18
Current							
(i) Borrowings#	18	-	101.38	**101.38**	-	-	101.38
(ii) Lease liabilities#	4	-	15.15	**15.15**	-	-	15.15
(iii) Trade payables*	22 and 43	-	745.62	**745.62**	-	-	745.62
(iv) Other financial liabilities*	23	-	663.10	**663.10**	-	-	663.10
Total		**-**	**1,544.46**	**1,544.46**			

(ii) As at March 31, 2024

Particulars	Carrying value				Fair value measurement inputs		
	Note	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	6	216.32	-	**216.32**	-	216.25	0.07
(iii) Other financial assets*	7	-	24.55	**24.55**	-	-	24.55
Current							
(i) Investments	11	1,786.62	-	**1,786.62**	1,786.62	-	-
(ii) Trade receivables*	12	-	876.52	**876.52**	-	-	876.52
(iii) Cash and cash equivalents*	13	-	191.73	**191.73**	-	-	191.73
(iv) Bank balances other than cash and cash equivalents, above *	14	-	2,739.90	**2,739.90**	-	-	2,739.90
(v) Loans*	15	-	83.58	**83.58**	-	-	83.58
(vi) Other financial assets*	7	-	31.75	**31.75**	-	-	31.75
Total		**2,002.94**	**3,948.03**	**5,950.97**			
Financial liabilities							
Non-current							
(i) Borrowings#	18	-	1.03	**1.03**	-	-	1.03
(ii) Lease liabilities#	4	-	18.17	**18.17**	-	-	18.17
Current							
(i) Borrowings#	18	-	6.20	**6.20**	-	-	6.20
(ii) Lease liabilities#	4	-	18.05	**18.05**	-	-	18.05
(iii) Trade payables*	22	-	715.89	**715.89**	-	-	715.89
(iv) Other financial liabilities	23	-	435.52	**435.52**	-	-	435.52
Total		**-**	**1,194.86**	**1,194.86**			

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(iii) As at March 31, 2023

Particulars	Carrying value				Fair value measurement inputs		
	Note	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	6	100.07	-	**100.07**	-	-	100.07
(iii) Other financial assets*	7	-	39.83	**39.83**	-	-	39.83
Current**							
(i) Investments	11	1,012.69	-	**1,012.69**	1,012.69	-	
(ii) Trade receivables*	12	-	559.51	**559.51**	-	-	559.51
(iii) Cash and cash equivalents*	13	-	108.35	**108.35**	-	-	108.35
(iv) Bank balances other than cash and cash equivalents, above *	14	-	2,914.78	**2,914.78**	-	-	2,914.78
(v) Loans*	15	-	69.84	**69.84**	-	-	69.84
(vi) Other financial assets*	7	-	81.21	**81.21**	-	-	81.21
Total		**1,112.76**	**3,773.52**	**4,886.28**			
Financial liabilities							
Non-current							
(i) Lease liabilities#	4	-	16.59	**16.59**	-	-	16.59
Current					-	-	-
(i) Borrowings#	18	-	133.62	**133.62**	-	-	133.62
(ii) Lease liabilities#	4	-	21.11	**21.11**	-	-	21.11
(iii) Trade payables*	22	-	766.68	**766.68**	-	-	766.68
(iv) Other financial liabilities*	23	-	363.41	**363.41**	-	-	363.41
Total		**-**	**1,301.41**	**1,301.41**			

(iv) As at March 31, 2022

Particulars	Carrying value				Fair value measurement inputs		
	Note	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments	6	100.07	-	**100.07**	-	-	100.07
(iii) Other financial assets*	7	-	520.60	**520.60**	-	-	520.60
Current							
(i) Investments	11	1,320.26	-	**1,320.26**	1,320.26	-	-
(ii) Trade receivables*	12	-	572.20	**572.20**	-	-	572.20
(iii) Cash and cash equivalents*	13	-	127.85	**127.85**	-	-	127.85
(iv) Bank balances other than cash and cash equivalents, above *	14	-	2,688.45	**2,688.45**	-	-	2,688.45
(v) Loans*	15	-	120.31	**120.31**	-	-	120.31
(vi) Other financial assets*	7	-	100.22	**100.22**	-	-	100.22
Total		**1,420.33**	**4,129.63**	**5,549.96**			
Financial liabilities							
Non-current							
(i) Lease liabilities#	4	-	17.29	**17.29**	-	-	17.29
Current							
(i) Borrowings#	18	-	107.60	**107.60**	-	-	107.60
(ii) Lease liabilities#	4	-	19.16	**19.16**	-	-	19.16
(iii) Trade payables*	22	-	595.92	**595.92**	-	-	595.92
(iv) Other financial liabilities*	23	-	248.92	**248.92**	-	-	248.92
Total		**-**	**988.89**	**988.89**			

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The Group's borrowings and lease liabilties have fair values that approximate to their carrying amounts as they are based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

* The carrying amounts of trade receivables, loans, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables, and other financial liabilities approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date), the carrying value of which approximates the fair values as on the reporting date.

Fair value hierarchy

This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value.

Financial assets and liabilities measured at fair value recurring fair value measurements at September 30, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in equity instruments - unquoted	-	407.43	0.07	**407.50**
Investments in compulsorily convertible preference shares - unquoted	-	-	-	**-**
Investments in alternate investment fund - unquoted	-	87.50	-	**87.50**
Investments in equity instruments - quoted	882.99	-	-	**882.99**
Investments in mutual funds - quoted	1,220.06	-	-	**1,220.06**
Total	**2,103.05**	**494.93**	**0.07**	**2,598.05**

Financial assets and liabilities measured at fair value recurring fair value measurements at March 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in equity instruments - unquoted	-	216.25	0.07	**216.32**
Investments in compulsorily convertible preference shares - unquoted	-	-	-	**-**
Investments in equity instruments - quoted	825.81	-	-	**825.81**
Investments in mutual funds - quoted	960.81	-	-	**960.81**
Total	**1,786.62**	**216.25**	**0.07**	**2,002.94**

Financial assets and liabilities measured at fair value recurring fair value measurements at March 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in equity instruments - unquoted	**-**	**-**	0.27	**0.27**
Investments in compulsorily convertible preference shares - unquoted	**-**	**-**	99.80	**99.80**
Investments in equity instruments - quoted	619.65	**-**	**-**	**619.65**
Investments in mutual funds - quoted	393.04	**-**	**-**	**393.04**
Total	**1,012.69**	**-**	**100.07**	**1,112.76**

Financial assets and liabilities measured at fair value recurring fair value measurements at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in equity instruments - unquoted	**-**	**-**	0.27	**0.27**
Investments in compulsorily convertible preference shares - unquoted	**-**	**-**	99.80	**99.80**
Investments in equity instruments - quoted	597.26	**-**	**-**	**597.26**
Investments in mutual funds - quoted	723.00	**-**	**-**	**723.00**
Total	**1,320.26**	**-**	**100.07**	**1,420.33**

Other notes:
There has been no transfer between level 1, level 2 and level 3 for the six months period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

Description of significant unobservable inputs to valuations for material investments for level 3 items for the six months period ended September 30, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

Significant unobservable inputs	**Relationship of unobservable Inputs to fair value**
Weighted average cost of capital (WACC)	A slight change in the WACC used in isolation would result in change in fair value.

Valuation techniques used to determine fair values:

Specific valuation techniques used to value financial instruments include:
-The use of quoted market prices or dealer quotes for similar instruments.
-The fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The Group uses its judgement to select a method and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Reconciliation of Level 3 recurring fair value measurement is as follows:
The following table provides the details as to changes in value of financial instruments categorised within Level 3 of the fair value hierarchy:

Particulars	**As at September 30, 2024**	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the period/year	0.07	100.07	100.07	100.07
Additions during the period/year	**-**	**-**	**-**	**-**
Disposals during the period/year	**-**	**-**	**-**	**-**
Unrealised impairment recognised in statement of profit and loss*	**-**	(100.00)	**-**	**-**
Balance at the end of the period/year	**0.07**	**0.07**	**100.07**	**100.07**

* The equity share and compulsorily convertible preference shares are fair value instruments. Till March 31, 2023, the fair value (as per valuation report) was equal to carrying value. However, during the year ended March 31, 2024, considering the underlying business scenario, the Group has impaired the entire investment. Accordingly, the sensitivity analysis has not been disclosed.

b. Financial risk management
The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk;
▪ Liquidity risk;
▪ Market risk

Risk management framework
The Board of Directors is responsible for reviewing the risk management policies and ensuring its effectiveness.
The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and the business activities. The Board of Directors oversees how management monitors compliance risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the business.
The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the business activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans and financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, and credit limits.
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk			
- Interest risk	Borrowings	Sensitivity analysis	
- Currency risk	Trade receivables and trade payables	Sensitivity analysis	
- Price risk	Investments in equity and other securities	Sensitivity analysis	

i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Loans	86.20	83.58	69.84	120.31
(ii) Investments	2,598.05	2,002.94	1,112.76	1,420.33
(iii) Trade receivables	1,135.25	876.52	559.51	572.20
(iv) Cash and cash equivalents	179.86	191.73	108.35	127.85
(v) Bank balances other than cash and cash equivalents	1,366.70	2,739.90	2,914.78	2,688.45
(vi) Other financial assets	97.40	56.30	121.04	620.82

Credit risk is the risk of financial loss to the Holding Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.
Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents, above) and other financial assets is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The Group closely monitors the credit-worthiness of the receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts.

Expected credit loss with respect to trade receivables

With respect to trade receivables, based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Holding Company is recognising expected credit loss on percentages derived basis collection trend on the balances outstanding less than 3 years and at 100% for the balances outstanding for more than 3 years. The Holding Company estimates its allowance for trade receivable using lifetime expected credit loss.

Changes in the loss allowance in respect of trade receivables	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period/year	4.84	-	-	-
Allowance for expected credit loss	6.74	4.84	-	-
Balance at the end of the period/year	**11.58**	**4.84**	**-**	**-**

Expected credit loss with respect to loans

With respect to loans, based on internal assessment the Group has recorded provision for expected loss on specific loan. Also refer note 15.

Changes in the loss allowance in respect of loans	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period/year	68.07	68.07	-	-
Allowance for expected credit loss	-	-	68.07	-
Balances written during the period/year	(68.07)	-		-
Balance at the end of the period/year	**-**	**68.07**	**68.07**	**-**

Trade receivables - Exposure to credit risk by geographic region	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
India	1,074.87	804.84	509.81	505.19
Other regions	60.38	71.68	49.70	67.01
Total	**1,135.25**	**876.52**	**559.51**	**572.20**

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, the Group has concluded arrangements with well reputed banks, and has unused lines of credit that could be drawn upon, should there be a need. The Group invests its surplus funds in bank fixed deposits and liquid investments.

The Group's liquidity management process as monitored by management, includes the following:
- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining appropriate credit lines.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts are gross and undiscounted, and include contractual interest payments. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at September 30, 2024		**Contractual cash flows**				
Non-derivative financial liabilities	**Carrying amount**	**On demand**	**0-1 year**	**1-5 years**	**>5 years**	**Total**
(i) Borrowings	102.41	-	102.41	-	-	102.41
(ii) Trade payables	745.62	-	745.62	-	-	745.62
(iii) Other financial liabilities	663.10	-	663.10	-	-	663.10
	1,511.13	**-**	**1,511.13**	**-**	**-**	**1,511.13**

As at March 31, 2024		**Contractual cash flows**				
Non-derivative financial liabilities	**Carrying amount**	**On demand**	**0-1 year**	**1-5 years**	**>5 years**	**Total**
(i) Borrowings	6.20	-	6.20	-	-	6.20
(ii) Trade payables	715.89	-	715.89	-	-	715.89
(iii) Other financial liabilities	435.52	-	435.52	-	-	435.52
	1,157.61	**-**	**1,157.61**	**-**	**-**	**1,157.61**

As at March 31, 2023		Contractual cash flows				
Non-derivative financial liabilities	**Carrying amount**	**On demand**	**0-1 year**	**1-5 years**	**>5 years**	**Total**
(i) Borrowings	133.62	-	133.62	-	-	133.62
(ii) Trade payables	766.68	-	766.68	-	-	766.68
(iii) Other financial liabilities	363.41	-	363.41	-	-	363.41
	1,263.71	**-**	**1,263.71**	**-**	**-**	**1,263.71**

As at March 31, 2022		Contractual cash flows				
Non-derivative financial liabilities	**Carrying amount**	**On demand**	**0-1 year**	**1-5 years**	**>5 years**	**Total**
(i) Borrowings	107.60	-	107.60	-	-	107.60
(ii) Trade payables	595.92	-	595.92	-	-	595.92
(iii) Other financial liabilities	248.92	-	248.92	-	-	248.92
	952.44	**-**	**952.44**	**-**	**-**	**952.44**

The Group also has access to the following undrawn borrowing facilities from banks at the end of the reporting periods:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Undrawn borrowing facilities	122.62	217.80	90.38	116.40

(iii) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including cash and cash equivalents, foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currencies.

a. Exposure to interest rate risk

The interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	101.38	6.20	133.62	107.60

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

- Impact on profit	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest rates – increase by 100 basis points	(1.01)	(0.06)	(1.34)	(1.08)
Interest rates – decrease by 100 basis points	1.01	0.06	1.34	1.08
- Impact on other equity	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Interest rates – increase by 100 basis points	(0.76)	(0.05)	(1.00)	(0.81)
Interest rates – decrease by 100 basis points	0.76	0.05	1.00	0.81

b. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies.

Exposure to Foreign currency risk

The summary of quantitative data about the exposure to currency risk, as expressed in ₹ are as below:

All amounts in respective currencies as mentioned (in million)

Particulars	Currency	As at September 30, 2024		As at March 31, 2024	
		Amount (in foreign currency)	**Amount (in ₹)**	**Amount (in foreign currency)**	**Amount (in ₹)**
Financial assets					
Trade receivables	USD	0.73	60.38	0.87	71.68
Total financial assets		**0.73**	**60.38**	**0.87**	**71.68**
Financial liabilities					
Trade payables	USD	1.24	104.72	0.68	57.16
Trade payables	JPY	4.80	2.85	-	-
Trade payables	EUR	-	0.06	-	-
Total financial liabilities		**6.04**	**107.63**	**0.68**	**57.16**

All amounts in respective currencies as mentioned (in million)

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Amount (in foreign currency)	**Amount** (in ₹)	**Amount** (in foreign currency)	**Amount** (in ₹)
Financial assets					
Trade receivables	USD	0.61	49.70	0.88	67.01
Total financial assets		**0.61**	**49.70**	**0.88**	**67.01**
Financial liabilities					
Trade payables	USD	0.99	83.15	1.55	117.35
Total financial liabilities		**0.99**	**83.15**	**1.55**	**117.35**

Sensitivity analysis

The following table details the sensitivity to a 5% increase in the ₹ against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ increases 5% against the relevant currency.

5% loss depreciation/5% loss appreciation in ₹ against following foreign currencies:

Trade payables	**For the six-months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
- Impact on profit				
USD	5.24	2.86	2.49	3.35
JPY	0.14	-	-	-
EUR	-	-	-	-
- Impact on other equity	**For the six-months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
USD	3.92	2.14	1.86	2.51
JPY	0.11	-	-	-
EUR	-	-	-	-

Trade receivables*	**For the six-months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
- Impact on profit	3.02	3.58	2.49	3.35
- Impact on other equity	2.26	2.68	1.86	2.51

**A 5% decrease in the ₹ against the above currencies as at September 30, 2024, March 31, 2024 March 31, 2023 and March 31, 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.*

c. Price risk

For the fair values of investments measured at FVTPL, reasonably possible change at the reporting date in the expected fair value of quoted and unquoted investments is made, would have the following effects on fair value of investments and consequently on profit or loss.

Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Impact on profit				
Increase in fair value by 1%	21.03	17.87	10.13	13.20
Decrease in fair value by 1%	(21.03)	(17.87)	(10.13)	(13.20)
Impact on other equity				
Increase in fair value by 1%	15.74	13.37	7.58	9.88
Decrease in fair value by 1%	(15.74)	(13.37)	(7.58)	(9.88)

40 Capital management

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain stakeholders' confidence. The Group monitors capital using a ratio of 'Net Debt' to 'Total Equity'. For this purpose, Net Debt is defined as total borrowings less cash and cash equivalents, other bank balances and non-lien bank deposits. Total equity comprises of equity share capital and other equity. The Group is not subject to any externally imposed capital requirements. During the period/year, no significant changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

The net debt to total equity ratio is as follows:

Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Borrowings	101.38	7.23	133.62	107.60
Total borrowings (a)	**101.38**	**7.23**	**133.62**	**107.60**
Less: Cash and cash equivalents	179.86	191.73	108.35	127.85
Less: Other bank balances	1,366.70	2,739.90	2,914.78	2,688.45
Less: Bank deposits	-	10.01	0.33	0.33
Total (b)	**1,546.56**	**2,941.64**	**3,023.46**	**2,816.63**
Net debt (a-b)	**(1,445.18)**	**(2,934.41)**	**(2,889.84)**	**(2,709.03)**
Equity share capital	9.18	9.66	9.66	9.86
Other equity	16,460.74	16,776.95	15,100.66	14,480.97
Total equity	**16,469.92**	**16,786.61**	**15,110.32**	**14,490.83**
Net debt to total equity ratio	**(0.09)**	**(0.17)**	**(0.19)**	**(0.19)**

41 Details of Corporate Social Responsibility ('CSR') expenditure

In accordance with the provisions of section 135 of the Act, CSR spent is at least two percent of average net profits made during the three immediately preceding financial years in pursuance of its CSR policy, shall be ensured . Basis the recommendation of CSR committee, the Board of Directors of the Holding Company had approved various 'Other than Ongoing projects' for carrying out CSR activities as per the Schedule VII of the Act. Details of the same as follows:

Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Amount required to be spent during the period/year	17.54	38.62	37.60	38.02
Amount of expenditure incurred on during the period/year :				
(i) Construction/acquisition an asset	-	-	-	-
(ii) On purposes other than (i) above	10.10	20.00	114.15	40.20
Carried forward from previous period/year	57.93	76.55	-	-
Shortfall/(excess) carried forward to the next period/year	(50.49)	(57.93)	(76.55)	-
Amount recognised in the statement of profit and loss	**17.54**	**38.62**	**37.60**	**40.20**

Reason for shortfall:
Not applicable

Nature of CSR activities:
Education of poor children and access to healthcare and promotion of arts and culture program.

Related party transactions in relation to CSR	-	-	91.60	22.70

Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount for other than ongoing projects:

Particulars	**For the six months period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Opening unspent balance at the beginning of the period/year	-	-	-	-
Amount required to be spent during the period/year	17.54	38.62	37.60	38.02
Amount spent during the period/year	17.54	38.62	37.60	38.02
Amount deposited in specified fund of Schedule VII of the Act	-	-	-	-
Closing unspent balance at the end of the period/year	-	-	-	-

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42 Related party disclosures

(i) Names of related parties and nature of relationship

A Key management personnel ('KMPs')

Dr. Mahesh Gupta	Chairman and Managing Director
Mr. Varun Gupta	Joint Managing Director
Mrs. Sunita Gupta	Director
Mr. Chetas Gulabbhai Desai	Non-Executive Independent Director
Mr. Arun Seth	Non-Executive Independent Director
Ms. Rajita Kulkarni *(appointed w.e.f September 23, 2024)*	Non-Executive Independent Director
Mr. Sanjay Johri *(appointed w.e.f November 19, 2024)*	Chief Financial Officer
Mr. Ratan Kumar Srivastav *(appointed w.e.f November 19, 2024)*	Joint Chief Financial Officer
Mr. Navin Kumar Rajvanshi *(appointed w.e.f November 19, 2024)*	Joint Chief Financial Officer

B Close members of the family of Key Managerial Personnel ('KMP')

Mrs. Ridhima Gupta	Daughter-in-law of Dr. Mahesh Gupta
Mrs. Surbhi Gupta	Daughter of Dr. Mahesh Gupta
Mr. Rajinder Mohan Jindal	Brother of Mrs. Sunita Gupta
Mr. Sameer Agarwal	Son-in-law of Dr. Mahesh Gupta

C Enterprises in which KMPs or their close members are in common or have control or exercise significant influence (with whom there are transactions)

S.S. Appliances Private Limited	KMPs are common directors
Imarti Media Private Limited	Mrs. Surbhi Gupta is a shareholder and a director
Epitome Systems Private Limited	Mr. Rajinder Mohan Jindal is a shareholder and a director
Rasika Research and Design	Mrs. Surbhi Gupta is a proprietor
Kent Foundation	Founded by Mrs. Sunita Gupta
Kent Appliances *(partnership firm)*	Dr. Mahesh Gupta and Mrs. Sunita Gupta are partners in the firm
Kent R O Systems Limited Employee Group Gratuity Trust	Dr. Mahesh Gupta, Mrs. Sunita Gupta and Mr. Varun Gupta are Trustees

(ii) Transactions with related parties:

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	**Dr. Mahesh Gupta**				
	Salaries, wages, bonus, commission and other benefits	51.02	102.04	102.04	102.04
	Lease rent	3.60	3.73	2.10	1.65
	Royalty on intellectual property rights	72.92	134.64	123.74	79.30
	Buyback of shares	420.24	-	146.11	-
	Borrowings taken	-	1.03	-	-
b)	**Mr. Varun Gupta**				
	Salaries, wages, bonus, commission and other benefits	39.14	79.02	52.57	14.07
	Power and fuel	0.16	0.30	0.30	0.31
	Buyback of shares	98.29	-	34.18	-
c)	**Mrs. Sunita Gupta**				
	Lease rent	0.30	0.06	-	-
	Buyback of shares	300.71	-	104.55	-
d)	**Mrs. Ridhima Gupta**				
	Salaries, wages, bonus, commission and other benefits	3.02	6.04	6.04	6.04
	Buyback of shares	0.09	-	0.03	-
e)	**Mrs. Surbhi Gupta**				
	Buyback of shares	0.03	-	0.01	-
	Sales of property, plant and equipment	-	50.00	-	-
f)	**Rasika Research and Design**				
	Legal and professional charges	-	0.30	3.60	3.60
g)	**S.S. Appliances Private Limited**				
	Lease rent	2.17	4.27	3.81	3.81
	Purchases of stock-in-trade	-	-	0.10	0.07
	Buyback of shares	1.70	-	0.59	-
h)	**Imarti Media Private Limited**				
	Advertisement and business promotion	181.93	294.46	401.08	422.21
	Miscellaneous expenses	-	-	-	0.26
i)	**Kent R O Systems Limited Employee Group Gratuity Trust**				
	Contribution to gratuity fund	-	20.00	20.00	21.70

(ii) Transactions with related parties (Cont'd):

	Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
j)	**Kent Foundation**				
	Corporate social responsibility expense	-	-	91.60	22.70
k)	**Kent Appliances**				
	Purchases of stock-in-trade	-	-	-	0.54
l)	**Epitome Systems Private Limited**				
	Purchases of raw materials	3.73	13.22	16.33	12.62
m)	**Mr. Arun Seth**				
	Director sitting fees	0.10	0.15	0.20	0.10
n)	**Mr. Chetas Gulabbhai Desai**				
	Director sitting fees	0.10	0.15	0.20	0.10

(iii) Balances outstanding at the end of the period/year:

	Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
a)	**Dr. Mahesh Gupta**				
	Employee related payables	3.50	3.50	4.89	4.89
	Trade payables	15.17	12.65	11.61	9.63
	Long-term borrowings	1.03	1.03	-	-
b)	**Mr. Varun Gupta**				
	Employee related payables	3.19	5.94	2.48	0.59
c)	**Mrs. Ridhima Gupta**				
	Employee related payables	0.35	0.35	0.35	0.35
d)	**S.S. Appliances Private Limited**				
	Trade payables	-	-	0.04	-
e)	**Imarti Media Private Limited**				
	Trade payables	3.50	-	27.54	24.50
f)	**Rasika Research and Design**				
	Trade payables	-	-	-	0.32
g)	**Imarti Media Private Limited**				
	Other financial liabilities	32.10	-	-	-
h)	**Kent Appliances**				
	Trade receivables	-	-	-	2.65
i)	**Epitome Systems Private Limited**				
	Trade payables	0.56	1.04	1.16	1.40

Notes:

a) All transactions with these related parties are priced on an arms length basis and in the normal course of business.

b) Provisions for contribution to gratuity and compensated absences are determined by the actuary on a overall basis at the end of each period/year and, accordingly, have not been considered in the above information. The amount is only disclosed at the time of payment.

c) The above note also suffice the requirement of related party disclosure as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

d) Close members of the family' as defined in Ind AS 24 are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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43 Assets classified as held for sale

a) Transfer of non-operational assets

The Board of Directors of the Holding Company in its meeting held on September 20, 2024 has approved the transfer of the following assets as part of its strategic decision. Subsequent to the balance sheet date, the Holding Company has entered into a definitive agreement to sale these assets. Accordingly, the Holding Company has classified such assets as held for sale as at September 30, 2024, which are detailed below:

Particulars	As at September 30, 2024
Property, plant and equipment	49.21
Right-of-use assets	97.58
Total:	**146.79**

Subsequently, the Holding Company entered into an agreement to sell and executed the sale of the aforesaid assets on December 17, 2024, to Mr. Varun Gupta against a sales consideration of ₹ 166.00 million.

b) Transfer of Dreamland Exim Private Limited

The Board of Directors of the Holding Company in its meeting held on September 20, 2024 has approved the transfer of its subsidiary Dreamland Exim Private Limited ('Dreamland'). Subsequent to six months period ended September 30, 2024, on November 19, 2024, the Board of Directors of the Holding Company has approved the actual transfer and accordingly, Dreamland has been transferred to Dr. Mahesh Gupta and Mrs. Sunita Gupta on a going concern basis through Share Purchase Agreement dated December 3, 2024. Accordingly, the Group has classified the assets and liabilities of Dreamland as assets held for sale as at September 30, 2024 and presented the operations of the entity as discontinued operations for the six months period ended September 30, 2024, years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively. The details of assets and liabilities pertaining to Dreamland are as below:

i) The statement of assets and liabilities are as follows:

Particulars	As at September 30, 2024
Non-current assets	
Property, plant and equipment	10.32
Right-of-use assets	269.72
	280.04
Current assets	
Financial assets	
- Cash and cash equivalents	0.47
- Other financial assets	0.05
Other current assets	0.11
	0.63
Total assets	**280.67**
Non-current liabilities	
Financial liabilities	
- Borrowings	1.03
	1.03
Current liabilities	
Financial liabilities	
- Trade payables	0.03
	0.03
Total liabilities	**1.06**
Net assets	**279.61**

ii) The results of the discontinued operations for the period/years are presented below:

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income				
Revenue from operations	-	-	-	-
Other income	-	-	-	-
Total income	-	-	-	-
Expenses				
Employee benefits expense	-	0.27	0.40	0.26
Depreciation and amortization expense	2.03	4.09	4.12	4.15
Other expenses	0.18	0.32	0.35	0.48
	2.21	**4.68**	**4.87**	**4.89**
Loss for the period/year	**(2.21)**	**(4.68)**	**(4.87)**	**(4.89)**
Tax expense:				
Current tax	-	-	-	-
Deferred tax (net)	(0.17)	(0.30)	(0.30)	(0.30)
Total tax expense	**(0.17)**	**(0.30)**	**(0.30)**	**(0.30)**
Loss from discontinued operations for the period/year	**(2.04)**	**(4.38)**	**(4.57)**	**(4.59)**

iii) Net cash flows attributable to discontinued operations are as follows:

Particulars	For the six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Net cash used in operating activities	(0.28)	(0.64)	(0.77)	(0.89)
Net cash used in investing activities	-	-	-	-
Net cash flow from financing activities	-	1.03	-	-
Cash pertaining to discontinued operations	**(0.28)**	**0.39**	**(0.77)**	**(0.89)**

44 Information as required by Part III of General instructions for the preparation of consolidated financial statements to Schedule III to the Act

Name of the entity	Net assets (Total assets - Total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As % of consolidated net assets	Amount	As a % of consolidated profit or (loss)	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income
As at September 30, 2024								
A. Holding Company								
Kent R O Systems Limited	16,180.55	98.24%	698.62	100.29%	(0.93)	100.00%	697.69	100.29%
B. Subsidiary - Indian								
Dreamland Exim Private Limited	230.28	1.40%	(2.04)	(0.29%)	-	0.00%	(2.04)	(0.29%)
C. Inter-company eliminations	59.09	0.36%	-	-	-	-	-	-
Total	**16,469.92**	**100.00%**	**696.58**	**100.00%**	**(0.93)**	**100.00%**	**695.65**	**100.00%**
As at March 31, 2024								
A. Holding Company								
Kent R O Systems Limited	16,507.30	98.34%	1,669.83	100.26%	10.84	100.00%	1,680.67	100.26%
B. Subsidiary - Indian								
Dreamland Exim Private Limited	232.10	1.38%	(4.38)	(0.26%)	-	0.00%	(4.38)	(0.26%)
C. Inter-company eliminations	47.21	0.28%	-	-	-	-	-	-
Total	**16,786.61**	**100.00%**	**1,665.45**	**100.00%**	**10.84**	**100.00%**	**1,676.29**	**100.00%**
As at March 31, 2023								
A. Holding Company								
Kent R O Systems Limited	14,826.42	98.12%	976.15	100.47%	(0.30)	100.00%	975.85	100.47%
B. Subsidiary - Indian								
Dreamland Exim Private Limited	235.80	1.56%	(4.57)	(0.47%)	-	0.00%	(4.57)	(0.47%)
C. Inter-company eliminations	48.10	0.32%	-	-	-	-	-	-
Total	**15,110.32**	**100.00%**	**971.58**	**100.00%**	**- 0.30**	**100.00%**	**971.28**	**100.00%**
As at March 31, 2022								
A. Holding Company								
Kent R O Systems Limited	14,202.12	98.01%	1,546.80	100.30%	6.61	100.00%	1,553.41	100.30%
B. Subsidiary - Indian								
Dreamland Exim Private Limited	238.05	1.64%	(4.59)	(0.30%)	-	0.00%	(4.59)	(0.30%)
C. Inter-company eliminations	50.66	0.35%	-	-	-	-	-	-
Total	**14,490.83**	**100.00%**	**1,542.21**	**100.00%**	**6.61**	**100.00%**	**1,548.82**	**100.00%**

45 Summarised below are the restatement adjustments to audited statutory purpose consolidated financial statements and the audited special purpose consolidated interim financial statements:

Part A: Impact on total equity and profit after tax

(i) Impact on total equity

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total equity (as per Audited Special Purpose Consolidated Interim Financial Statements/ Audited Statutory Consolidated Financial Statements)	**16,469.92**	**16,625.45**	**14,982.73**	**14,405.06**
Restatement adjustments:				
- Reversal of amortisation of prepaid expense during earlier years (refer note (i) below)	-	91.75	75.57	59.43
- Amortisation of right-of-use assets (refer note (i) below)	-	(11.20)	(9.23)	(7.26)
- Impact of corporate social responsibility (refer note (ii) below)	-	57.92	76.54	-
- Tax adjustments on applying the applicable tax rates on investments (refer note (iii) below)	-	22.69	(15.29)	33.60
Total equity as per Restated Consolidated Financial Information	**16,469.92**	**16,786.61**	**15,110.32**	**14,490.83**

(ii) Impact on profit after tax

Particulars	For the six months period ended September 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax (as per Audited Special Purpose Consolidated Interim Financial Statements/ Audited Statutory Consolidated Financial Statements)	**696.58**	**1,631.88**	**929.96**	**1,501.35**
Restatement adjustments:				
- Reversal of amortisation of prepaid expense during earlier years (refer note (i) below)	-	16.18	16.14	16.14
- Amortisation of right-of-use assets (refer note (i) below)	-	(1.97)	(1.97)	(1.97)
- Impact of corporate social responsibility (refer note (ii) below)	-	(18.62)	76.54	-
- Tax adjustments on applying the applicable tax rates on investments (refer note (iii) below)	-	37.98	(49.09)	26.69
Profit after tax as per Restated Consolidated Financial Information	**696.58**	**1,665.45**	**971.58**	**1,542.21**

Notes:

(i) The Holding Company was classifying advance lease rent paid for a property as prepaid lease rent and was amortising it over a period of ten years, whereas, as per Ind AS, this should be classified as right-of-use assets and depreciated over the lease period. The same has now been corrected in current as well as preceding years (as applicable).

(ii) The Holding Company had recognised corporate social responsibility expense basis incurrence, however, as per the technical guidance, the expense over and above the required limit is allowed to be carried forward for three years. The same has now been corrected and carried forward and adjusted against the following year's incurrence.

(iii) The Holding Company had recognised deferred tax on fair value gains/(losses) related investment as per the Holding Company's applicable tax rate, however, the same should be recognised basis tax rate applicable to short-term and long-term capital gains. The same has now been corrected in current as well as preceding years (as applicable).

Part B: Material regrouping/reclassifications

The material regrouping/reclassification (if any), as disclosed in Note 51, have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited Special Purpose Consolidated Interim Financial Statement for the six months period ended September 30, 2024 prepared in accordance with Schedule III (Division II) of the Act, as amended, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the SEBI ICDR Regulations and the Guidance Note.

Part C: Non-adjusting items

A) Audit observations for the respective period/year, which do not require any adjustments in the Restated Consolidated Financial Information are as follows:

There are no audit qualification in the special purpose auditor's report for the six months period ended September 30, 2024 and auditor's report for statutory purpose for the years ended March 31, 2024, March 31, 2023 and March 31, 2022.

B) Emphasis of matters, which do not require any adjustments adjustments to Restated Consolidated Financial Information are as follows:

(i) For the period ended September 30, 2024:

We draw attention to Note 2 (b) to the Special Purpose Consolidated Interim Financial Statements, which describes the basis of its preparation. These Special Purpose Consolidated Interim Financial Statements have been prepared by the Holding Company's management solely for the preparation of Restated Consolidated Financial Information of the Group for the six months period ended September 30, 2024, to be included in the Draft Red Herring Prospectus which is to be filed by the Holding Company with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time in connection with the proposed Initial Public Offer of equity shares of the Holding Company. Therefore, these Special Purpose Consolidated Interim Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

We draw attention to Note 49 to the Special Purpose Consolidated Interim Financial Statements, which describes that the Holding Company had received demand notice from Central Goods and Service Tax Commissionerate, Roorkee dated September 30, 2022, towards recovery of excess refund received by the Holding Company under Budgetary Support Scheme of ₹ 152.75 million along with applicable interest for the period July 1, 2017 to June 30, 2019, basis the search proceedings conducted by Directorate General of Goods and Service Tax Intelligence ('DGGI') on the Holding Company during financial year 2020-21. The Holding Company had filed a writ petition with Hon'ble High Court of Uttarakhand and deposited ₹ 102.40 million under protest with Department of Industrial Policy and Promotion ('DIPP'). The Hon'ble High Court stayed the demand proceedings, and the matter is currently pending adjudication. Based on the legal opinion obtained, the management is confident of favorable outcome on the aforesaid matter and accordingly, no adjustments have been made to these Special Purpose Consolidated Interim Financial Statements. Our opinion is not modified in respect of this matter.

We draw attention to Note 50 to the Special Purpose Consolidated Interim Financial Statements, which describes the restatements made to the comparative financial statements as at and for the year ended March 31, 2024 and as at April 1, 2023 in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, for correction of certain identified material prior period errors and reclassifications which are further described in the aforesaid note. Our opinion is not modified in respect of this matter.

(i) For the year ended March 31, 2024:

We draw attention to Note no. 54 and Note no. 55 of the consolidated financial statements that describes contingent liabilities related to Directorate General of GST Intelligence ('DGGI') matter and certain income tax matters. For DGGI matter mentioned in Note no. 54, the Holding Company has initiated legal proceedings by filing a writ petition with Uttarakhand High Court challenging the demand raised following a search operation. Regarding income tax matters mentioned in Note no. 55, the Holding Company has filed appeals against certain tax demands. We have evaluated the adequacy of disclosures related to these matters in the financial statements and accompanying notes and consider them appropriate. Our opinion is not modified in respect of these matters.

(ii) For the year ended March 31, 2023:

We draw attention to Note no. 56 and Note no. 57 of the consolidated financial statements that describes contingent liabilities related to Directorate General of GST Intelligence ('DGGI') matter and certain income tax matters. For DGGI matter mentioned in Note no. 56, the Holding Company has initiated legal proceedings by filing a writ petition with Uttarakhand High Court challenging the demand raised following a search operation. Regarding income tax matters mentioned in Note no. 57, the Holding Company has filed appeals against certain tax demands. We have evaluated the adequacy of disclosures related to these matters in the financial statements and accompanying notes and consider them appropriate. Our opinion is not modified in respect of these matters.

(iii) For the year ended March 31, 2022:

We draw attention to Note 57 of the consolidated financial statements which deals with ongoing investigation by Directorate General of GST Intelligence ('DGGI") on Kent RO Systems Limited ("the Company") regarding alleged non-compliance with provisions of Budgetary support scheme notified by Ministry of Commerce and Industry under notification dated October 05, 2017 ('Budgetary support scheme') and certain provisions of GST Act. As mentioned in the note, the Company has been submitting information required by DGGI and is also cooperating in the investigation. As explained in the said note, the allegations pertain to excess input credit availment and excess budgetary support claim made by the Company. As per the Management's detailed analysis, all input credits availed and budgetary support claims are in line with provisions of GST Act and Budgetary Support Scheme. Further, as mentioned in the said note, with respect to allegation of excess input credit availment, Company has deposited the alleged excess amount under protest. Further, contingent liability of ₹ 175.20 million have been made by Company in the current year that may arise from the aforesaid issue of alleged excess budgetary support claim. Our opinion is not modified in respect of these matters.

C) Other matters as per the Auditors' Reports issued under Companies (Auditor's Report) Order, 2020 (hereinafter referred as "CARO 2020 Order") on the statutory purpose financial statements of the Holding Company, which do not require any adjustments in the Restated Consolidated Financial Information are as follows:

(i) For the year ended March 31, 2024:

Clause (vii)(b) - The dues of income tax, sales tax, service tax, customs goods and services tax and other statutory dues, that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Forum where dispute is pending	Amount	Amount paid under protest	Period to which the amount relates
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	2.05	-	Financial year 2021-22
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	4.26	-	Financial year 2020-21
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	3.13	-	Financial year 2016-17
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	6.69	-	Financial year 2019-20
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	4.78	-	Financial year 2018-19
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	2.68	-	Financial year 2017-18
Goods and Services Tax Act, 2017	Goods and Services Tax	Uttarakhand High Court	175.21	175.21	July 2017 to December 2019
Goods and Services Tax Act, 2017	Goods and Services Tax	Joint commissioner (Appeal) – 1, Dehradun	1.15	1.15	Financial year 2022-23

Clause (iii)(c) - In respect of loans granted by the Holding Company, the schedule of repayment of principal and interest has been stipulated. However, during the year, the repayment of interest is not regular in respect of certain loans, details of which are as follows:

Name of the entity	Amount	Due date	Extent of delay	Remarks
Sarg Media Holding Private Limited	4.80	Multiple dates	Not recovered yet	It also includes opening interest recoverable of ₹ 1.20 million.
Arshad Nizam	0.31	November 16, 2023	Not recovered yet	Interest overdue
Amit Gupta	0.58	March 4, 2024	Not recovered yet	Interest overdue
Sumeru Verde	2.95	Multiple dates	Not recovered yet	Entire amount is carried forward from previous financial year. Holding Company has made full provision against such loan during financial year 2022-23

Clause (iii)(d) - There is no overdue amount in respect of loans granted to such other parties except for following:

Number of cases	Principal amount overdue	Interest amount overdue	Total overdue	Remarks
4	65.11	8.65	73.76	The Holding Company has made provision of ₹ 68.06 million against the said overdue amount.

Clause (iii)(e) - Holding Company has not renewed any loan or advance in the nature of loan except for the one party mentioned below which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

Name of parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Sarg Media Holding Private Limited		40.00	106.38

Clause (iv) - The Holding Company has complied with the provisions of Section 186 except loan granted at lower interest rate then specified in the Act, in respect of grant of loans, making investment and providing guarantees and securities, as applicable :

Name of Entity	Amount involved	Balance as at balance sheet date	Remarks
CRC Greens Pvt Limited	37.6	37.88	The Holding Company has granted the loan at 6% per annum. However, the Holding Company additionally has a right to own the property in the project of CRC Greens Private limited upon receipt of RERA registration by the CRC Greens Private Limited.

(ii) For the year ended March 31, 2023:

Clause (vii)(b) - The dues of income tax, sales tax, service tax, customs goods and services tax and other statutory dues, that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Forum where dispute is pending	Amount	Amount paid under protest	Period to which the amount relates
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	2.05	-	Financial year 2021-22
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	4.26	-	Financial year 2020-21
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	6.69	-	Financial year 2019-20
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	4.78	-	Financial year 2018-19
The Income-tax Act,1961	Income-tax	Commissioner of Income Tax (Appeals)	2.68	-	Financial year 2017-18
Goods and Services Tax Act, 2017	Goods and Services Tax	Uttarakhand High Court	175.21	175.21	July 2017 to December 2019
Goods and Services Tax Act, 2017	Goods and Services Tax	Joint commissioner (Appeal) – 1, Dehradun	1.15	1.15	Financial year 2022-23

Clause (iii)(c) - In respect of loans granted by the Holding Company, the schedule of repayment of principal and interest has been stipulated. However, during the year, the repayment of interest is not regular in respect of certain loans, details of which are as follows:

Name of the entity	Amount	Due date	Extent of delay	Remarks
Sarg Media Holding Private Limited	1.26	July 7, 2022	Recovered on March 20, 2023	-
Sarg Media Holding Private Limited	1.29	October 7, 2022	Recovered on March 20, 2023	-
Sarg Media Holding Private Limited	1.29	January 7, 2023	Recovered on March 20, 2023	-
Sumeru Verrdhe Technologies Private Limited	2.95	Multiple dates	Not recovered yet	Holding Company has made the provision against the said amount.

Clause (iii)(d) - There is no overdue amount in respect of loans granted to such other parties except for following:

Number of cases	Principal amount overdue	Interest amount overdue	Total overdue	Remarks
4	65.11	2.95	68.06	The Holding Company has made provision of ₹ 68.06 million against the said overdue amount.

(iii) For the year ended March 31, 2022

Clause (vii)(b) - The dues of income tax, sales tax, service tax, customs goods and services tax and other statutory dues, that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Due date	Date of payment
Punjab Labour Welfare Fund Act, 1965	Labour Welfare Fund	0.05	2020	January 31, 2021	Not paid

D) Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended):

(i) For the year ended March 31, 2024:

Based on our examination which included test checks, the accounting software used by the Group for maintaining its books of accounts for the year ended March 31, 2024 did not have a feature of recording audit trail (edit log) facility. As proviso to rule 3(1) of Companies (Accounts) Rules, 2014 is applicable for the Group only with effect from April 1, 2023, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the year ended March 31, 2024.

(ii) For the years ended March 31, 2023 and March 31, 2022:

Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the years ended March 31, 2023 and March 31, 2022.

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46 Additional regulatory information required by Schedule III to the Companies Act, 2013

i) The Group has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

ii) The Group has not traded or invested in Crypto currency or virtual currency during the year.

iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income-tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

iv) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities ('Intermediaries') with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi) The Group did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during any of the reporting periods.

vii) The Group has not been declared wilful defaulter during any of the reporting periods.

47 Buy back of equity shares

(i) The Board of Directors of the Holding Company at its meeting held on June 17, 2024 approved the buy-back of fully paid-up equity shares of face value of ₹ 10 each from its existing shareholders through offer for sale for an aggregate amount not exceeding ₹ 821.06 million. The Holding Company completed the buyback of 48,298 equity shares at an offer price of ₹ 17,000 per equity share. The buy-back tax and other related expenses of buy-back have been adjusted against the 'Other Equity' as per applicable sections of the Act.

(ii) The Board of Directors of the Holding Company at its meeting held on August 9, 2022 approved the buy-back of fully paid-up equity shares of face value of ₹ 10 each from its existing shareholders and promoter group through offer for sale for an aggregate amount not exceeding ₹ 285.28 million. The Holding Company completed the buyback of 19,714 equity shares at an offer price of ₹ 14,481 per equity share. The buy-back tax and other related expenses of buy-back have been adjusted against the 'Other Equity' as per applicable sections of the Act.

48 Events after the reporting period

a) Refer note 34 and 43 for details related to subsequent events.

b) **ESOP Scheme**
On November 19, 2024, the Board of Directors has approved the Employee Stock Options Scheme ('ESOP Scheme'). As on the date of these financial statements, the Holding Company has not granted any stock options under the said ESOP Scheme.

49 The E-waste (Management) Rules, 2022 has become effective from April 1, 2023. The Holding Company deals in wide range of home appliances products which are covered under these rules. The Holding Company has tied-up with various E-waste collection providers for achieving the collection target. The obligation for a financial year is measured based on sales made in the preceding years (as applicable) and the Holding Company has met its obligations for the respective years/period.

50 During the financial year 2020-21, the Directorate General of GST Intelligence (‘DGGI’) has conducted search operations and re-assessed the Holding Company’s eligible claim for the period July 1, 2017 to June 30, 2019 under erstwhile ‘Scheme of Budgetary Support’ notified by Ministry of Commerce and Industries under GST regime. Basis their re-assessment, DGGI alleged that an amount of ₹ 152.75 million has been claimed excessively by the Holding Company and communicated the same to Goods and Service Tax Commissionerate, Roorkee.

Basis the aforesaid communication, the Goods and Service Tax Commissionerate, Roorkee raised a demand notice dated September 30, 2022 of ₹ 152.75 million along with applicable interest for the period July 1, 2017 to June 30, 2019 on the Holding Company. Further, the Holding Company’s claim for the period July 1, 2019 to December 31, 2019 amounting ₹ 72.81 million has been withheld until the resolution of this matter.

Against the aforesaid demand, the Holding Company had filed a writ petition with Hon’ble High Court of Uttarakhand challenging the validity of the aforesaid demand and expeditiously sanction the remaining balance claims amounting to ₹ 72.81 million for the period July 1, 2019 to December 31, 2019 and deposited ₹ 102.40 million under protest with Department of Industrial Policy and Promotion (‘DIPP’). The Hon’ble High Court stayed the demand proceedings, and the matter is currently pending adjudication.

Based on the legal opinion obtained, the management is confident of favorable outcome on aforesaid matter and accordingly, no adjustments have been made to these financial statements.

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Kent R O Systems Limited
Notes to the Restated Consolidated Financial Information
(All amounts are in Indian ₹ million except share data and as stated)

51 Material regrouping/reclassifications

In accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and Paragraph 40A of Ind AS 1, 'Presentation of Financial Statements', certain reclassifications/regrouping has been carried out in balance sheet, which are explained as follows:

As at March 31, 2024
Balance sheet

Particulars	Notes	Reported as per audited statutory consolidated financial statements as at March 31, 2024	Regrouping/ reclassification/ adjustments made	Reported as per restated consolidated financial information as at March 31, 2024
Non-current assets				
Right-of-use assets	1	3,115.33	166.42	3,281.75
Income-tax assets (net)	2	-	176.05	176.05
Other non-current assets	1	1,208.82	141.49	1,350.31
Current assets				
Income-tax assets (net)	2	480.95	(480.95)	-
Other current assets	1 and 3	683.92	(326.35)	357.57
Current liabilities				
Current tax liabilities (net)	2	467.17	(467.17)	-

Statement of cash flow

Particulars	Note	Reported as per audited statutory consolidated financial statements as at March 31, 2024	Regrouping/ reclassification/ adjustments made	Reported as per restated consolidated financial information as at March 31, 2024
Net cash flows from operating activities	4	937.59	617.66	1,555.25
Net cash used in investing activities	4	(661.33)	(654.91)	(1,316.24)
Net cash used in financing activities	4	(182.07)	(26.05)	(156.02)

Notes:

1 Classification of advance lease rent paid for a property as right-of-use assets as against prepaid lease rentals under other current and non-current assets.
2 The income-tax assets and tax liabilities were presented as gross which has been now been offset.
3 The balance deposited under protest was presented under other current assets which has been classified to other non-current assets.
4 Consequent impact of above reclassification/regrouping in statement of cash flow.

As at March 31, 2023
Balance sheet

Particulars	Notes	Reported as per audited statutory consolidated financial statements as at March 31, 2023	Regrouping/ reclassification/ adjustments made	Reported as per restated consolidated financial information as at March 31, 2023
Non-current assets				
Right-of-use assets	1	2,951.46	168.39	3,119.85
Income-tax assets (net)	2	-	166.39	166.39
Other non-current assets	1	648.20	128.42	776.62
Current assets				
Income-tax assets (net)	2	439.82	(439.82)	-
Other current assets	1 and 3	633.17	(280.17)	353.00
Current liabilities				
Current tax liabilities (net)	2	394.52	(394.52)	-

Statement of cash flow

Particulars	Note	Reported as per audited statutory consolidated financial statements as at March 31, 2023	Regrouping/ reclassification/ adjustments made	Reported as per restated consolidated financial information as at March 31, 2023
Net cash flows from operating activities	4	962.62	(325.21)	637.41
Net cash used in investing activities	4	(639.53)	338.05	(301.48)
Net cash used in financing activities	4	(372.54)	17.88	(354.66)

Notes:

1 Classification of advance lease rent paid for a property as right-of-use assets as against prepaid lease rentals under other current and non-current assets.
2 The income-tax assets and tax liabilities were presented as gross which has been now been offset.
3 The balance deposited under protest was presented under other current assets which has been classified to other non-current assets.
4 Consequent impact of above reclassification/regrouping in statement of cash flow.

51 Material regrouping/reclassifications (Cont'd)

As at March 31, 2022
Balance sheet

Particulars	Notes	Reported as per audited statutory consolidated financial statements as at March 31, 2022	Regrouping/ reclassification/ adjustments made	Reported as per restated consolidated financial information as at March 31, 2022
Non-current assets				
Right-of-use assets	1	2,663.99	170.34	2,834.33
Income-tax assets (net)	2	-	121.12	121.12
Other non-current assets	1	914.19	(73.16)	987.35
Current assets				
Income-tax assets (net)	2	534.71	(534.71)	-
Other current assets	1 and 3	563.77	(333.06)	230.71
Current liabilities				
Current tax liabilities (net)	2	522.19	(522.19)	-

Statement of cash flow

Particulars	Note	Reported as per audited statutory consolidated financial statements as at March 31, 2023	Regrouping/ reclassification/ adjustments made	Reported as per restated consolidated financial information as at March 31, 2023
Net cash flows from operating activities	4	993.18	164.73	1,157.91
Net cash used in investing activities	4	(1,016.31)	(217.96)	(1,234.27)
Net cash used in financing activities	4	66.97	11.89	78.86

Notes:

1 Classification of advance lease rent paid for a property as right-of-use assets as against prepaid lease rentals under other current and non-current assets.
2 The income-tax assets and tax liabilities were presented as gross which has been now been offset.
3 The balance deposited under protest was presented under other current assets which has been classified to other non-current assets.
4 Consequent impact of above reclassification/regrouping in statement of cash flow.

The accompanying notes form an integral part of these Restated Consolidated Financial Information.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.:001076N/N500013

Madhu Sudan Malpani
Partner
Membership No.: 517440

Place: Noida
Date: January 8, 2025

For and on behalf of the Board of Directors of
Kent R O Systems Limited

Dr. Mahesh Gupta
Chairman and Managing Director
DIN: 00458281

Place: Noida
Date: January 8, 2025

Varun Gupta
Joint Managing Director
DIN: 00468328

Place: Noida
Date: January 8, 2025

Sanjay Johri
Chief Financial Officer

Place: Noida
Date: January 8, 2025

Punit Kumar Trivedi
Company Secretary
M. No.: FCS 8682

Place: Noida
Date: January 8, 2025

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company, for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, together with all the annexures, schedules and notes thereto (collectively, the "**Audited Standalone Financial Statements**") are available at https://www.kent.co.in/ir/financial-results/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Standalone Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. Neither the Company, any of its advisors, nor any of the BRLMs or the Promoter Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from our Restated Consolidated Financial Information required to be disclosed under Paragraph 11 of Part A of Schedule V of the SEBI ICDR Regulations are set forth below:

Particulars	For the six months ended September 30, 2024	For Financial Year 2024	For Financial Year 2023	For Financial Year 2022
Basic earnings per share from continuing and discontinuing operations (in ₹)(1)^#	6.75*	15.67	9.08	14.23
Diluted earnings per share from continuing and discontinuing operations (in ₹)(2)^#	6.75*	15.67	9.08	14.23
RoNW (in %)(3)	4.23*	9.93	6.43	10.65
NAV per Equity Share (in ₹)(4)	159.49	157.90	141.09	133.57
EBITDA (in ₹ million)(5)	659.26	1,820.02	1,493.83	2,008.09

* *Not annualized.*

^ Subsequent to six months period ended September 30, 2024, pursuant to a resolution passed in extraordinary general meeting of the Holding Company dated November 19, 2024, shareholders have approved split of each equity share having face value of ₹10 each into equity shares of face value of ₹1 each ('the split'). As prescribed under Ind AS 33, 'Earnings per Share', the Group has presented basic and diluted earnings per share after considering the aforementioned split of shares for the current as well as previous periods.

#Subsequent to six months period ended September 30, 2024, on November 19, 2024, the Board of Directors of the Holding Company has approved bonus issue in the ratio of 10 equity shares for every 1 existing equity share and the same has been duly approved by the shareholders of the Holding Company. Considering the bonus issue has happened before the date of approval of the consolidated financial statements and hence, as prescribed under Ind AS, the Group has presented basic and diluted earnings per share basis the new number of shares for current as well as previous periods.

Notes:

The ratios have been computed as under:

(1) Basic earnings per share equals Profit for the period/year attributable to the shareholders of the Company divided by the Weighted average number of Equity Shares outstanding during the year.

(2) Diluted earnings per share equals Profit for the period/year attributable to the shareholders of the Company divided by the Weighted average number of diluted Equity Shares outstanding during the year.

(3) Return on Net Worth for a period equals Profit for the period/year attributable to Shareholders of the Company divided by Net Worth as at the end of the period/year.

(4) Net asset value per Equity Share as at a period/ year represents Net worth attributable to owners of the Company at the end of the period/year divided by the weighted average outstanding equity shares considered for basic earnings per share and diluted earnings per share from continuing and discontinuing operations.

(5) EBITDA is calculated as profit before tax from continuing operations plus (a) finance costs and (b) depreciation and amortization expense, and less (c) other income.

Non-GAAP measures

In addition to our results determined in accordance with Ind AS, we believe certain non-GAAP measures are useful to Bidders in evaluating our operating performance and liquidity. We use non-GAAP financial information such as EBITDA, EBITDA margin, PAT Margin, Return on Equity, Net Worth and Return on Net Worth, Net

Asset Value per Equity Share to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with financial measures disclosed in financial statements and prepared in accordance with Ind AS, may be helpful to Bidders because it provides an additional tool for Bidders to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures of our performance and liquidity that is not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Further, these non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the period/years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated (used in) by operating, investing or financing activities derived in accordance with Ind AS, IFRS or U.S. GAAP.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information disclosed in financial statements and presented in accordance with Ind AS. Non-GAAP financial information are not standardised terms, hence a direct comparison of these non-GAAP Measures between companies may not be possible and these measures may be different from similarly titled non-GAAP measures used by other companies. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Non-GAAP financial measures are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP. For further details, see "***Risk Factors – We have included in this Draft Red Herring Prospectus certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.*** " on page 55.

For a reconciliation of non-GAAP measures, see "***Management's Discussion and Analysis of our Results of Operations – Non-GAAP Financial Measures***" on page 329.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2024, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "***Risk Factors***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", on pages 26, 245 and 315, respectively.

(₹ in million, except ratios)

Particulars	Pre-Offer as at September 30, 2024	As adjusted for the proposed Offer (1)
Total Borrowings		See notes below.
Current borrowings (A)	101.38	
Non-current borrowings (including current maturity) (B)	1.03	
Total Borrowings (C) = (A+B)	102.41	
Total Equity attributable to shareholders of the Company		
Share capital	9.18	
Other equity	16,460.74	
Equity attributable to shareholders of the Company (D)	16,469.92	
Total (E) = (C) + (D)	16,572.33	
Non-current borrowings/Total equity (B/D)	Negligible	
Total borrowings/Total equity (C/D)	0.01	

(1) *There will be no change in capital structure post the Offer since it is an initial public offering by way of an Offer for Sale by the Promoter Selling Shareholders. For changes in the capital structure post September 30, 2024, see "**Capital Structure - Equity share capital history of our Company**" on page 79.*

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for the purposes of meeting business requirements.

Our Board is empowered to borrow money in accordance with Sections 179 and 180 of the Companies Act, 2013, and our Articles of Association. For details regarding the borrowing powers of our Board, see "***Our Management – Borrowing Powers***" on page 226.

Set forth below is a brief summary of the aggregate borrowings of our Company, as of November 30, 2024:

(in ₹ million)

Category of Borrowing	Sanctioned amount	Amount outstanding as at November 30, 2024[(1)]
Fund based facilities (A)		
- Working capital facility	224.05	0.12
Total (A)	**224.05**	**0.12**
Non-fund based facilities (B)		
- Bank Guarantee	21.11	21.11
Total (B)	**21.11**	**21.11**
Total (A+B)	**245.16**	**21.23**

1) *As certified by SNR & Company, Chartered Accountants pursuant to certificate dated January 21, 2025.*

2) *As of November 30, 2024, an overdraft limit has been sanctioned across seven accounts. However, only one account has an overdrawn balance as of the said date. Accordingly, the overdrawn balances of this one account has been included in the working capital facility balance under Fund-Based Facilities.*

3) *The erstwhile subsidiary of our Company, Dreamland, had taken a loan from our Chairman and Managing Director Mahesh Gupta, amounting to Rs. 1.03 million as of November 30, 2024. Since our Company has divested from Dreamland pursuant to share purchase agreement dated December 3, 2024, this loan has been excluded from the table above.*

4) *The Company is a party to the Dealer Channel Finance Scheme, a revolving line of credit facility with ICICI Bank, entered into on March 7, 2024. The facility provides a credit line to the company's dealers, the consolidated exposure to the dealers is limited to Rs. 300 million. The company has provided a First loss deficiency guarantee against channel financing to the extent of 25% of the total sanctioned amount i.e Rs. 75 million under this scheme in the event of defaults by the dealers. The outstanding of the dealer finance under aforesaid scheme as on November 30, 2024 is Rs. 2.36 million out of which the overdue amount is Rs. 0.20 million.*

Principal terms of the borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company:

1. ***Interest:*** The interest rate for the borrowings availed by our Company typically ranges between 7.50% and 8.40% per annum and in certain instances, the interest rate is linked to a base rate such as the fixed deposit rate, repo rate, or such other benchmark as may be specified by the lenders.

2. ***Tenor:*** The tenor of the facilities availed by our Company typically ranges within a year.

3. ***Security:*** Our borrowings are typically secured by way of fixed deposit of the Company with the lender.

4. ***Repayment:*** The borrowings are in the nature of overdraft facilities, and hence there is no repayment schedule.

5. ***Restrictive Covenants:***

   The borrowing arrangements entered into by our Company restricts our Company to utilise the loan amount only for the purposes for which they have been availed.

6. ***Events of Default:***

   The terms of the borrowings contain standard events of default, including:

   i. failure or inability to pay amount on due dates;
   ii. breach of any agreement, covenant or representation under the financing document; and
   iii. cross-defaults.

7. ***Consequences of Events of Default:***

The monthly interest applied to a loan account must be paid immediately. In the event of failure to pay interest for three consecutive months, the bank reserves the right to liquidate the outstanding balance in the loan account through premature encashment of the term deposit held as security, without any further notice. Any remaining balance, if applicable, will be credited to the deposit account or sent via the bank's pay order.

The lists above are indicative in nature and there may be further additional terms under the various borrowing arrangements entered into by our Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey the management's perspective on our financial condition and results of operations for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022 and should be read in conjunction with "**Restated Consolidated Financial Information**" on page 245.*

*This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "**Forward-Looking Statements**" on page 34. Also see "**Risk Factors**" and "**– Significant Factors Affecting our Results of Operations and Financial Condition**" on pages 26 and 315, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for the six months ended September 30, 2024 and Fiscal 2024, 2023 and 2022 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. Financial information for the six months ended September 30, 2024 may not be indicative of the financial results for the full year and are not comparable with financial information for the years ended March 31, 2024, March 31, 2023 and March 31, 2022. For further information, see "**Restated Consolidated Financial Information**" on page 245.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India" dated January 9, 2025 (the "**Technopak Report**") prepared and issued by Technopak Advisors Private Limited, appointed by us pursuant to an engagement letter dated October 7, 2024 and exclusively commissioned and paid for by us to enable investors to understand the industry in which we operate in connection with the Offer. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. A copy of the Technopak Report is available on the website of our Company at https://www.kent.co.in/ir/offer-documents. For further information, see "**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the Technopak Report which is a paid report and commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**" on page 54. Also see, "**Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data – Industry and Market Data**" on page 22.*

OVERVIEW

For details in relation to our business, see "***Our Business***" on page 176.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our results of operations and financial condition are affected by a number of important factors including:

Product Mix

We offer a diverse range of products, including water purifiers, kitchen and home appliances, fans and water softeners. Our results of operations are significantly influenced by the product mix, particularly our reliance on the sale of water purifiers. The table below sets forth the revenues from water purifiers and water softeners, kitchen and home appliances and fans, expressed as a percentage of revenue from operations for the periods/years indicated:

Product Category	For the six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations
Water Purifiers and water softeners	5,368.05	84.25%	10,124.16	85.93%	9,406.71	86.75%	9,099.83	86.88%
Fans	403.24	6.33%	307.14	2.61%	112.00	1.03%	Nil*	Nil*
Kitchen and home appliances	574.15	9.01%	1,256.09	10.66%	1,192.69	11.00%	1,275.64	12.18%
Others*	26.44	0.41%	94.46	0.80%	132.53	1.22%	98.2	0.94%
Total	**6,371.88**	**100.00%**	**11,781.85**	**100.00%**	**10,843.93**	**100.00%**	**10,473.67**	**100.00%**

** Others include sale of scrap, export incentives, and other products.*
***As we started selling fans in Fiscal 2023, there were no revenues from fans in Fiscal 2022.*

Several factors could affect the sales of our products, including changes in consumer preferences, market competition, technological advancements, economic conditions and seasonality. Changes in consumer preferences and demand for our products could significantly impact our sales. Increased competition could result in aggressive pricing strategies, which could lead to reduced market share, and lower profit margins. Rapid technological changes can affect our product relevance and production processes, making it essential to embrace new technologies to improve product quality, reduce costs, and meet evolving consumer expectations. Further, economic conditions, such as inflation, unemployment rates, and consumer spending power, also play a crucial role, with economic downturns potentially leading to reduced consumer spending and lower sales. Additionally, seasonal variations can cause fluctuations in sales, with certain products experiencing higher demand during specific times of the year. Also, see "***Risk Factors – We derive a substantial portion of our revenues from the sale of our water purifier and water softeners products (84.25% and 85.93% of our revenue from operations in the six months ended September 30, 2024 and Fiscal 2024, respectively). Our inability to anticipate and adapt to evolving consumer preferences and demand for water purifier products, or ensure product quality, may adversely impact demand for our products, brand loyalty and consequently our business, results of operations, financial condition and cash flows***" on page 26.

Availability and cost of raw materials consumed

Our ability to remain competitive and profitable depends on our ability to source and maintain a stable and sufficient supply of raw materials at cost effective prices. Our primary raw materials for manufacturing water purifiers, kitchen and home appliances, fans and water softeners are injection-moulded plastic components, die-casted aluminium components, RO membrane sheet and printed circuit board assemblies. The table below sets forth details of our cost of materials consumed as a percentage of our total expenses in the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of materials consumed (₹ million)	2,342.89	4,015.07	3,656.89	3,402.41
Total expenses (₹ million)	5,946.79	10,396.47	9,769.92	8,784.99
Cost of materials consumed as a percentage of total expenses	39.40%	38.62%	37.43%	38.73%

We maintain cordial relationships with our suppliers as we depend on them for materials and components required and typically purchase materials and components on a purchase order basis. Furthermore, if we were to experience a significant or prolonged shortage of raw materials for our products in the required volumes and at appropriate quality and reliability levels from any of our suppliers, and we are unable to procure the raw materials from other sources at cost effective prices our sales, profit margins and customer relations would be adversely affected. We import certain raw materials such as RO membrane sheet from the USA, UV lamp from Japan, plastic granules from South Korea and other non-critical components from China. The table below sets forth details of raw materials imported, which is also expressed as a percentage of total purchase of raw materials in the periods/ years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of raw materials imported (₹ million)	1,047.64	1,490.17	1,458.38	1,363.80
Cost of raw materials as a percentage of total purchase of raw materials	43.02%%	39.17%	36.29%	37.59%

Any restrictions, either from the Central or state governments of India, or from countries which we import from or on account of any other geopolitical events, on such imports may adversely affect our business, prospects, financial condition and results of operations.

*Also, see "**Risk Factors - Interruptions in the supply of raw materials or fluctuations in raw material prices could adversely affect our ability to manufacture our products and consequently our business, results of operations, financial condition and cash flows**"* on page 29.

Seasonality

Sales of our products are affected by seasonality which may adversely affect our business, sales, results of operations, financial condition and cash flows. Our product offerings primarily include water purifiers and water softeners, kitchen and home appliances and fans. The demand for these products fluctuates with changes in weather and consumer behaviour throughout the year. For example, during the summer months, we typically experience higher sales of water purifiers, water softeners and fans due to increased water consumption and the need for cooling solutions. Conversely, in the winter season, sales of these products tend to decline as consumers prioritize other needs and perceive a reduced immediate necessity for water purification, water softening and cooling. Similarly, we experience higher sales of our kitchen and home appliances during festive seasons in India. For details, see "***Risk Factors –Sales of our products are affected by seasonality which may adversely affect our business, sales, results of operations, financial condition and cash flows.***" on page 41.

Ability to maintain brand image

We offer kitchen and home appliances under our brand "Kent' and fans under our brand "Kuhl". Our ability to develop and maintain the brand and consumer goodwill are dependent on public perception and recognition of product quality. We use a multifaceted marketing approach to enhance our brand's visibility and attractiveness across various platforms. Our approach includes leveraging television advertisements, cricket sponsorships, print media, digital media platforms, social media platforms, e-commerce platforms, and celebrity endorsements. The table below sets forth our advertisement and business promotion expenses, expressed as a percentage of revenue from operations and total expenses for the periods/years indicated:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Advertisement and business promotion expenses (₹ million)	1,288.99	1,550.40	1,437.02	1,186.42
Revenue from operations (₹ million)	6,371.88	11,781.85	10,843.93	10,473.67
Advertisement and business promotion expenses as a percentage of revenue from operations	20.23%	13.16%	13.25%	11.33%

PRESENTATION OF FINANCIAL INFORMATION

The Restated Consolidated Summary Statements comprise the restated consolidated summary statement of assets and liabilities of our Company and our subsidiaries as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated summary statements of profits and losses (including other comprehensive income), the restated consolidated summary statement of cash flows and the restated consolidated summary statements of changes in equity, the summary statement of material accounting policies and other explanatory information for the six month period ended September 30, 2024 and each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022. Our Restated Consolidated Financial Information have been compiled from the following:

- Audited Special Purpose Consolidated Interim Financial Statements of our Company as at and for the six months period ended September 30, 2024 prepared in accordance with the Indian Accounting Standards ("**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, except for the presentation of comparative financial information in accordance with Ind AS 34, which have been approved by the Board of Directors at their meeting held on January 8, 2025.

- Audited Consolidated Financial Statements of our Company as at and for years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 20, 2024, September 20, 2023 and September 12, 2022, respectively.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Division II of Schedule III of the Act. Based on the nature of the operations and the time between the acquisition of assets for processing/servicing and their realisation in cash or cash equivalents, our Company has ascertained our operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition, construction and installation of the same. Freehold land is stated at original cost of acquisition.

Subsequent expenditures are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to our Company and the cost of the item can be measured reliably. All other repairs and maintenance are generally charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as 'Capital work-in-progress'. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition/ construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

Subsequent measurement

Depreciation has been provided on the written down value basis as per the useful life prescribed in Schedule II to the Act, except in respect of the certain assets where the useful life is considered differently based on technical evaluation. Management believe that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The asset's useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Particulars	Useful lives estimated by management (years)
Buildings – RCC frame structure	60 years
Building – Other than RCC frame structure	30 years
Plant and machinery	15 years
Moulds	15 years

Particulars	Useful lives estimated by management (years)
Electrical installation and equipments	10 years
Computers and data processing units	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8-10 years

Any item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use;
- the ability to use the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is recognised in the statement profit and loss in the period in which it is incurred.

Subsequent measurement

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The asset's useful lives and methods of amortisation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

The estimated useful lives of intangible assets for the current and comparative periods are as follows:

Intangible assets	Useful lives estimated by management (years)
Software	6 years

De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Inventories

Inventories are valued at lower of cost or net realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Direct materials, direct labour and an appropriate proportion of variable and fixed production overheads, the later being allocated on the basis of normal operating capacity
Finished goods (traded)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs including taxes that are not refundable incurred in bringing the inventories to their present location and condition.

The factors that our Company considers in determining the allowance for non-moving, slow moving, obsolete and other non-saleable inventory includes ageing, usability etc., to the extent each of these factors impact the business and markets. Our Company considers all these factors and adjusts the inventory provision to reflect our actual experience on a periodic basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Leases

Group as a lessee – Right-of-use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right-to-use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

Our Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of right-of-use assets

At lease commencement date, our Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by our Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of right-of-use assets

Our Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Our Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At lease commencement date, our Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or our Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

Our Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which our Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straight-line basis over the lease-term.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are recognized when our Company becomes a party to the contractual provisions of the instrument. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. Financial assets are classified as:

- Subsequently measured at amortised cost;
- Fair value through other comprehensive income ("**FVTOCI**"); or
- Fair value through profit or loss ("**FVTPL**")

Recognition and initial measurement of financial assets

Our Company measures a financial asset (except trade receivables) at its fair value plus or in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are adjusted. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Subsequent measurement of financial assets

Amortised cost

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Fair value through other comprehensive income

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income ("**OCI**"). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is re-classified from the equity to Statement of Profit and Loss.

Fair value through profit or loss

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Derecognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or our Company has transferred our rights to receive cash flows from the asset.

Impairment of financial assets

Our Company assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, our Company applies the simplified approach (provision matrix approach) of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of our other financial assets, our Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, our Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, our Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, our Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. Our Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Financial liabilities

Financial liabilities are recognised when our Company becomes a party to the contractual provisions of the instrument.

Recognition and initial measurement of financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement of financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest rate method. The effective interest rate amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of our Company or the counterparty.

Fair value measurement

Our Company measures financial instruments at fair value at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, our Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, our Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

Foreign currency

Functional and presentation currency

The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Holding Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the period/year in which they arise.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of statement of cash flows comprise cash at banks and on hand, short term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

Employee benefits

Short-term employee benefits

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within twelve months from the end of the year in which the employee render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefits

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. This is as per the policy of our Company. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

Defined contribution plan

Contribution towards provident fund is made to the regulatory authorities, where our Company has no further obligations. Such benefits are classified as defined contribution plan as our Company does not carry any further obligations, apart from the contributions made on a monthly basis. In addition, contributions are made to employees' state insurance schemes and labour welfare fund, which are also defined contribution plans recognized and administered by the Government of India. Our Company's contributions to these schemes are expensed in the statement of profit and loss.

Defined benefit plan

Our Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee’s length of service and final salary. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Our Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each period/year. This is based on standard rates of inflation, salary growth rate and mortality.

Discount factors are determined close to each period-end/year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on our Company’s defined benefit plan is included in employee benefits expense.

Actuarial gains/losses resulting from re-measurements of the defined benefit obligation are included in other comprehensive income.

Revenue recognition

Revenue from sale of products

Revenue from sale of products is recognised when our Company satisfies a performance obligation upon transfer of control of products to customers at the time of shipment to or receipt of products by the customers as per the terms of the underlying contracts.

Our Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. Our Company considers indicators such as how customer consumes benefits or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. Invoices are issued as per the general business terms and are payable immediately or in accordance with the agreed credit period i.e., in the range of 30 to 90 days.

Revenues are measured based on the transaction price allocated to the performance obligation, which is the consideration, net of taxes or duties collected on behalf of the government and applicable discounts and allowances. The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels and expected sell-through levels in supply chain. The transaction price is allocated to each separately identifiable performance obligation in the contract on the basis of the relative standalone selling prices of the promised products. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes significant financing component.

A receivable is recognised by our Company when control of the products is transferred and our right to an amount of consideration under the contract with the customer is unconditional, as only the passage of time is required. When either party to a contract has performed, our Company presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment.

Our Company’s obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

Rendering of services

Revenue from services is recognized as and when related services are rendered. Our Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which our Company expects to be entitled in exchange for the services, excluding amounts collected on behalf of third parties (for example, indirect taxes).

A receivable is recognised by our Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required. When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the payment.

No element of financing is deemed present as the sales are made with insignificant credit terms depending on the specific terms agreed with customers.

Export incentives

Income in respect of entitlement towards export incentives is recognised in accordance with the relevant scheme on recognition of the related export sales. Such export incentives are recorded as part of other operating revenue.

Interest income

Interest income is recorded on accrual basis using the effective interest rate ("EIR") method.

Discontinued operations

A discontinued operation is a component of the entity that has been disposed-off or is classified as held for sale and:

- Represents a separate major line of business or geographical area of operations; and
- Is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately as a single amount as statement of profit and loss after tax discontinued operations in the statement of profit and loss.

Provisions, contingent liabilities and contingent assets

Provisions are recognized when our Company has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognized only when realization of income is virtually certain.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue or share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying our Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

- **Recognition of deferred tax assets –** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income (supported by convincing evidence) against which the deferred tax assets can be utilized.

- **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

- **Contingent liabilities –** At each balance sheet date basis the management judgment, changes in facts and legal aspects, our Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

- **Impairment of financial assets –** At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

- **Defined benefit obligation ("DBO") –** Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

- **Useful lives of depreciable/amortisable assets –** Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

- **Leases –** Our Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. Our Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. Our Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if our Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if our Company is reasonably certain not to exercise that option. In assessing whether our Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for our Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. Our Company revises the lease term if there is a change in the non-cancellable period of a lease.

- **Discounts/rebate to customers –** Our Company provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates, and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer, which may be some time after the date of sale. Accordingly, our Company estimates the amount of such incentives basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking and the business forecast. Such estimates are subject to the estimation uncertainty.

- **Fair value measurements –** Management applies valuation techniques to determine fair value of equity/preference shares (where active market quotes are not available). This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares or stock options.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on our Company and that are believed to be reasonable under the circumstances.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Total income

Total income comprises revenue from operations and other income.

Revenue from operations

Revenue from operations comprise (i) export and domestic sale of products (including spare parts); (ii) sale of services from domestic services; and (iii) other operating revenue from (a) export duty drawback and (b) sale of scrap.

Other income

Other income includes (i) rent income; (ii) interest on bank fixed deposit; (iii) interest on income tax refund; (iv) net gain on redemption and fair value of financial assets measured at FVTPL; (v) foreign currency transaction and translation (net); (vi) profit on sale of assets; and (vii) government subsidy.

Expenses

Total expenses comprise (i) cost of materials consumed; (ii) purchases of stock-in-trade; (iii) change in inventories of finished goods, work in progress, stock-in-trade; (iv) employee benefit expenses; (v) finance cost; (vi) depreciation and amortization; and (vii) other expenses.

Cost of materials consumed

Cost of materials consumed consists of costs for raw materials such as RO membrane sheet, pump armature, power supply, UV lamp and UF membrane.

Purchases of Stock-in-trade

Purchases of Stock-in-trade consists of purchases of vacuum cleaners, air fryers and electric kettles.

Change in inventories of finished goods, work in progress, stock-in-trade

Change in inventories of finished goods, work in progress, stock-in-trade denotes increase/ decrease in inventories of finished goods, work in progress and stock-in-trade between opening and closing dates of a reporting period.

Employee benefits expense

Employee benefits expense comprises (i) basic salary, wages and allowances; (ii) contribution to provident fund and other funds; (iii) gratuity expenses; and (iv) staff welfare expenses.

Finance costs

Finance costs primarily comprise (i) interest to bank; (ii) interest on consumer finance; and (iii) interest expenses on lease liability.

Depreciation and amortization expense

Depreciation and amortization expense include (i) depreciation on property, plant and equipment; (ii) depreciation of right-of-use asset; and (iii) amortization of intangible assets.

Other expenses

Other expenses primarily include (i) advertisement and business promotion; (ii) power and fuel; (iii) rent; (iv) repairs and maintenance - building; (v) repairs and maintenance - machinery; (vi) repairs and maintenance - others/software; (vii) sub contracting expenses; (viii) legal and professional fees; (ix) product warranties and service charges; (ix) freight and forwarding; (x) royalty on intellectual property rights; and (x) miscellaneous expenses.

NON-GAAP MEASURES

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance and liquidity. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures disclosed in the financial statements prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures.

EBITDA, EBITDA Margin, PAT Margin and Return on Equity ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA, EBITDA Margin and Return on Equity is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, Non-GAAP Measures are not standardised terms, hence a direct comparison of Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measure differently from us, limiting its usefulness as a comparative measure. Although Non-GAAP Measures is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

Reconciliation of profit after tax from continuing operations to EBITDA and EBITDA Margin

The table below reconciles profit after tax from continuing operations to EBITDA. EBITDA is calculated as profit before tax from continuing operations plus (a) finance costs and (b) depreciation and amortization expense, and (c) less other income, while EBITDA Margin is calculated as operating EBITDA divided by revenue from operations.

Particulars	**Six months ended September 30, 2024**	**Fiscal**		
		2024	**2023**	**2022**
	(₹ million, unless otherwise stated)			
Profit before tax from continuing operations **(A)**	893.38	2,210.14	1,321.52	2,071.73
Add: Finance costs **(B)**	5.68	8.85	9.04	9.58
Add: Depreciation and amortisation expense **(C)**	228.49	425.79	410.78	309.83
Less: Other Income **(D)**	468.29	824.76	247.51	383.05
EDITDA (E) = (A) + (B) + (C) + - (D)	**659.26**	**1,820.02**	**1,493.83**	**2,008.09**
Revenue from operations **(F)**	6,371.88	11,781.85	10,843.93	10,473.67
EBITDA Margin (G) = (E)/(F)	**10.35%**	**15.45%**	**13.78%**	**19.17%**

Reconciliation of profit after tax from continuing operations to Return on Equity

The table below reconciles profit after tax from continuing operations to return on equity. Return on equity is calculated as profit after tax from continuing operations divided by total equity.

Particulars	**Six months ended September 30, 2024**	**Fiscal**		
		2024	**2023**	**2022**
	(₹ million, unless otherwise stated)			
Profit after tax from continuing operations **(A)**	698.62	1,669.83	976.15	1,546.80
Total equity **(B)**	16,469.92	16,786.61	15,110.32	14,490.83
Return on equity (C) = (A)/(B)	**4.24%***	**9.95%**	**6.46%**	**10.67%**

**Not annualised.*

Reconciliation of profit after tax from continuing operations to PAT Margin

The table below reconciles profit after tax from continuing operations to PAT Margin. PAT Margin is calculated as profit after tax from continuing operations divided by total income.

Particulars	Six months ended September 30, 2024	Fiscal		
		2024	2023	2022
	(₹ million, unless otherwise stated)			
Profit after tax from continuing operations **(A)**	698.62	1,669.83	976.15	1,546.80
Total income **(B)**	6,840.17	12,606.61	11,091.44	10,856.72
PAT Margin (C) = (A)/(B)	10.21%	13.25%	8.80%	14.25%

RESULTS OF OPERATIONS

The following table sets forth select financial data derived from our restated consolidated statement of profit and loss for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, and we have expressed the components of select financial data as a percentage of total income for such period/ years:

Particulars	Six months ended September 30, 2024		Fiscals					
			2024		2023		2022	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income								
Revenue from operations	6,371.88	93.15%	11,781.85	93.46%	10,843.93	97.77%	10,473.67	96.47%
Other income	468.29	6.85%	824.76	6.54%	247.51	2.23%	383.05	3.53%
Total income	**6,840.17**	**100.00%**	**12,606.61**	**100.00%**	**11,091.44**	**100.00%**	**10,856.72**	**100.00%**
Expenses								
Cost of Materials Consumed	2,342.89	34.25%	4,015.07	31.85%	3,656.89	32.97%	3,402.41	31.34%
Purchases of Stock-in-trade	432.57	6.32%	520.25	4.13%	938.28	8.46%	930.46	8.57%
Change in inventories of Finished goods, Work in progress, Stock-in-trade	(260.00)	(3.80)%	93.79	0.74%	(396.18)	(3.57)%	(72.39)	(0.67)%
Employee Benefit Expense	859.51	12.57%	1,711.56	13.58%	1,731.83	15.61%	1,555.89	14.33%
Finance Costs	5.68	0.08%	8.85	0.07%	9.04	0.08%	9.58	0.09%
Depreciation and amortization expense	228.49	3.34%	425.79	3.38%	410.78	3.70%	309.83	2.85%
Other Expenses	2,337.65	34.18%	3,621.16	28.72%	3,419.28	30.83%	2,649.21	24.40%
Total expenses	**5,946.79**	**86.94%**	**10,396.47**	**82.47%**	**9,769.92**	**88.09%**	**8,784.99**	**80.92%**
Profit/ (loss) before tax from continuing operations	**893.38**	**13.06%**	**2,210.14**	**17.53%**	**1,321.52**	**11.91%**	**2,071.73**	**19.08%**
Tax expense								
- Current tax	126.40	1.85%	467.63	3.71%	394.53	3.56%	523.55	4.82%
- Deferred tax (net)	68.36	1.00%	72.68	0.58%	(49.16)	(0.44)%	1.38	0.01%
Total tax expense	**194.76**	**2.85%**	**540.31**	**4.29%**	**345.37**	**3.11%**	**524.93**	**4.84%**

Particulars	Six months ended September 30, 2024		Fiscals					
			2024		2023		2022	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Profit/ (loss) after tax from continuing operations	**698.62**	**10.21%**	**1,669.83**	**13.25%**	**976.15**	**8.80%**	**1,546.80**	**14.25%**
Loss before tax from discontinued operations	(2.21)	(0.03)%	(4.68)	(0.04)%	(4.87)	(0.04)%	(4.89)	(0.05)%
Tax expense of discontinued operations	(0.17)	(0.00)%	(0.30)	(0.00)%	(0.30)	(0.00)%	(0.30)	(0.00)%
Loss after tax from discontinued operations	**(2.04)**	**(0.03)%**	**(4.38)**	**(0.03)%**	**(4.57)**	**(0.04)%**	**(4.59)**	**(0.04)%**
Profit for the period/ year	**696.58**	**10.18%**	**1,665.45**	**13.21%**	**971.58**	**8.76%**	**1,542.21**	**14.21%**

SIX MONTHS ENDED SEPTEMBER 30, 2024

Total income

Total income was ₹ 6,840.17 million for six months ended September 30, 2024.

Revenue from operations

Revenue from operations was ₹ 6,371.88 million for six months ended September 30, 2024, primarily due to revenue from domestic sale of finished goods of ₹ 6,098.51 million. The table below sets forth the revenues from water purifiers and water softeners, kitchen and home appliances and fans, expressed as a percentage of revenue from operations for the six months ended September 30, 2024:

Product Category	For the six months ended September 30, 2024	
	Amount (₹ million)	As a percentage of revenue from operations
Water Purifiers and water softeners	5,368.05	84.25%
Fans	403.24	6.33%
Kitchen and home appliances	574.15	9.01%
Others*	26.44	0.41%
Total	**6,371.88**	**100.00%**

**Others include sale of scrap, export incentives, and other products.*

Other income

Other income was ₹ 468.29 million for six months ended September 30, 2024, primarily due to net gain on redemption and fair value of financial assets measured at FVTPL of ₹ 368.46 million and interest income on financial assets carried at amortised cost of ₹ 72.10 million.

Expenses

Total expenses was ₹ 5,946.79 million in the six months ended September 30, 2024, which was primarily attributable to cost of materials consumed of ₹ 2,342.89 million and other expenses of ₹ 2,337.65 million.

Cost of Materials Consumed

Cost of materials consumed was ₹ 2,342.89 million for six months ended September 30, 2024, primarily due to cost of components and materials that we sourced from suppliers for manufacturing of finished goods.

Purchases of stock-in-trade

Purchases of stock-in-trade were ₹ 432.57 million for six months ended September 30, 2024, primarily due to purchase of finished goods of domestic appliances.

Change in inventories of Finished goods, Work in progress, Stock-in-trade

Change in inventories of finished goods, work in progress, stock-in-trade was ₹ (260.00) million for six months ended September 30, 2024, primarily due to decrease/(increase) in inventories during the year.

Employee benefits expense

Employee benefits expense was ₹ 859.51 million for six months ended September 30, 2024, primarily due to salaries, wages, bonus, commission and other benefits of ₹ 792.22 million.

Finance costs

Finance costs was ₹ 5.68 million for six months ended September 30, 2024, primarily due to other borrowing costs of ₹ 3.48 million.

Depreciation and amortization expense

Depreciation and amortization expense was ₹ 228.49 million for six months ended September 30, 2024, primarily due to (i) depreciation of property, plant and equipment of ₹ 194.91 million and depreciation of right-of-use assets of ₹ 31.47 million.

Other expenses

Our other expenses were ₹ 2,337.65 million for six months ended September 30, 2024, primarily due to (i) advertisement and promotion of ₹ 1,288.99 million; (ii) sub contracting expenses of ₹ 240.32 million; (iii) freight and forwarding of ₹ 171.46 million; (iv) product warranties and service charges of ₹ 129.71 million; (v) commission expense of ₹ 106.57 million; (vi) information technology expense of ₹ 75.99 million; and (vii) royalty on intellectual property rights of ₹ 72.92 million.

Profit/ (Loss) before tax from continuing operations

For the reasons discussed above, profit/ (loss) before tax was ₹ 893.38 million for six months ended September 30, 2024.

Tax expense

Current tax was ₹ 126.40 million for six months ended September 30, 2024, and deferred tax was ₹ 68.36 million for six months ended September 30, 2024. As a result, total tax expense was ₹ 194.76 million for six months ended September 30, 2024.

Profit for the period

As a result of the foregoing, profit for the period was ₹ 696.58 million for six months ended September 30, 2024.

FISCAL 2024 COMPARED TO FISCAL 2023

Total income

Total income increased by 13.66% from ₹ 11,091.44 million in Fiscal 2023 to ₹ 12,606.61 million in Fiscal 2024. This was primarily attributable to an increase in revenue from operations and other income.

Revenue from operations

Revenue from operations increased by 8.65% from ₹ 10,843.93 million in Fiscal 2023 to ₹ 11,781.85 million in Fiscal 2024, primarily due to an increase in revenue from domestic sale of finished goods from ₹ 10,335.34 million in Fiscal 2023 to ₹ 11,267.05 million in Fiscal 2024. The table below sets forth the revenues from water purifiers and water softeners, kitchen and home appliances and fans, expressed as a percentage of revenue from operations for the years indicated:

Product Category	Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations
Water Purifiers and water softeners	10,124.16	85.93%	9,406.71	86.75%
Fans	307.14	2.61%	112.00	1.03%
Kitchen and home appliances	1,256.09	10.66%	1,192.69	11.00%
Others*	94.46	0.80%	132.53	1.22%
Total	**11,781.85**	**100.00%**	**10,843.93**	**100.00%**

**Others include sale of scrap, export incentives, and other products.*

Other income

Other income increased from ₹ 247.51 million in Fiscal 2023 to ₹ 824.76 million in Fiscal 2024, primarily due to an increase in interest income on financial assets carried at amortised cost from ₹ 185.38 million in Fiscal 2023 to ₹ 224.54 million in Fiscal 2024 and net gain on redemption and fair value of financial assets measured at FVTPL from ₹ 18.87 million in Fiscal 2023 to ₹ 519.97 million in Fiscal 2024.

Expenses

Total expenses increased by 6.41% from ₹ 9,769.92 million in Fiscal 2023 to ₹ 10,396.47 million in Fiscal 2024, primarily due to an increase in cost of materials consumed, depreciation and amortization, and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 9.79% from ₹ 3,656.89 million in Fiscal 2023 to ₹ 4,015.07 million in Fiscal 2024, primarily due to increase in sales. As a percentage of total income, our cost of material consumed was 31.85% in Fiscal 24 as compared to 32.97% in Fiscal 2023.

Purchases of stock-in-trade

Purchases of stock-in-trade decreased by 44.55% from ₹ 938.28 million in Fiscal 2023 to ₹ 520.25 million in Fiscal 2024, primarily due to increase in production of own manufactured goods rather than purchase finished goods from suppliers.

Change in inventories of Finished goods, Work in progress, Stock-in-trade

Change in inventories of finished goods, work in progress, stock-in-trade was ₹ (396.18) million in Fiscal 2023 compared to ₹ 93.79 million in Fiscal 2024, primarily due to comparatively low inventory of Raw material and packing materials and of Stock in trade.

Employee benefits expenses

Employee benefits expenses decreased by 1.17% from ₹ 1,731.83 million in Fiscal 2023 to ₹ 1,711.56 million in Fiscal 2024, primarily due to an decrease in salaries, wages, bonus, commission and other benefits from ₹ 1,594.23 million in Fiscal 2023 to ₹ 1,575.41 million in Fiscal 2024 on account of decrease in the number of employees.

Finance cost

Finance cost decreased by 2.10% from ₹ 9.04 million in Fiscal 2023 to ₹ 8.85 million in Fiscal 2024, primarily due to a decrease in other borrowing costs from ₹ 4.56 million in Fiscal 2023 to ₹ 3.82 million in Fiscal 2024.

Depreciation and amortization expense

Depreciation and amortization expense increased by 3.65% from ₹ 410.78 million in Fiscal 2023 to ₹ 425.79 million in Fiscal 2024, primarily due to depreciation on property, plant and equipment from ₹ 351.37 million in Fiscal 2023 to ₹ 363.87 million in Fiscal 2024.

Other expenses

Our other expenses increased by 5.90% from ₹ 3,419.28 million in Fiscal 2023 to ₹ 3,621.16 million in Fiscal 2024, primarily due to increases in: (i) advertisement and promotion from ₹ 1,437.02 million in Fiscal 2023 to ₹ 1,550.40 million in Fiscal 2024; (ii) provision for impairment on financial assets from nil in Fiscal 2023 to ₹ 100.00 million in Fiscal 2024; (iii) freight and forwarding from ₹ 242.83 million in Fiscal 2023 to ₹ 281.15 million in Fiscal 2024; (iv) bad debts written off from nil in Fiscal 2023 to ₹ 11.78 million in Fiscal 2024; and (x) sub contracting expenses from ₹ 426.90 million in Fiscal 2023 to ₹ 440.25 million in Fiscal 2024. These were partially offset by a decrease in repairs and maintenance – others from ₹ 82.51 million to ₹ 67.84 million. Other expenses as a percentage to total income was 28.72% in Fiscal year 2024 as compared to 30.83% in Fiscal year 2023.

Profit/ (Loss) before tax from continuing operations

For the reasons discussed above, profit before tax from continuing operations was ₹ 2,210.14 million in Fiscal 2024, compared to ₹ 1,321.52 million in Fiscal 2023.

Tax expense

Current tax was ₹ 467.63 million in Fiscal 2024 compared to ₹ 394.53 million in Fiscal 2023 on account of increase in profit for the year, and deferred tax was ₹ 72.68 million Fiscal 2024 compared to ₹ (49.16) million in Fiscal 2023. As a result, total tax expense increased by 56.44% from ₹ 345.37 million Fiscal 2023 to ₹ 540.31 million in Fiscal 2024.

Profit/ (loss) for the year

Our profit for the year was ₹ 1,665.45 million in Fiscal 2024, compared to ₹ 971.58 million in Fiscal 2023 primarily due to increase in revenue from operations from ₹ 10,843.93 million in Fiscal 2023 to ₹ 11,781.85 million in Fiscal 2024 and other income from ₹ 247.51 million in Fiscal 2023 to ₹ 824.76 million on account of increase in net gain on redemption and fair value of financial assets measured at FVTPL from ₹ 18.87 million in Fiscal 2023 to ₹ 519.97 million in Fiscal 2024.

FISCAL 2023 COMPARED TO FISCAL 2022

Total income

Total income increased by 2.16% from ₹ 10,856.72 million in Fiscal 2022 to ₹ 11,091.44 million in Fiscal 2023. This was primarily attributable to an increase in revenue from operations.

Revenue from operations

Revenue from operations increased by 3.54% from ₹ 10,473.67 million in Fiscal 2022 to ₹ 10,843.93 million in Fiscal 2023, primarily due to an increase in revenue from domestic sale of finished goods from ₹ 9,964.04 million in Fiscal 2022 to ₹ 10,335.34 million in Fiscal 2023, and revenue from sale of services from ₹ 142.48 million in Fiscal 2022 to ₹ 155.73 million in Fiscal 2023. The table below sets forth the revenues from water purifiers and water softeners, kitchen and home appliances and fans, expressed as a percentage of revenue from operations for the years indicated:

Product Category	Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	As a percentage of revenue from operations	Amount (₹ million)	As a percentage of revenue from operations
Water Purifiers and water softeners	9,406.71	86.75%	9,099.83	86.88%
Fans	112.00	1.03%	Nil	Nil
Kitchen and home appliances	1,192.69	11.00%	1,275.64	12.18%
Others*	132.53	1.22%	98.2	0.94%
Total	**10,843.93**	**100.00%**	**10,473.67**	**100.00%**

**Others include sale of scrap, export incentives, and other products.*

Other income

Other income decreased by 35.38% from ₹ 383.05 million in Fiscal 2022 to ₹ 247.51 million in Fiscal 2023, primarily due to an decrease in net gain on redemption and fair value of financial assets measured at FVTPL from ₹ 132.38 million in Fiscal 2022 to ₹ 18.87 million in Fiscal 2023, and liabilities no longer required written back from ₹ 35.01 million in Fiscal 2022 to nil in Fiscal 2023. These were partially offset by an increase in dividend income from ₹ 3.37 million in Fiscal 2022 to ₹ 9.34 million in Fiscal 2023.

Expenses

Total expenses increased by 11.21% from ₹ 8,784.99 million in Fiscal 2022 to ₹ 9,769.92 million in Fiscal 2023, primarily due to an increase in cost of materials consumed, purchases of stock-in-trade, change in inventories of finished goods, work in progress, stock-in-trade, employee benefits expense, depreciation and amortization, and other expenses. Total expenses as a percentage to total income was 88.09% in Fiscal 2023 as compared to 80.92% in Fiscal year 2022.

Cost of Materials Consumed

Cost of materials consumed increased by 7.48% from ₹ 3,402.41 million in Fiscal 2022 to ₹ 3,656.89 million in Fiscal 2023 primarily due to higher consumption of materials needed for our operations, which aligned with an increase in our revenue from the sale of finished goods. Additionally, the cost of materials consumed increased due to higher raw material prices. As a percentage of total income, the cost of materials consumed was 32.97% in Fiscal 2023, compared to 31.34% in Fiscal 2022.

Purchases of stock-in-trade

Purchases of stock-in-trade increased by 0.84% from ₹ 930.46 million in Fiscal 2022 to ₹ 938.28 million in Fiscal 2023.

Change in inventories of Finished goods, Work in progress, Stock-in-trade

Change in inventories of finished goods, work in progress, stock-in-trade was ₹ (72.39) million in Fiscal 2022 compared to ₹ (396.18) million in Fiscal 2023, primarily due to an increase in closing stock of finished goods from ₹ 868.46 million in Fiscal 2022 to ₹ 1,295.94 million in Fiscal 2023.

Employee benefits expenses

Employee benefits expenses increased by 11.31% from ₹ 1,555.89 million in Fiscal 2022 to ₹ 1,731.83 million in Fiscal 2023, primarily due to an increase in salaries, wages, bonus, commission and other benefits from ₹ 1,432.65 million in Fiscal 2022 to ₹ 1,594.23 million in Fiscal 2023 and staff welfare expense from ₹ 26.41 million in Fiscal 2022 to ₹ 35.78 million in Fiscal 2023.

Finance costs

Finance costs decreased by 5.64% from ₹ 9.58 million in Fiscal 2022 to ₹ 9.04 million in Fiscal 2023, primarily due to a decrease in interest expense on working capital facilities from banks from ₹ 2.13 million in Fiscal 2022 to ₹ 1.84 million in Fiscal 2023.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 32.58% from ₹ 309.83 million in Fiscal 2022 to ₹ 410.78 million in Fiscal 2023, primarily due to an increase in depreciation of right of use asset from ₹ 52.88 million in Fiscal 2022 to ₹ 58.62 million in Fiscal 2023, and depreciation of property, plant and equipment from ₹ 257.70 million in Fiscal 2022 to ₹ 351.37 million in Fiscal 2023.

Other expenses

Our other expenses increased by 29.07% from ₹ 2,649.21 million in Fiscal 2022 to ₹ 3,419.28 million in Fiscal 2023, primarily due to increases in: (i) power and fuel from ₹ 39.07 million in Fiscal 2022 to ₹ 46.18 million in Fiscal 2023; (ii) advertisement and promotion from ₹ 1,186.42 million in Fiscal 2022 to ₹ 1,437.02 million in Fiscal 2023; (iii) sub contracting expenses from ₹ 316.90 million in Fiscal 2022 to ₹ 426.90 million in Fiscal 2023; (iv) commission expenses from ₹ 167.06 million in Fiscal 2022 to ₹ 213.00 million in Fiscal 2023; (v) travelling and conveyance from ₹ 96.47 million in Fiscal 2022 to ₹ 123.03 million in Fiscal 2023; (vi) legal and professional charges from ₹ 52.55 million in Fiscal 2022 to ₹ 61.87 million in Fiscal 2023; (vii) freight and forwarding from ₹ 200.67 million in Fiscal 2022 to ₹ 242.83 million in Fiscal 2023; (viii) provision for expected credit loss from nil in Fiscal 2022 to ₹ 68.07 million in Fiscal 2023; and (ix) product warranties and service charges from ₹ 235.19 million to ₹ 300.21 million.

Profit/ (Loss) before tax from continuing operations

For the reasons discussed above, profit before tax was ₹ 1,321.52 million in Fiscal 2023, compared to ₹ 2,071.73 million in Fiscal 2022.

Tax expense

Current tax decreased by 24.64% from ₹ 523.55 million in Fiscal 2022 to ₹ 394.53 million in Fiscal 2023 on account of decrease in profit for the year, and deferred tax was ₹ (49.16) million Fiscal 2023 compared to ₹ 1.38 million in Fiscal 2022 primarily due to deferred tax assets created on account of provisions for employees benefits. As a result, total tax expense decreased by 34.21% from ₹ 524.93 million Fiscal 2022 to ₹ 345.37 million in Fiscal 2023.

Profit/ (loss) for the year

Our profit for the year was ₹ 971.58 million in Fiscal 2023, compared to ₹ 1,542.21 million in Fiscal 2022. Our profit for the year decreased from Fiscal 2022 to Fiscal 2023 primarily due to increase in advertisement and business promotion expense from ₹ 1,186.42 million in Fiscal 2022 to ₹ 1,437.02 million in Fiscal 2023 and increase in employee benefits expense from ₹ 1,555.89 million in Fiscal 2022 to ₹ 1,731.83 million in Fiscal 2023. These increases were mainly due to the launch of our fans under the 'Kuhl' brand, for which we invested in advertising and business promotion and hired additional employees.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through funds generated from our operations.

CASH FLOWS

The following table sets forth our cash flows and cash and cash equivalents for the period / years indicated:

Particulars	**Six months ended September 30, 2024**	**Fiscals**		
		2024	**2023**	**2022**
	(₹ million)			
Net cash flows from operating activities	446.22	1,555.25	637.41	1,157.91
Net cash flows from/(used in) investing activities	474.54	(1,316.24)	(301.48)	(1,234.27)
Net cash (used in)/flows from financing activities	(932.35)	(156.02)	(354.66)	78.86
Net (decrease)/increase in cash and cash equivalents during the period/year	**(11.59)**	**82.99**	**(18.73)**	**2.50**
Cash and cash equivalents at the beginning of the period/year	191.73	108.35	127.85	126.24
Cash flow from discontinued operations during the period/year	(0.28)	0.39	(0.77)	(0.89)
Cash and cash equivalents at the end of the period/year	**179.86**	**191.73**	**108.35**	**127.85**

Operating activities

Six months ended September 30, 2024

Net cash generated from operating activities was ₹ 446.22 million in the six months ended September 30, 2024. Profit before tax was ₹ 891.17 million, which was adjusted primarily for depreciation and amortisation expense of ₹ 230.52 million, net gain on redemption and fair valuation of financial assets carried at FVTPL of ₹ (368.46) million and interest income of ₹ (74.75) million.

Operating profit before working capital changes was ₹ 675.18 million in the six months ended September 30, 2024. Changes in working capital in the six months ended September 30, 2024 primarily consisted of working capital adjustments to inventories of ₹ (239.19) million, trade receivables of ₹ (265.59) million, trade payables of ₹ 34.31 million, other financial assets, loans and other assets of ₹ (49.58) million and other financial assets, provisions and other financial and non-financial liabilities of ₹ 398.01 million. Cash generated from operating activities was ₹ 553.14 million. Income taxes paid was ₹ (106.92) million.

Fiscal 2024

Net cash generated from operating activities was ₹ 1,555.25 million in Fiscal 2024. Profit before tax was ₹ 2,205.46 million, which was adjusted primarily for depreciation and amortisation expenses of ₹ 429.88 million, interest income of ₹ (253.64) million and net gain on redemption and fair valuation of financial assets carried at FVTPL of ₹ (519.97) million.

Operating profit before working capital changes was ₹ 1,979.40 million in Fiscal 2024. Changes in working capital in Fiscal 2024 primarily consisted of working capital adjustments to inventories of ₹ 304.94 million, trade receivables of ₹ (333.90) million, trade payables of ₹ (51.38) million, other financial assets, loans and other assets of ₹ 46.99 million and other financial assets, provisions and other liabilities of ₹ 86.49 million. Cash generated from operating activities was ₹ 2,032.54 million. Income taxes paid was ₹ (477.29) million.

Fiscal 2023

Net cash generated from operating activities was ₹ 637.41 million for Fiscal 2023. Profit before tax was ₹ 1,316.65 million, which was adjusted primarily for depreciation and amortisation expenses of ₹ 414.90 million, interest income of ₹ (185.38) million and net gain on redemption and fair valuation of financial assets carried at FVTPL of ₹ (18.87) million.

Operating profit before working capital changes was ₹ 1,611.49 million in Fiscal 2023. Changes in working capital for Fiscal 2023 primarily consisted of working capital adjustments to inventories of ₹ (758.32) million, trade receivables of ₹ 11.45 million, trade payables of ₹ 169.58 million, other financial assets, loans and other assets of ₹ (141.82) million and other financial assets, provisions and other liabilities of ₹ 184.83 million. Cash generated from operating activities was ₹ 1,077.21 million. Income taxes paid was ₹ (439.80) million.

Fiscal 2022

Net cash from operating activities was ₹ 1,157.91 million for Fiscal 2022. Profit before tax was ₹ 2,066.84 million, which was adjusted primarily for depreciation and amortisation expenses of ₹ 313.98 million, interest income of ₹ (180.69) million and net gain on redemption and fair valuation of financial assets carried at FVTPL of ₹ (132.38) million.

Operating profit before working capital changes was ₹ 2,036.89 million in Fiscal 2022. Changes in working capital for Fiscal 2022 primarily consisted of working capital adjustments to inventories of ₹ (297.60) million, trade receivables of ₹ (87.95) million, trade payables of ₹ (112.10) million, other financial assets, loans and other assets of ₹ 32.69 million and other financial assets, provisions and other liabilities of ₹ 159.60 million. Cash generated from operating activities was ₹ 1,731.53 million. Income taxes paid was ₹ (573.62) million.

Investing activities

Six months ended September 30, 2024

Net cash flow from investing activities was ₹ 474.54 million in the six months ended September 30, 2024, primarily due to payment for acquisition of property plant and equipment, right-of-use assets and intangible assets of ₹ (733.75) million, investment made in equity shares, mutual funds and alternative investment funds of ₹ (283.41) million and maturity of deposits with banks with original maturity of more than three months but less than twelve months (net) of ₹ 1,352.49 million.

Fiscal 2024

Net cash used in investing activities was ₹ (1,316.24) million in Fiscal 2024, primarily due to payment for acquisition of property plant and equipment, right-of-use assets and intangible assets of ₹ (1,335.25) million, investment made in equity shares, mutual funds and alternate investment funds of ₹ (642.92) million, realisation from investments made in equity shares, mutual funds and alternate investment funds of ₹ 172.71 million.

Fiscal 2023

Net cash used in investing activities was ₹ (301.48) million for Fiscal 2023, primarily due to payment for acquisition of property plant and equipment, right-of-use assets and intangible assets of ₹ (1,069.55) million, maturity of deposits with banks with original maturity of more than three months but less than twelve months (net) of ₹ 255.27 million, realisation from investments of ₹ 674.08 million and investment made in equity shares, mutual funds and alternate investment funds of ₹ (347.64) million.

Fiscal 2022

Net cash used in investing activities was ₹ (1,234.27) million for Fiscal 2022, primarily due to payment for acquisition of property plant and equipment, right-of-use assets and intangible assets of ₹ (1,248.05) million, investment made in equity shares, mutual funds and alternate investment funds of ₹ (662.80) million and maturity of deposits with banks with original maturity of more than three months but less than twelve months (net) of ₹ 421.58 million.

Financing activities

Six months ended September 30, 2024

Net cash used in financing activities was ₹ 932.35 million in the six months ended September 30, 2024, primarily due to payment for buy back of shares of ₹ 821.06 million and payment of tax and expenses for buy back of shares of ₹ 191.28 million. This was partially offset by movement in short-term borrowings (net) of ₹ 95.18 million.

Fiscal 2024

Net cash used in financing activities was ₹ 156.02 million in Fiscal 2024, primarily due to movement in short-term borrowings (net) of ₹ 127.42 million, finance cost paid of ₹ 5.75 million and payment of principal portion of lease liabilities of ₹ 20.78 million.

Fiscal 2023

Net cash used in financing activities was ₹ 354.66 million for Fiscal 2023, primarily due to payment for buy back of shares of ₹ 285.28 million, payment of tax and expenses for buy back of shares of ₹ 66.51 million, finance cost paid of ₹ 6.40 million and payment of principal portion of lease liabilities of ₹ 19.85 million. This was partially offset by Movement in short-term borrowings (net) of ₹ 26.02 million.

Fiscal 2022

Net cash flow from financing activities was ₹ 78.86 million for Fiscal 2022, primarily due to movement in short-term borrowings (net) of ₹ 107.15 million, payment of principal portion of lease liabilities of ₹ 18.71 million and payment of interest portion of lease liabilities of ₹ 2.71 million.

INDEBTEDNESS

As at September 30, 2024, the borrowings of our Company were ₹ 102.41 million. The interest rate for the borrowings availed by our Company typically ranges between 7.50% and 8.40% per annum and in certain instances, the interest rate is linked to a base rate such as the fixed deposit rate, repo rate, or such other benchmark as may be specified by the lenders. The tenor of the facilities availed by our Company typically ranges within a year.

MATURITY PROFILE OF OUR FINANCIAL LIABILITIES

The following table detail our remaining contractual maturity for our non-derivative financial liabilities with agreed repayment periods as at September 30, 2024. The amounts are gross and undiscounted, and include contractual interest payments. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Non-derivative financial liabilities	Carrying Amount	On demand	0-1 year	1-5 years	More than 5 years	Total
Borrowings	102.41	-	102.41	-	-	102.41
Trade Payables	745.59	-	745.59	-	-	745.59
Other financial liabilities	663.10	-	663.10	-	-	663.10

CONTINGENT LIABILITIES

The table below sets forth our contingent liabilities disclosed as per Ind AS 37 for the periods indicated.

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ million)			
Disputed tax liabilities in respect of pending litigations before appellate authorities	163.34	163.34	160.21	153.14
Corporate guarantee issued to bank against facilities sanctioned to dealer/ distributor	3.72	-	-	-
Total	**167.06**	**163.34**	**160.21**	**153.14**

For further information relating to our contingent liabilities, see "***Restated Consolidated Financial Information – Note 36 – Commitments and contingencies***" on page 289.

COMMITMENTS

The table below sets forth our capital commitments disclosed as per Ind AS 37 for the periods indicated.

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ million)			
Property, plant and equipment (net of capital advances)	739.18	1,145.26	681.19	709.49

CAPITAL EXPENDITURES

Below are the additions to the property, plant and equipment during the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ in million)			
Freehold land	73.61	-	-	-
Buildings	78.34	708.73	931.74	10.69
Plant and machinery	3.48	29.79	233.56	39.51
Moulds	7.65	42.57	45.94	27.15
Electrical installations and equipments	-	9.95	40.56	-
Furniture and fittings	0.01	4.37	8.33	0.49
Motor vehicles	45.34	4.74	39.80	26.97
Computers and data processing units	8.75	6.62	28.87	20.42
Office equipments	0.84	3.73	39.01	1.37
Total	**218.02**	**810.50**	**1,367.81**	**126.60**

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions primarily involve the payment of salaries and commissions, payments towards advertisement and business promotion, as well as lease rent, royalty payments, and share buybacks. For further details, see "***Risk Factors - We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*** **"** **and "*****Restated Consolidated Financial Information – Note 42 – Related party disclosures***" on page 300.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies in the last three Fiscals and six months ended September 30, 2024.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

Credit risk

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents, above) and other financial assets is limited as our Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

We have established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are an institutional, dealers or end-user customer, their geographic location, industry, trade history with our Company and existence of previous financial difficulties.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. Typically we ensure that we have sufficient cash on demand to meet expected operational expenses, servicing of financial obligations. In addition, we have concluded arrangements with well reputed banks, and have unused lines of credit that could be drawn upon, should there be a need. We invest our surplus funds in bank fixed deposits and liquid investments.

Our liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of our liquidity position on the basis of expected cash flows.

Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect our income or the value of its holdings of financial instruments The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including cash and cash equivalents, foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk (currency risk) and the market value of our investments. Thus our exposure to market risk is a function of investing activities and revenue generating and operating activities in foreign currencies.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. We are exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on our financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from our operating, investing and financing activities.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT 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 that materially affect or are likely to affect income from continuing operations identified above in **"*– Significant Factors Affecting our Results of Operations*"** and the uncertainties described in "***Risk Factors***" on pages 315 and 26, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "***– Significant Factors Affecting our Results of Operations***" and the uncertainties described in "***Risk Factors***" on pages 315 and 26, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "***Risk Factors***", "***Our Business***" on pages 26 and 176, and this section respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "***Our Business***", "***Industry Overview***" and "***Risk Factors***" on pages 176, 119 and 26, respectively, for further details on competitive conditions that we face.

SEASONALITY/ CYCLICALITY OF BUSINESS

The demand for our products fluctuates with changes in weather and consumer behaviour throughout the year. For example, during the summer months, we typically experience higher sales of water purifiers, water softeners and fans due to increased water consumption and the need for cooling solutions. Conversely, in the winter season, sales of these products tend to decline as consumers prioritize other needs and perceive a reduced immediate necessity for water purification, water softening and cooling. Similarly, we experience higher sales of our kitchen and home appliances during festive seasons in India. For details, see "***Risk Factors - Sales of our products are affected by seasonality which may adversely affect our business, sales, results of operations, financial condition and cash flows.***" on page 41.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBERR 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed below, to our knowledge no circumstances have arisen since September 30, 2024, that could materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

1. Pursuant to a share purchase agreement dated December 3, 2024 ("**Share Purchase Agreement**"), and the Board resolutions dated September 20, 2024 and November 19, 2024, respectively, our Company has transferred its entire shareholding constituting 99.99% of the paid-up share capital of Dreamland Exim Private Limited to our Promoters, Mahesh Gupta and Sunita Gupta. In consideration for the aforementioned transfer, Mahesh Gupta and Sunita Gupta have paid a sum of ₹299.98 million to the Company at the rate of ₹0.02 million per equity share of face value of ₹ 10 each of Dreamland Exim Private Limited, as follows:

    (iii) Mahesh Gupta has paid a sum of ₹284.98 million in lieu of 14,249 equity shares of face value of ₹10 each of Dreamland Exim Private Limited; and

    (iv) Sunita Gupta has paid a sum of ₹15.00 million in lieu of 750 equity shares of face value of ₹10 each of Dreamland Exim Private Limited

2. Pursuant to resolutions passed by the Board of Directors and Shareholders of the Company, in their respective meetings held on November 19, 2024, the authorised share capital of the Company was sub-divided from 1,500,000 equity shares of face value of ₹10 each into 15,000,000 Equity Shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid-up share capital of the Company was sub-divided from 917,688 equity shares of face value of ₹10 each into 9,176,880 Equity Shares of face value of ₹1 each.

3. On November 19, 2024, the Company's Board approved the allotment of 91,768,800 Equity Shares with a face value of ₹1 each. These shares were distributed to the existing shareholders in a ratio of 10:1 as bonus shares, resulting in the paid up capital increasing to 100,945,680 Equity Shares. Details of bonus issue are as follows:

Date of allotment/ Transfer	Ratio	Name of allottees	Number of bonus shares allotted of ₹ 1 each
19-11-2024	1:10	Mahesh Gupta	4,69,69,000
19-11-2024	1:10	Sunita Gupta	3,36,09,100
19-11-2024	1:10	Varun Gupta	1,09,85,700
19-11-2024	1:10	Surbhi Gupta	4,700
19-11-2024	1:10	S.S. Appliances Private Limited	1,90,900
19-11-2024	1:10	Ridhima Gupta	9300
19-11-2024	1:10	Kent Appliances	100
Total			9,17,68,800

4. Pursuant to the Share Purchase Agreement, and Board resolution dated September 20, 2024, the Company entered into a definitive agreement for the sale of its property, plant, and equipment, along with right-of-use assets, with book values of ₹ 49.21 million and ₹ 97.58 million, respectively, for a total consideration of ₹ 166.00 million on December 17, 2024, to its Promoter, Varun Gupta.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as on the date of this Draft Red Herring Prospectus, there are no outstanding (i) criminal proceedings (including first information reports whether cognizance has been taken by any court or not); (ii) actions taken by regulatory or statutory authorities (including all notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities); (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner, giving details of the number of cases and total amount involved); and (iv) other pending civil litigation as determined to be material pursuant to the Materiality Policy, in each case involving our Company, our Promoters, and our Directors ("**Relevant Parties**"). Further, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years, including any outstanding action.*

For the purpose of point (iv) above, our Board in its meeting held on January 8, 2025, has considered and adopted the Materiality Policy for identification of material outstanding litigation involving the Relevant Parties. In terms of the Materiality Policy, any pending litigation (other than litigations mentioned in points (i) to (iii) above) involving the Relevant Parties, has been considered 'material' for the purposes of disclosures in this Draft Red Herring Prospectus, where:

a) the monetary amount of claim by or against the Relevant Parties in any such pending proceeding, exceeds ₹69.65 million, being the lower of (a) two percent of turnover, for the most recent financial year as per the restated consolidated financial statements i.e. ₹252.13 million; or (b) two percent of net worth, as at the end of the most recent financial year as per the restated consolidated financial statements i.e. ₹335.57 million; or (c) five percent of the average of absolute value of profit after tax, for the last three financial years as per the restated consolidated financial statements i.e. ₹69.65 million;

b) the monetary impact is not quantifiable or lower than the threshold mentioned in point (a) above, but the outcome in any such litigation, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, operations, performance, financial position, cash flows or reputation.

Pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities) shall not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any judicial/arbitral forum. Any pending litigation involving the Group Companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a 'material impact' on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations or financial position or reputation of the Company.

*In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds 5% of total trade payables as per the Restated Consolidated Financial Information for the period ending September 30, 2024, shall be considered as 'material'. Accordingly, for the period ending September 30, 2024, any outstanding dues exceeding ₹21.80 million; have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a 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 ("**MSME Act**").*

Litigation involving our Company

Criminal proceedings against our Company

Nil

Criminal proceedings by our Company

1. Our Company has filed a criminal complaint dated June 10, 2022 before the Karkardooma Court, Delhi against Sargam India Electronics Private Limited under section 138 of the Negotiable Instruments Act, 1881 for the dishonor of cheques dated April 12, 2022 and May 25, 2022 issued by it to our Company, for an

amount aggregating to ₹3.22 million. The matter is currently pending.

Actions by statutory and regulatory authorities involving our Company

Nil

Material civil litigation against our Company

1. Kent Cables Private Limited (“**Plaintiff**”) has filed a suit dated August 25, 2022 before the High Court of Delhi (**“Court**”) against our Company, our Promoter, and Chairman and Managing Director, Mahesh Gupta and our Group Company, S.S. Appliances Private Limited (collectively, **“Defendants**”), seeking permanent injunction restraining the Defendants from the use of the trademark ‘KENT’ (“**Trademark**”) for the fan and lighting business, which was proposed to be launched under the aforementioned trademark by our Company, on the grounds that this would amount to ‘passing off’ of goods. The Defendants have filed a countersuit dated September 2, 2022 before the Court seeking permanent injunction restraining the Plaintiff from using the Trademark, which has been registered in the name of Mahesh Gupta. The Court clubbed the above-mentioned suits and pursuant to an order dated May 30, 2023 (**“Order**”) issued permanent injunction restraining the usage of the Trademark by our Company for its fan business, till the final adjudication of the suit. Our Company has filed an appeal dated July 12, 2023 against the Order before the appellate bench of the Court. The matter is currently pending. (**“Trademark Infringement Litigation**”)

2. Our Company and our Promoter and Chairman and Managing Director, Mahesh Gupta had filed a patent infringement suit dated September 2, 2024 (“**Infringement Suit**”) before the High Court of Delhi (“**Court**”) against UrbanClap Technologies India Private Limited (“**UrbanClap**”) and others, seeking, *inter alia*, (i) permanent injunction against UrbanClap for the infringement of patent no. 53884 registered by Mahesh Gupta in relation to certain products sold by UrbanClap (“**UrbanClap Products**”), (ii) order for damages based on profit earned by UrbanClap for infringing activities, and (ii) an order for rendition of account of profit earned by UrbanClap by manufacturing and sale of the UrbanClap Products. Certain e-commerce platforms were also made parties to the Infringement Suit, and our Company had sought specific relief for removal of listings of UrbanClap Products from these e-commerce platforms under the Infringement Suit. During the pendency of the Infringement Suit, UrbanClap has filed a counter-suit dated January 12, 2025 before the Court against our Company and Mahesh Gupta (collectively, “**Defendants**”) alleging, inter alia, that the Defendants have employed unlawful means to interfere with UrbanClap’s business relations with e-commerce platforms by (i) misrepresenting the facts of the pending Infringement Suit and (ii) falsely stating that the UrbanClap Products infringe Mahesh Gupta’s patented technology. UrbanClap has prayed for, inter alia, (i) a permanent injunction restraining the Defendants from allegedly causing loss to it by misrepresenting and providing false and malicious communications regarding its products to e-commerce platforms and (ii) an order for a sum of ₹120 million as damages. The matter is currently pending. (“**UrbanClap Litigation**”)

Material civil litigation by our Company

Nil

Tax proceedings involving our Company

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)^
Direct Tax	6	9.44
Indirect Tax	2	153.90
Total	**8**	**163.34**

Material tax proceedings involving our Company

1. The Central Goods and Services Tax Commissionerate, Roorkee Division had issued a demand notice dated September 30, 2022 (“**Demand Notice**”) against our Company during the Financial Year 2020-21 on the basis of search proceedings conducted by the Directorate General of GST Intelligence (‘**DGGI**’). While the search proceedings were closed by way of closure report dated September 22, 2023 issued by the DGGI, the aforementioned Demand Notice was issued to our Company demanding an amount of ₹152.75 million towards excess amount of refund claimed during the period of July, 2017 to June, 2019, along with an interest of 15% per annum. The Demand Notice alleged that our Company had manipulated the transfer prices of

goods so as to show a higher transfer price at factories, in order to avail the maximum amount of refund under the Scheme of Budgetary Support issued by the Department of Industrial Policy and Promotion. Our Company has filed a writ petition dated November 4, 2022 under Article 226 of the Constitution of India before the High Court of Uttarakhand, challenging the validity of the Demand Notice on the grounds that it was issued in an arbitrary manner and violates the principles of natural justice. The matter is currently pending.

Litigation involving our Directors

Criminal proceedings against our Directors

Nil

Criminal proceedings by our Directors

Nil

Actions by statutory and regulatory authorities involving our Directors

Nil

Material civil litigation against our Directors

1. Our Promoter, Chairman and Managing Director, Mahesh Gupta is a party to the Trademark Infringement Litigation and the UrbanClap Litigation. For details regarding the Trademark Infringement Litigation and the UrbanClap Litigation, see " ***– Material Civil Litigation against our Company***" on page 344.

2. The Registrar of Trademarks, New Delhi (**"Registrar"**) issued a notification dated June 26, 2023 (**"Notification"**) under Rule 124 (5) of the Trade Marks Rules, 2017 for the inclusion of the trademark 'Kent' belonging to our Promoter, Chairman and Managing Director, Mahesh Gupta, in the list of well-known trademarks. Subsequently, Kent Cables Private Limited, Kent Fans and Electricals Private Limited, and Kent Industries (collectively, **"Petitioners"**) have filed a writ petition dated July 8, 2023 under articles 226 and 227 of the Constitution of India before the High Court of Delhi against the Union of India, the Registrar and Mahesh Gupta seeking the quashing of the Notification on various grounds, *inter alia*, that the Notification is arbitrary in nature, amounts to negation of the scheme of declaration of well-known trademarks, creates a monopoly in favor of Mahesh Gupta and ignores the prior use of the trademark by the Petitioners. The matter is currently pending.

Material civil litigation by our Directors

Nil

Tax proceedings involving our Directors

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in ₹ million*)
Direct Tax	1*	0.65
Indirect Tax	-	-
Total	**1**	**0.65**

** Pertains to tax proceedings against our Promoter, Chairman and Managing Director, Mahesh Gupta.*

Litigation involving our Promoters

Criminal proceedings against our Promoters

Nil

Criminal proceedings by our Promoters

Nil

Actions by statutory and regulatory authorities involving our Promoters

Nil

Material civil litigation against our Promoters

Except as disclosed in "– ***Material civil litigation against our Company***" and "– ***Material civil litigation against our Directors***" on pages 344 and 345, respectively, there is no material civil litigation against our Promoters.

Material civil litigation by our Promoters

Nil

Tax proceedings involving our Promoters

Except as disclosed in " – ***Tax proceedings involving our Directors***" on page 345, there are no tax proceedings involving our Promoters.

Disciplinary action by the SEBI or the Stock Exchanges against our Promoters in the last five years, including outstanding action

Nil

Litigation involving our Group Companies

Except as disclosed in " – ***Material civil litigation against our Company***" on page 344, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which may have a material impact on our Company.

Outstanding dues to creditors

In accordance with the Materiality Policy adopted by our Board pursuant to its resolution passed on January 8, 2025, a creditor of our Company shall be considered to be material for the purpose of disclosure in this Draft Red Herring Prospectus if the amounts due to such creditor exceed 5% of the total trade payables of our Company based on the Restated Consolidated Financial Information as on September 30, 2024. As of September 30, 2024, the details of the outstanding dues to MSME creditors and other creditors of our Company are as set out below:

Type of Creditors#	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises (A)	90	163.43
Material creditors (B)	4	122.44
- Material creditors – MSME	1	25.37
- Material creditors – Other than MSME	3	97.07
Other creditors (C)	318	150.04
Total outstanding dues (A+B+C)	**412**	**435.91**

As certified by SNR & Company, Chartered Accountants, pursuant to their certificate dated January 21, 2025.
 # Company has classified trade payables under two categories:
a) Creditors for whom invoices are available and received.
b) Provision for expenses created for obligations where invoices are yet to be received and therefore party-wise billing is not available.
The amounts stated in the above table do not include provision for expenses as party-wise billing is not available.

The details pertaining to net outstanding dues towards our material creditors will be available on the website of our Company at https://www.kent.co.in/ir/offer-documents upon filing of the Draft Red Herring Prospectus.

Material Developments

Other than as disclosed in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 315, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Set out below is an indicative list of consents, licenses, registrations, permissions, and approvals obtained by our Company, which are considered material and necessary for the purposes of undertaking our businesses and operations ("**Material Approvals**"). Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with the applicable procedures and requirements.*

*Except as mentioned below, no other material consents, licenses, registrations, permissions, and approvals are required to undertake the Offer or to carry on the business and operations of our Company. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. We have also set out below, material approvals or renewals applied for but not received; and material approvals or renewals required and yet to be applied for, in respect of our Company, as on the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see "**Risk Factors**" and "**Key Regulations and Policies in India**" on pages* 26 *and* 206, *respectively.*

I. Approvals in relation to the Offer

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 353.

II. Incorporation details of our Company

(i) Certificate of incorporation dated April 12, 2007, for incorporation as 'Kent RO Systems Private Limited', a private limited company.

(ii) Certificate of incorporation dated May 22, 2007, pursuant to conversion of our Company from a private limited company to a public limited company.

III. Material Approvals obtained in relation to our Company

A. Tax related approvals obtained by our Company

(i) The permanent account number of our Company is AADCK0743L.

(ii) Tax deduction account number of our Company is DELK08740E.

(iii) Goods and Services Tax ("**GST**") registrations for payments under central and applicable state GST legislations.

B. Labour related approvals obtained by our Company

(i) Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

(ii) Certificates of registration issued under the Employees' State Insurance Act, 1948, as amended.

(iii) Registrations under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, as applicable in establishments where we have employed contract labor.

(iv) ***Shops and establishment registrations:*** We have received shops and establishments registrations issued under the relevant state legislations for our Registered Office and Corporate Office.

C. Material approvals obtained in relation to the business and operations of our Company

Material Approvals in relation to our manufacturing facilities

(i) License to work a factory under the Factories Act, 1948 issued by (i) the State Government of Uttar Pradesh for our Noida Facility I, Noida Facility II and Noida Facility III and (ii) the State Government of Uttarakhand for our Roorkee Facility.

(ii) ***Environmental clearances****:* We have received environmental clearances and consolidated consents under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 issued by (i) the Uttar Pradesh Pollution Control Board for our Noida Facility I, Noida Facility II and Noida Facility III and (ii) Uttarakhand Pollution Control Board for our Roorkee Facility.

(iii) Authorization under the Hazardous and other Wastes (Management and Transboundary) Rules, 2016 issued by (i) the Uttar Pradesh Pollution Control Board for our Noida Facility I, Noida Facility II, Noida Facility III and (ii) Uttarakhand Pollution Control Board for our Roorkee Facility.

(iv) ***No objection certificates from fire department:*** We have received no objection certificate issued by (i) the Chief Fire Officer, Uttar Pradesh for our Noida Facility I, Noida Facility II, Noida Facility III and (ii) Chief Fire Officer, Haridwar for our Roorkee Facility.

(vii) ***No objection certificate for ground water extraction:*** We have received no objection certificate for ground water extraction issued by the Central Ground Water Board, Uttarakhand for our Roorkee Facility.

(viii) Approval for commissioning the electrical installation under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 issued by the Electrical Safety Directorate for our Noida Facility I, Noida Facility II and Noida Facility III, as applicable.

(ix) Certificates with respect to weights and measures issued under the Legal Metrology Act, 2009 issued by (i) the Controller of Legal Metrology, Uttar Pradesh for our Noida Facility I, Noida Facility II and Noida Facility III and (ii) Office of the Controller, Legal Metrology, Uttarakhand for our Roorkee Facility.

(v) Industrial entrepreneur's memorandum issued by the Department for Promotion of Industry and Internal Trade (DPIIT) for our Noida Facility I, Noida Facility II, Noida Facility III and Roorkee Facility.

Material Approvals in relation to our warehouses

(i) ***No objection certificates from fire department***: We have received no objection certificate from the relevant state authorities for our warehouses, as applicable.

(ii) ***Shops and establishment registrations:*** We have received shops and establishments registrations issued under the relevant state legislations for our warehouses.

Material Approvals in relation to our material service offices

(i) ***Shops and establishment registrations***: We have received shops and establishments registrations issued under the relevant state legislations for our material service offices.

(ii) Trade license from the municipal corporations under the relevant state legislations for our material service offices, as applicable.

Material Approvals in relation to our repair shops

(i) License to work a factory under the Factories Act, 1948 for issued by (i) the State Government of Uttar Pradesh for our Repair Shop I and (ii) the Municipal Corporation of Delhi for our Repair Shop II.

(ii) Consent to establish and operate under the Water (Prevention & Control of Pollution) Act, 1974 & the Air (Prevention & Control of Pollution) Act, 1981 issued by the Uttar Pradesh Pollution Control

Board for our Repair Shop I and exemption under white category issued by the Delhi Pollution Control Committee for our Repair Shop II.

(iii) Authorization under the Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 issued by the Uttar Pradesh Pollution Control Board for our Repair Shop I, as applicable.

(iv) ***No objection certificates from fire department***: We have received no objection certificate issued by (i) the Chief Fire Officer, Uttar Pradesh for our Repair Shop I and (ii) the Delhi Fire Service for our Repair Shop II.

(v) Certificates with respect to weights and measures issued under the Legal Metrology Act, 2009 issued by the Controller of Legal Metrology, Uttar Pradesh for our Repair Shop I, as applicable.

(vi) Trade license from the municipal corporations under the relevant state legislation for our Repair Shop II, as applicable.

Material Approvals in relation to our Research and Development Lab

(i) Consent to establish and operate under the Water (Prevention & Control of Pollution) Act, 1974 & the Air (Prevention & Control of Pollution) Act, 1981 issued by the Uttar Pradesh Pollution Control Board.

(ii) Authorization under the Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 issued by the Uttar Pradesh Pollution Control Board.

(iii) Certificates with respect to weights and measures issued under the Legal Metrology Act, 2009 issued by the Controller of Legal Metrology, Uttar Pradesh.

(iv) ***No objection certificate for ground water extraction***: We have received no objection certificate from the Ground Water Department, Uttar Pradesh for ground water extraction.

(v) License for importation and storage of petroleum from the Petroleum and Safety Organisation under the Petroleum Rules, 2002 issued by the Chief Controller of Explosives, Uttar Pradesh.

(vi) ***No objection certificates from fire department***: We have received no objection certificate issued by the Chief Fire Officer, Uttar Pradesh.

Other Material Approvals in relation to our business

(i) Standard marks issued by the Bureau of Indian Standards under the Bureau of Indian Standards (Certificate) Regulations, 1988.

(ii) Certificate of importer exporter code of the Company issued by the Directorate General of Foreign Trade.

(iii) Certificate of legal entity identifier issued by Legal Entity Identifier India Limited.

(iv) Registration certificate for importer under the Plastic Waste Management Rules, 2016 issued by the Central Pollution Control Board.

(v) Registration certificate under the E-Waste Management Rules, 2022 issued by the Central Pollution Control Board.

IV. Material Approvals pending in respect of our Company

A. *Material Approvals or renewals for which applications are currently pending before relevant authorities*

S. No.	Approval	Date of application	Authority
i.	No objection certificate from the fire department for the warehouse located at 549, Phase – V, Udyog Vihar, Gurgaon 122 016, India.	December 9, 2024	Haryana State Industrial & Infrastructure Development Corporation, Gurgaon

B. *Material Approvals expired and renewal yet to be applied for*

Nil

C. *Material Approvals required but yet to be obtained or applied for*

Nil

V. Our intellectual property

As on the date of this Draft Red Herring Prospectus, our Company does not hold any intellectual property registered in its name. Our Company has entered into the Promoter Licensing Agreement dated April 1, 2023, as amended by addendum agreement dated January 1, 2025, pursuant to which our Promoter, Mahesh Gupta has granted our Company the exclusive right to use the patents, trademarks, designs and copyrights as detailed in the agreement related to water purifiers, spare parts, air purifiers, healthcare products, the 'Kent' trademark, and the 'Kuhl' brand for fans, along with registered trademarks and copyrights.

As of the date of this Draft Red Herring Prospectus, pursuant to the Promoter Licensing Agreement, we have the right to use 15 registered patents under the Patents Act, 1970, 97 registered trademarks under the Trademarks Act, 1999, 69 registered designs under the Designs Act, 2000 and 20 registered copyrights under the Copyrights Act, 1957 in India. In addition, we have 27 registered trademarks outside India including in Bhutan, Cambodia, China, Democratic Republic of the Congo, Egypt, European Union, Indonesia, Kuwait, Malaysia, Mauritius, Mexico, Nepal, OAPI, Oman, Sri Lanka, United Arabian Emirates, United Kingdom, USA, Saudi Arabia and Zanzibar. Further, we also have the right to use eight patents under the Patents Act, 1970, 28 trademarks under the Trademarks Act, 1999, nine designs under the Designs Act, 2000, and seven trademarks in Bangladesh, Nepal, Sri Lanka and Nigeria, collectively, for which our Promoter, Mahesh Gupta has made applications before the respective authorities and are pending registration, as on date of this Draft Red Herring Prospectus. The terms of certain IPRs licensed to us under the Promoter Licensing Agreement have expired as on the date of this Draft Red Herring Prospectus. Please see "***Risk Factors - If we incur significant costs in defending our licensed intellectual property or if we infringe the intellectual property rights of others, our business, results of operation, financial condition and cash flows could be adversely affected"*** on page 39.

For further details, see "***Our Business –Intellectual Property***", "***History and certain corporate matters – License agreement for trademarks, copyrights, patents and designs dated April 1, 2023 between Mahesh Gupta and our Company, as amended by addendum agreement dated January 1, 2025***", and "***Outstanding Litigation and Other Material Developments***" on pages 203, 220 and 343, respectively.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes: (i) such companies (other than the promoter and subsidiaries with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, in terms of the Materiality Policy as approved by our Board pursuant to its resolution dated January 8, 2025, the following companies shall be considered as material and disclosed as "group companies" in this Draft Red Herring Prospectus: (i) companies (other than the corporate Promoters) with which there related party transactions as covered in the Restated Consolidated Financial Information, under Ind AS 24; and (ii) such companies that are a part of the Promoter Group (other than the corporate Promoters) and have entered into one or more transactions with the Company during the most recent financial year and stub period, if any, as disclosed in the Offer Documents, which individually or in the aggregate, exceed 10% of the total restated consolidated income of the Company for such period. Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Companies:

S. No.	Group Company	Registered office
1.	S.S. Appliances Private Limited	H-35, South Extension – Part 1, Kidwai Nagar, New Delhi 110 049, India
2.	Imarti Media Private Limited	309A, Sector 15A, Gautam Buddha Nagar, Noida 201 301, Uttar Pradesh, India
3.	Epitome Systems Private Limited	1173, Sector-37, Faridabad 121 003, Haryana, India

Details of our Group Companies

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales/income; (iii) profit for the period/year; (iv) basic earnings per share; (v) diluted earnings per share; and (vi) net asset value, of our Group Companies determined on the basis of their annual turnover, based on their respective audited financial statements for the preceding three years shall be hosted on our website as indicated below:

S. No.	Top Group Companies	Website
1.	S.S. Appliances Private Limited	https://kent.co.in/ir/group-companies
2.	Imarti Media Private Limited	https://kent.co.in/ir/group-companies
3.	Epitome Systems Private Limited	https://kent.co.in/ir/group-companies

Our Company has provided links to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the website given above should not be relied upon or used as a basis for any investment decision.

Neither our Company nor any of the BRLMs or the Promoter Selling Shareholders nor any of the Company's, BRLMs' respective directors, employees, affiliates, associates, advisors, agents or representatives, accept any liability whatsoever for any loss arising from any information presented or contained in the website given above.

Nature and extent of interests of our Group Companies

Interest in the promotion or formation of our Company

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company.

Interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus

Except as disclosed below, our Group Companies are not interested in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Our Company has entered into rent agreements with S.S. Appliances Private Limited for seven of our service offices, three of our office spaces and one residential property for our employees. For details, see "***Risk Factors – We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders***" on page 42.

Further, except as disclosed below, there is no conflict of interest between the lessors of the immovable properties of our Company (crucial for the operations of our Company) and our Group Companies and their directors.

Our Promoter, and Chairman and Managing Director, Mahesh Gupta, is also the Managing Director of S.S. Appliances Private Limited. Our Company has leased the Registered Office situated at H-35, South Extension – Part 1, Kidwai Nagar, New Delhi 110 049, India from Mahesh Gupta, pursuant to rent agreement dated January 1, 2022, which is valid till August 31, 2025, for a consideration of ₹0.05 million per month. S.S. Appliances Private Limited is also using the premises at H-35, South Extension – Part 1, Kidwai Nagar, New Delhi 110 049, India for its registered office pursuant to consent from Mahesh Gupta dated January 10, 2025.

Interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery

Except as disclosed in this section under " – ***Interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus***", our Group Companies are not interested in any transaction for acquisition of land, construction of building or supply of machinery, etc. entered into by our Company.

Business interest in our Company

Except as disclosed below and under "***Restated Consolidated Financial Information - Notes forming part of the Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on page 300, our Group Companies do not have any business interest in our Company.

Our Company has entered into agreement dated April 1, 2022, valid till March 31, 2025, with Imarti Media Private Limited for provision of services in relation to digital marketing for a consideration of ₹4.50 million as a monthly retainership fee plus applicable taxes, a commission fee of 3% on the media brought by Imarti, and reimbursement of pre-approved expenses relating to digital marketing.

Related business transactions

Except as disclosed under "***Restated Consolidated Financial Information-Notes forming part of the Restated Consolidated Financial Information – Note 42: Related Party Disclosures***" on page 300, there are no related business transactions with our Group Companies which are significant to the financial performance of our Company.

Common pursuits

There are no common pursuits amongst our Group Companies and our Company.

Litigation

Except as disclosed in "***Outstanding Litigation and Material Developments*** – ***Material civil litigation against our Company***" on page 344, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which may have a material impact on our Company.

Other Confirmations

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have their debt or equity securities listed on any stock exchange in India or abroad, or have made any public issue, rights issue or composite issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer by way of its resolution dated January 8, 2025.
- Our Board has taken on record the consent of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated January 8, 2025.
- Our Board by way of their resolution dated January 21, 2025, has approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Approvals from the Selling Shareholder

Each of the Promoter Selling Shareholders has, severally and not jointly, authorised the transfer of its respective portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholder	Date of consent letter	Maximum number of Offered Shares
1.	Mahesh Gupta	January 7, 2025	5,635,088
2.	Sunita Gupta	January 7, 2025	3,360,910
3.	Varun Gupta	January 7, 2025	1,098,570

Each of the Promoter Selling Shareholders, severally and not jointly, confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, it has held the Equity Shares proposed to be offered and sold by it in the Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus. Further, in this regard, the Company confirms none of the bonus issues were undertaken by capitalizing or by utilization of revaluation reserves or unrealized profits of the Company. For further details of the bonus issues, see "***Capital Structure - Equity shares issued through bonus issue or for consideration other than cash***" on page 83.

Therefore, the Equity Shares offered by the Promoter Selling Shareholders in the Offer are eligible to be offered for sale in the Offer.

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or governmental authorities

Our Company, Promoters (which also include the Promoter Selling Shareholders), members of our Promoter Group, Directors or persons in control of our Promoters, are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any authority or court.

Our Company, Promoters or Directors are not declared as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI and the SEBI ICDR Regulations.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters (which also include the Promoter Selling Shareholders) and Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner and no action has been initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as described below:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year immediately preceding the date of filing of this Draft Red Herring Prospectus.

Our Company's net tangible assets, operating profit and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, is set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	Financial Year 2024	Financial Year 2023	Financial Year 2022
Net tangible assets as at, as restated and consolidated [(1)]	16,768.15	15,089.68	14,468.52
Operating profit for the year ended, as restated and consolidated [(2)]	1,389.55	1,078.18	1,693.37
Average restated operating profit		1,387.03	
Net Worth as at, as restated and consolidated [(3)]	16,778.40	15,102.11	14,482.82

Notes:

[(1)] *"Net tangible assets as restated and consolidated" represent total assets reduced by other intangible assets, intangible assets under development and total liabilities as per the restated consolidated statement of assets and liabilities.*

[(2)] *"Restated operating profit" means profit from continuing and discontinuing operations before finance cost, other income, exceptional item and tax expenses as per the restated consolidated statement of profit and loss.*

[(3)] *"Net worth as restated and consolidated" means equity attributable to shareholders of the Company less (a) capital reserve; and (b) capital redemption reserve.*

Our Company has operating profits in each of Financial Years 2024, 2023 and 2022 in terms of our Restated Consolidated Financial Information, as indicated in the table above.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

Neither our Company, nor our Promoters (which also include the Promoter Selling Shareholders), members of our Promoter Group, or our Directors, are debarred from accessing the capital markets by SEBI.

(a) Neither our Promoters, nor our Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

(b) Neither our Company nor our Promoters or any of our Directors is a Wilful Defaulter or a Fraudulent Borrower.

(c) None of our Promoters or Directors are Fugitive Economic Offenders.

(d) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, MOTILAL OSWAL INVESTMENT ADVISORS LIMITED AND JM FINANCIAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs, MOTILAL OSWAL INVESTMENT ADVISORS LIMITED AND JM FINANCIAL LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 21, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR 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 BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

The filing of this Draft Red Herring Prospectus also does not absolve the Promoter Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholders and the BRLMs

Our Company, our Directors, the Promoter Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.kent.co.in, or any website of any affiliate of our Company or any of the Group Companies or Promoter Selling Shareholders, would be doing so at his or her own risk. It is clarified that neither the Promoter Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Promoter Selling Shareholders in relation to itself and/or the Equity Shares offered by it through the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Promoter Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

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

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other 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), systemically important non-banking financial companies or 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, venture capital funds, permitted insurance companies and pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds ("**AIFs**"), Foreign Portfolio Investors registered with SEBI ("**FPIs**") 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 New Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and transfer restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, as amended or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of 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 those offers and sales occur.

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

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares proposed to be Allotted pursuant to this Draft Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being offered and transferred in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid / Offer Closing Date or within such period as may be prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within two Working Days from the Bid / Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which our Company and every officer in default shall be liable to repay the money, with interest, in accordance with applicable law. However, the Promoter Selling Shareholders shall not be liable to pay and / or reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Promoter Selling Shareholders and such liability shall be limited to the extent of their respective Offered Shares. Further, other than (i) listing fees, audit fees of the Statutory Auditors (to the extent not attributable to the Offer), and expenses for any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements in relation to the Offer) which shall be solely borne by the Company; and (ii) fees and expenses for the legal counsel to the Promoter Selling Shareholders, which shall be solely borne by the Promoter Selling Shareholders, all costs, charges, fees and expenses in respect of the Offer shall be borne by the Promoter Selling Shareholders in proportion to the Offered Shares sold by the Promoter Selling Shareholders in the Offer for Sale. Upon completion of the Offer, any payments by the Company in relation to the Offer expenses on behalf of the Promoter Selling Shareholders shall be reimbursed by the Promoter Selling Shareholders to the Company inclusive of taxes, as applicable. If the Offer fails or is withdrawn, abandoned or terminated for any reason whatsoever, all costs, charges, fees and expenses incurred in connection with the Offer shall be borne by the Promoter Selling Shareholders, except in relation to any audit fees of the Statutory Auditors (to the extent not attributable to the Offer) and expenses for any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements in relation to the Offer) which shall be borne solely by the Company.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"*Any person who –*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act 2013 involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹1 million or 1% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹5 million or with both.

Consents

Consents in writing of: (a) our Directors, Promoters (which also include the Promoter Selling Shareholders), the Compliance Officer and Company Secretary, the legal counsel to the Company as to Indian law, the banker(s) to our Company, lessor(s) to the company (wherever applicable), industry sources, Statutory Auditor, our previous auditor, independent chartered accountants, intellectual property consultant to our Company, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/Escrow Bank, Public Offer Account Bank, Sponsor Banks and Refund Bank to act in their respective capacities will be obtained.

Experts to the Offer

Our Company has received written consent from the Statutory Auditors to include their name in this Draft Red Herring Prospectus as required under Section 26 of the Companies Act 2013 read with the SEBI ICDR Regulations and as an "expert" as defined under Section 2 (38) of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of (i) their examination report on our Restated Consolidated Financial Information dated January 8, 2025; and (ii) statement of special tax benefits dated January 21, 2025. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated January 21, 2025 from SNR & Company, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of Companies Act, 2013, (i) to the extent and in their capacity as our Previous Statutory Auditors; and (ii) in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Our Company has received a written consent dated January 21, 2025 from Rajeshwari & Associates, Trademarks and Patents Attorneys, to include their name as an "expert" as defined under Sections 2(38) and 26(5) of the Companies Act, 2013 in respect of the certificate issued by them in their capacity as an intellectual property consultant to our Company.

Our Company has received written consent dated January 21, 2025 from Saurabh Jain & Associates, Company Secretaries in Practice, Practicing Company Secretary, having membership number F9513 to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in relation to certifications and confirmations provided by them in their capacity as practising company secretary to our Company.

The above-mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue or any rights issue to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

No sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years by our Company and listed promoters, group companies, subsidiaries or associate entities

Except as disclosed in "***Capital Structure - Equity share capital history of our Company***" on page 79, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, our Company does not have any listed Promoter, subsidiary or Group Companies or an associate.

Performance *vis-à-vis* objects – public/ rights issue of our Company

Our Company has not undertaken any public issue or any rights issue to the public in the five years preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis* objects – public/ rights issue of the listed subsidiaries/ listed promoters of our Company

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

Price information of past issues handled by the BRLMs

Motilal Oswal Investment Advisors Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited*

Sr.No.	Issue name	Designated Stock Exchange	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Laxmi Dental Limited	BSE	6980.60	428.00	January 20, 2025	528.00	NA	NA	NA
2.	Standard Glass Lining Technology Limited	NSE	4,100.51	140.00	January 13, 2025	172.00	NA	NA	NA
3.	Concord Enviro Systems Limited	BSE	5,003.26	701.00	December 27, 2024	832.00	NA	NA	NA
4.	Niva Bupa Health Insurance Company Limited	NSE	22,000.00	74.00	November 14, 2024	78.14	+12.97%, [+5.25%]	NA	NA
5.	Acme Solar Holdings Limited (7)	NSE	29,000.00	289.00	November 13, 2024	251.00	+8.21% [4.20%]	NA	NA
6.	P N Gadgil Jewellers Limited	NSE	11,000.00	480.00	September 17, 2024	830.00	+61.14% [-1.76%]	53.04% [-2.56%]	NA
7.	R K Swamy Limited (6)	BSE	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-6.70% [+4.11%]	-17.57% [+10.20%]
8.	Happy Forgings Limited	NSE	10,085.93	850.00	December 27, 2023	1000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
9.	Cello World Limited (5)	NSE	19,000.00	648.00	November 06, 2023	829.00	+21.92% [+7.44%]	+32.99% [+12.58%]	+40.57% [+15.78%]
10.	Updater Services Limited	BSE	6,400.00	300.00	October 04, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	6.77% [+12.92%]

Notes:

1. *The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the designated stock exchange.*
2. *Price is taken from NSE or BSE, depending upon designated stock exchange for the above calculations.*
3. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
4. *Not applicable – Period not completed.*
5. *A discount of ₹61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
6. *A discount of ₹27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
7. *A discount of ₹27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited*

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	6	78,084.37	-	-	-	1	-	2	-	-	-	-	-	-
2023-24	7	62,704.34	-	-	2	-	1	4	-	-	1	-	2	4
2022-23	3	16,265.81	-	-	1	-	-	2	-	-	2	-	-	1

** The information is as on the date of this Draft Red Herring Prospectus.*
The information for each of the financial years is based on issues listed during such financial year.
Notes: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the designated stock exchange.

JM Financial Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited*

Sr. No.	Issue name	Issue Size (` million)	Issue price (`)	Listing Date	Opening price on Listing Date (in `)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Ventive Hospitality Limited*[12]	16,000.00	643.00	December 30, 2024	716.00	NA	NA	NA
2.	Inventurus Knowledge Solutions Limited*	24,979.23	1,329.00	December 19, 2024	1,900.00	40.85%[-3.13%]	NA	NA
3.	Zinka Logistics Solutions Limited[# 7]	11,147.22	273.00	November 22, 2024	279.05	84.47% [-1.36%]	NA	NA
4.	ACME Solar Holdings Limited*[11]	29,000.00	289.00	November 13, 2024	251.00	-6.02% [4.20%]	NA	NA
5.	Western Carriers (India) Limited*	4,928.80	172.00	September 24, 2024	171.00	-20.69% [-5.80%]	NA	NA
6.	Bajaj Housing Finance Limited*	65,600.00	70.00	September 16, 2024	150.00	99.86% [-1.29%]	NA	NA
7.	Baazar Style Retail Limited[#10]	8,346.75	389.00	September 06, 2024	389.00	-1.32% [0.62%]	NA	NA
8.	Brainbees Solutions Limited[*9]	41,937.28	465.00	August 13, 2024	651.00	37.49% [3.23%]	21.39% [0.04%]	NA
9.	Ceigall India Limited*[8]	12,526.63	401.00	August 08, 2024	419.00	-4.89% [3.05%]	-14.01% [0.40%]	NA
10.	Stanley Lifestyles Limited[#]	5370.24	369.00	June 28, 2024	499.00	55.96% [2.91%]	31.29% [7.77%]	14.73% [-0.71%]

Source: www.nseindia.com and www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:
1. *Opening price information as disclosed on the website of the designated stock exchange.*
2. *Change in closing price over the issue/offer price as disclosed on designated stock exchange.*

3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of ₹25 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
8. *A discount of ₹38 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
9. *A discount of ₹44 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
10. *A discount of ₹35 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
11. *A discount of ₹27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
12. *A discount of ₹30 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited*

Financial Year	Total no. of IPOs	Total funds raised (` Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025	12	2,42,745.26	-	-	4	5	2	-	-	-	-	2	-	1
2023-2024	24	2,88,746.72	-	-	7	4	5	8	-	-	5	7	5	7
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	2	2	2	3	2

** The information is as on the date of this Draft Red Herring Prospectus.*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as provided in the table below:

S. No.	Name of the BRLM	Website
1.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com
2.	JM Financial Limited	www.jmfl.com

Stock Market Data of the Equity Shares

The Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

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

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

In terms of the SEBI ICDR Master Circular and any subsequent circulars, as applicable, issued by SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same within three months of the date of listing of the Equity Shares with the concerned SCSB. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum of the Bid Amount.

Separately, pursuant to the SEBI ICDR Master Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/withdrawn/deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	Three Working Days from the Bid/Offer Closing Date till the date of actual unblock

Further, in the event there is a delay in redressal of the investor grievance, the BRLMs shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Further, in terms of the SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs with a copy to the Registrar to the Offer, no later than 30 days from the finalization of Basis of Allotment by the Registrar to the Offer, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

For grievance redressal contact details of the BRLMs pursuant to the SEBI ICDR Master Circular, see "***Offer Procedure – General Instructions***" on page 389.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be ten Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Punit Kumar Trivedi as Compliance Officer and Company Secretary and he may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

E-6, 7 and 8, Sector 59
Noida 201 309
Uttar Pradesh, India
E-mail: investors@kent.co.in

Each of the Promoter Selling Shareholders, severally and not jointly, have authorized Punit Kumar Trivedi, the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders solely to the extent of the statements specifically made, confirmed or undertaken by Promoter Selling Shareholders in the Offer Documents in respect of themselves and their respective Offered Shares.

Our Company shall obtain authentication on the SCORES and shall comply with the SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, in relation to redressal of investor grievances through SCORES. Our Company has not received any investor grievances in the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor grievance in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Further, our Board has constituted a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Our Management – Stakeholders' Relationship Committee***" on page 230.

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

Our Company has not sought for any exemption from complying with any provisions of securities laws from SEBI.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN (for Anchor Investors), the Abridged Prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to offer for sale and listing and trading of securities, issued from time to time, by SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities, to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer will be subject to the provisions of the Companies Act 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares, including in respect of dividends, voting and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. For more information, see "***Main Provisions of the Articles of Association***" on page 398.

Mode of payment of dividend

Our Company will pay dividend, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. For more information, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" on pages 244 and 398, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹1. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹[●] and the Cap Price of the Equity Shares is ₹[●]. The Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and shall be published at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act 2013, the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" on page 398.

Allotment only in dematerialized form

In terms of Section 29 of the Companies Act 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

Market Lot and Trading Lot

Since trading of our Equity Shares will be in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares to QIBs and RIIs. For NIIs allotment shall not be less than the minimum Non-Institutional application size. For the method of Basis of Allotment, see "***Offer Procedure***" on page 377.

Joint holders

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder or the First Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder's death during minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. Fresh nomination can be made only in the prescribed form available on request at our Registered Office or to the Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/ Offer Period

EVENT	INDICATIVE DATE
BID/ OFFER OPENS ON(1)	[●]
BID/ OFFER CLOSES ON(2)	[●]
FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	[●]
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES	[●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	[●]

(1) Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.
(2) Our Company, in consultation with the BRLMs, may decide to close 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 (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of nonallotted/partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from three Working Days from the Bid/Offer Closing Date till date of actual unblock, by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable.

The aforesaid timetable, is indicative in nature and does not constitute any obligation or liability on our Company or the Promoter Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within three Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/ Offer Period by our Company, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Promoter Selling Shareholders confirm that they shall extend reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such period as may be prescribed.

The Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including the SEBI ICDR Master Circular.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Offer Closing Date, identifying non-adherence to

timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Modification of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 4.00 p.m. IST
Modification/cancellation of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

**UPI mandate end time and date shall be at 5.00pm on Bid/Offer Closing Date.*
 # QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids.

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST for Bids by QIBs and Non-Institutional Investors; and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors and Eligible Employees.

On the Bid/ Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the registrar and share transfer agents on a daily basis, as per the format prescribed in the SEBI ICDR Master Circular.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading Bids on the Bid/ Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 12.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the

Bid/ Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price, further provided that the Cap Price shall be at least 105% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days.

Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice and by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also intimated to SCSBs, the Registered Brokers, RTAs, CDPs and the Sponsor Banks. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Promoter Selling Shareholders, the requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under the terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any; or fails to obtain listing and trading permission from the Stock Exchanges for the Equity Shares so offered under the Red Herring Prospectus, the Promoter Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond three Working Days from the Bid/Offer Closing Date, interest at the rate of 15% per annum of the application amount shall be paid, in accordance with the SEBI ICDR Master Circular.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company and the Promoter Selling Shareholders shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. It is clarified that, the Promoter Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay is solely and directly attributable to an act or omission of the Promoter Selling Shareholders and such liability shall be limited to the extent of their respective Offered Shares.

Arrangement for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on Transfer of Shares and Transmission of Equity Shares

Except for lock-in of the pre- Offer capital of our Company, the minimum Promoters' Contribution and the Anchor

Investor lock-in in the Offer as detailed in "***Capital Structure***" on page 79, and except as provided in the Articles of Association as detailed in "***Main Provisions of the Articles of Association***" on page 398, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting.

OFFER STRUCTURE

The Offer comprises of an Offer for Sale by the Promoter Selling Shareholders of up to 10,094,568 Equity Shares of face value of ₹1 each, at an Offer Price of ₹[●] per Equity Share for cash, aggregating up to ₹[●] million. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity share capital. The Offer and the Net Offer shall constitute [●] % and [●]%, respectively, of the post-Offer paid-up Equity share capital of our Company.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employee(1)	QIBs(2)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation^(3)	Up to [●] Equity Shares of face value of ₹1 each	Not more than [●] Equity Shares of face value of ₹1 each	Not less than [●] Equity Shares of face value of ₹1 each or Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares of face value of ₹1 each or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer Size available for Allotment or allocation	The Employee Reservation Portion shall constitute up to [●] % of the post-Offer paid-up Equity share capital of our Company.	Not more than 50% of the Net Offer shall be available for allocation to QIBs. 5% of the Net QIB Category will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Category. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Net Offer or the Offer less allocation to QIBs and Retail Individual Investors will be available for allocation. One-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000 and undersubscription in either of these two subcategories of the Non-Institutional Category may be allocated to Bidders in the other subcategory of the Non-Institutional Category in	Not less than 35% of the Net Offer or the Offer less allocation to QIBs and Non-Institutional Investors will be available for allocation

Particulars	Eligible Employee[1]	QIBs[2]	Non-Institutional Investors	Retail Individual Investors
			accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.	
Basis of Allotment if respective category is oversubscribed	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares of face value of ₹1 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares of face value of ₹1 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value of ₹1 each) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Category shall be subject to the following: (a) One-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000; and (b) Two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000 The unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted on	Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares shall be allocated on a proportionate basis. For details, see "***Offer Procedure***" on page 377.

Particulars	Eligible Employee[(1)]	QIBs[(2)]	Non-Institutional Investors	Retail Individual Investors
			a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	
Mode of Bidding*	ASBA Process only (including the UPI Mechanism)	Through ASBA process only (excluding the UPI Mechanism) (except in case of Anchor Investors)	Through ASBA process only (including the UPI Mechanism for Bids up to ₹500,000)	Through ASBA process only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of face value of ₹ 1 each thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each so that the Bid Amount exceeds ₹200,000	[●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of face value of ₹1 each thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000.	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each so that the Bid does not exceed the Net Offer size (excluding the Anchor Category), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each so that the Bid does not exceed the Net Offer size (excluding the QIB Category), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of ₹1 each thereafter			
Allotment Lot	[●] Equity Shares of face value of ₹1 each and in multiples of one Equity Share of face value of ₹1 thereafter for QIBs and Retail Individual Investors. For Non-Institutional Investors allotment shall not be less than the minimum Non-Institutional application size.			
Trading Lot	One Equity Share			
Who can Apply[(3)(4)(5)(6)]	Eligible Employees	Public financial institutions specified in Section 2(72) of the Companies Act 2013, FPIs registered with SEBI (other than individuals, corporate bodies and family offices), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, NBFC-SI, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹250 million, pension funds	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs

Particulars	Eligible Employee(1)	QIBs(2)	Non-Institutional Investors	Retail Individual Investors
		with a minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India		
Terms of Payment		***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(5) ***In case of all other Bidders:*** Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Banks through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of the submission of the ASBA Form		

^*Assuming full subscription in the Offer.*

* *SEBI vide the SEBI ICDR Master Circular has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of undersubscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(2) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price.*

(3) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors of which one-third will be made available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds will be available for allocation to Bidders with a Bid size of more than ₹1,000,000 and undersubscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated*

Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. Under-subscription, if any, in the Net QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories.

(4) *If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(6) *Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Offer at any time after the Bid/Offer Closing Date but before Allotment. In such an event, our Company will issue a public notice within two days from the Bid/ Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Banks, as the case may be, to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such instruction and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within three Working Days from the Bid / Offer Closing Date or within such time period as prescribed under applicable law.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars (the "**General Information Document**"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*Unified Payments Interface ("**UPI**") was introduced in a phased manner by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism with existing timeline of T+6 days was applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**") with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. UPI Phase II was further extended pursuant to SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Pursuant to SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, it was prescribed that all individual bidders in initial public offerings whose Bid sizes are up to ₹500,000 shall use the UPI Mechanism for submitting their Bids. Subsequently, pursuant to SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, it was prescribed that applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Further, pursuant to the SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Investors ("**UPI Phase III**") was made mandatory for public issues opening on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. The SEBI ICDR Master Circular, has consolidated and rescinded the aforementioned circulars, to the extent they relate to the SEBI ICDR Regulations. Further, SEBI vide the SEBI ICDR Master Circular has prescribed certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of the SEBI ICDR Master Circular are deemed to form part of this Draft Red Herring Prospectus.*

Furthermore, the SEBI RTA Master Circular has consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and the SEBI ICDR Master Circular) and rescinded these circulars to the extent relevant for the RTAs.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular and the SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. Further, our Company, the Promoter

Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Our Company, the Promoter Selling Shareholders and the Syndicate are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(bb) of the SCRR through the Book Building Process in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Category. Further, 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors, of which one-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. Further not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Under-subscription, if any, in any category, except the Net QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. However, under-subscription, if any, in the Net QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. In accordance with Rule 19(2)(b) of the SCRR, the Offer and Net Offer will constitute at least [●]% and [●]% of the post Offer paid-up Equity share capital of our Company, respectively.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID (for UPI Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of Unified Payments Interface ("UPI")

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. The UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Investors through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The SEBI in its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, reduced the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. The timeline was applicable on a voluntary basis for public issues opening on or after September 1, 2023 and has been made applicable on a mandatory basis for public issues opening on or after December 1, 2023. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Mechanism has been introduced in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase became applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever was later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, prescribed that all individual bidders applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 million and up to ₹500,000 million, using the UPI Mechanism, shall provide their UPI ID in the Bid cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The SEBI ICDR Master Circular, has consolidated and rescinded the aforementioned circulars, including the T+3 Notification, to the extent they relate to the SEBI ICDR Regulations. The Offer shall be undertaken pursuant to the processes and procedures as notified in the SEBI ICDR Master Circular as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time.

The processing fees for applications made by UPI Investors may be released to the SCSBs only after such banks provide a written confirmation, in a format as prescribed by SEBI, from time to time, including in compliance with the SEBI RTA Master Circular and the SEBI ICDR Master Circular, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Investors.

SEBI has set out specific requirements in the SEBI ICDR Master Circular for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the SEBI ICDR Master Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB. NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹200,000 million to ₹500,000 million for UPI based ASBA in initial public offerings.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm IST on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Form that does not contain such detail are liable to be rejected.

UPI Investors Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the ASBA Form. ASBA Forms that do not contain the UPI ID are liable to be rejected. UPI Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid cum Application Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein.

Pursuant to the SEBI ICDR Master Circular, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The ASBA Bidders, including UPI Investors, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder.

The prescribed colours of the Bid cum Application Forms for various categories is as follows:

Category	**Colour of Bid cum Application Form[(1)]**
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis[(2)]	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions[(2)]	[●]
Anchor Investors[(3)]	[●]
Eligible Employees Bidding in the Employee Reservation Portion[(4)]	[●]

[(1)] Excluding electronic Bid cum Application Forms
[(2)]Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and the BSE (www.bseindia.com).
[(3)]Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.
[(4)]Bid cum Application Forms for Eligible Employees will be available only at our branches and offices in India.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms (except ASBA Forms submitted by UPI Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For UPI Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Investors for blocking of funds. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a UPI Investor who is not Bidding using the UPI Mechanism.

Stock Exchanges shall validate the electronic bids with the records of the depository for DP ID/Client ID and PAN, on a real time basis through API integration and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID (but not both), bank code and location code in the Bid details already uploaded. For UPI Investors using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Investors for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in the SEBI ICDR Master Circular. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Investors Bidding using through the UPI Mechanism 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.

Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with BRLMs the in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion. For details, see "***- Bids by Anchor Investors***" on page 387.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of ASBA Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the ASBA Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Participation of Eligible NRI(s) in the Offer shall be subjected to the FEMA Rules.

In accordance with the FEMA rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together 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.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 397.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant 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/Applicant: 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 Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "***Offer Structure***" on page 372.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form;

(b) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion;

(c) In case of joint bids, the sole/ first Bidder shall be the Eligible Employee;

(d) Bids by Eligible Employees may be made at Cut-off Price;

(e) Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion;

(f) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000 on a net basis;

(g) Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism;

(h) If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand;

(i) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories; and

(j) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.

Bids by FPIs

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 Rules and Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2019 ("**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% or common control) shall be below 10% of our post-Offer Equity share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100% under the automatic route in our case). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as category I FPIs;
(b) such offshore derivative instruments are issued only to persons eligible for registration as category I FPIs;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that any transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)) and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Further, Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids: (i) FPIs which utilise the MIM Structure, indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as category I FPIs; and (vii) Entities registered as collective investment scheme having multiple share classes.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Promoter Selling Shareholders and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are 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 therefor, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI Regulations, the key terms for participation by Anchor Investors are provided below:

a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the Net QIB Category. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

d) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.

e) Our Company, in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

f) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

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

j) Except for Mutual Funds which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion.

k) Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

For more information, please read the General Information Document.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulations and as specified in this Draft Red Herring Prospectus. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of 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 those offers and sales occur.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in Delhi, where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/ Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/ Offer Closing Date, if any. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement not later than one day after the trading, disclosing the date of commencement of trading in all editions of [●], (a English national daily newspaper), and all editions of [●], (a Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located).

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company intends to enter into an underwriting agreement with the Underwriters on or immediately after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be Allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

The Offer shall be opened after at least three Working Days from the date of filing of the Red Herring Prospectus with the RoC.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Investors Bidding using the UPI Mechanism) in the Bid cum Application Form (with a maximum length of 45 characters) and such ASBA account belongs to you and no one else. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;

4. UPI Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. UPI Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. If the First Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be). Bidders (except UPI Investors Bidding using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form. UPI Investors Bidding using the UPI Mechanism should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Bid cum Application Form;

11. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

13. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

14. 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;

15. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of SEBI circular (MRD/DoP/Cir-20/2008) dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of SEBI circular (MRD/DoP/Cir-09/06) dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

22. Bidders (except UPI Investors Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. UPI Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Banks to authorise blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment, in a timely manner;

23. Note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM Structure and such Bids such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

24. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Investors) 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);

25. 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 via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

26. UPI Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor may be deemed to have verified the attachment containing the application details of the UPI Investors Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to issue a request to block the Bid Amount mentioned in the ASBA Form in his/her ASBA Account;

27. UPI Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the ASBA Form;

28. UPI Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;

29. UPI Investors Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

30. Bids by Eligible NRIs, HUFs and FPIs other than individuals, corporate bodies and family offices, for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

31. Ensure that Bids above ₹500,000 submitted by ASBA Bidders are uploaded only by the SCSBs;

32. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

33. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus. 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 (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, is liable to be rejected; and

34. Ensure that UPI Mandate Requests are received from the Sponsor Banks prior to 5:00 p.m. IST on the Bid/Offer Closing Date.

35. In accordance with SEBI press release PR No. 27/ 2021 dated September 3, 2021, ensure that your PAN is linked with AADHAAR and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form, as the case may be after you have submitted a Bid to a Designated Intermediary;

4. Do not submit the ASBA Forms to any non-SCSB Banks or to our Company or at a location other than the Bidding Centers;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

7. Anchor Investors should not Bid through the ASBA process;

8. If you are a UPI Investor and are using the UPI Mechanism, do not submit more than one Form from each UPI ID.

9. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

10. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

11. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date (for online applications) and after 12.00 pm on the QIB Bid/Offer Closing Date (for physical applications);

14. Do not Bid for Equity Shares in excess in excess of what is specified for each category;

15. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Investors and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

16. Do not submit the General Index Register (GIR) number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism;

22. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000;

23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

24. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

25. Do not submit more than one Bid cum Application Form per ASBA Account;

26. Do not submit a Bid using UPI ID, if you are not a UPI Investor;

27. Do not submit an ASBA Form with third party linked UPI ID or using a third party bank account (in case of Bids submitted by UPI Investors using the UPI Mechanism); and

28. Do not submit ASBA Forms to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, 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).

For helpline details of the BRLMs pursuant to the SEBI ICDR Master Circular, see "***General Information – Book Running Lead Managers***" on page 72.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Compliance Officer and Company Secretary. For details of the Compliance Officer and Company Secretary, see "***General Information***" on page 71.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis, which shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-thirds of the Non-Institutional Category will be available for allocation to Bidders with a Bid size of more than ₹1,000,000, provided that under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category.

Payment into Escrow Account for Anchor Investors

Our Company, in consultation with the BRLMs in their 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. Anchor Investors are not permitted to Bid through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections of Bid Amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated December 13, 2024 among NSDL, the Company and Registrar to the Offer.

- Agreement dated December 13, 2024 among CDSL, the Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) If Allotment is not made within the prescribed time under applicable law, application monies will be refunded/unblocked in the ASBA Accounts within two Working Days from the Bid/ Offer Closing Date or such other time as may be specified by SEBI, failing which our Company shall pay interest prescribed under the Companies Act 2013 and the SEBI ICDR Regulations for the delayed period;

(iii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Dyas after the Bid/Offer Closing Date or such timeline as may be prescribed by SEBI;

(iv) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;

(v) 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;

(vi) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

(vii) That if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(viii) That if our Company withdraws the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer;

(ix) That the Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;

(x) That adequate arrangements shall be made to collect all Bid cum Application Forms; and

(xi) That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Promoter Selling Shareholders

Each of the Promoter Selling Shareholders, severally and not jointly, undertakes and/ or confirms the following:

(i) The Equity Shares offered pursuant to the Offer for Sale have been held by the Promoter Selling Shareholder for a period of at least one year prior to the date of this Draft Red Herring Prospectus, and are free and clear of any liens or encumbrances and, to the extent that the Equity Shares being offered have resulted from a bonus issue, the bonus issue has been on equity shares held for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

(ii) They are the legal and beneficial owners of and has full title to their respective Equity Shares being offered through the Offer for Sale;

(iii) They will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

(iv) They will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered in the Offer for Sale;

(v) They shall deposit the Equity Shares offered for sale by them in the Offer in an escrow demat account in accordance with the Share Escrow Agreement;

(vi) They shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

(vii) They will take all such steps as may be required to ensure that the Equity Shares being sold by them in the Offer for Sale are available for transfer in the Offer for Sale; and

(viii) They will provide assistance to the Company, as may be reasonably required and necessary in accordance with applicable laws, for the completion of the necessary formalities in relation to the Equity Shares being offered by it under the Offer for Sale.

They have authorized the Compliance Officer and Company Secretary of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Utilization of Offer Proceeds

Our Company and the Promoter Selling Shareholders, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

RESTRICTION 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. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India ("**DPIIT**") issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The 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 foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. The RBI and the concerned ministry/department are responsible for granting the approval for foreign investment under the FDI Circular and FEMA. FDI in companies engaged in the manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

All investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company. Each Bidder should seek independent legal advice about its ability to participate in the Offer and in our Company. In the event a 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 Bid/ Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see "***Offer Procedure***" on page 377.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of 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 those offers and sales occur.

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

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. No material clause of the Articles of Association having a bearing on the Offer or the disclosures required in this Draft Red Herring Prospectus have been omitted.

(THE COMPANY ACT, 2013)

(COMPANY LIMITED BY SHARES)

(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION

OF

KENT RO SYSTEMS LIMITED

A COMPANY LIMITED BY SHARES

CONSTITUTION OF THE COMPANY

The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act, which shall be the regulations for the management of the company.

Interpretation

1. In these regulations –

(a) **"Act"** means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and any previous Company Law, so far as may be applicable.

(b) **"Articles"** means these Articles of Association of the Company or as altered from time to time.

(c) **"Associate Company"** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation —For the purposes of this clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

(d) **"Board of Directors" or "Board"** means the collective body of the directors of the Company and shall include a Committee thereof.

(e) **"Company"** means **Kent R O Systems Limited**

(f) **"Control"** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

(g) **"Depositories Act"** means the Depositories Act, 1996, or any statutory modification or re-enactment thereof, for the time being in force.

(h) **"Depository"** means a depository as defined under Section 2(1)(e) of the Depositories Act.

(i) **"Director"** means a member of the Board appointed in accordance with these Articles, including any additional and/or alternate director.

(j) **"Debenture"** includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

(k) **"Document"** includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

(l) Expressions referring to writing shall be concurred as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

(m) **"General Meeting"** means a General Meeting of the Shareholders of the Company, whether an Annual General Meeting or an Extraordinary General Meeting.

(n) **"Independent Director"** shall have the meaning ascribed to it in the Act.

(o) **"Ordinary & Special Resolution"** shall have the meanings assigned to these terms by Section 114 of the Act.

(p) **"Promoter"** means a person—

(i) who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; or
(ii) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or

(iii) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:

Provided that nothing in sub-clause (*iii*) shall apply to a person who is acting merely in a professional capacity;

(q) **"Rules"** means the applicable rules for the time being in force as prescribed under relevant Sections of the Act.

(r) **"Seal"** means the Common Seal of the Company.

(s) **"Secretary"** is a Key Managerial Person appointed by the Directors to perform any of the duties of a Company Secretary.

(t) **"The office"** means the Registered Office for the time being of the Company.

(u) **"These Regulations"** means these Articles of Association as originally framed or as altered, from time to time.

(v) Words importing the singular shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include bodies corporate and all other persons recognised by law as such.

(w) **"month" and "year"** means a calendar month and calendar year respectively

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

3. The Company is a **"Public Company"** within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly means a company which—

a) is not a private company;
b) has a minimum paid-up share capital, as may be prescribed

SHARE CAPITAL AND VARIATION OF RIGHTS

4.

i) The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital. Whether original or increased or decreased into several classes and attach there to respectively such as ordinary equity shares with voting rights or differential rights as divided or otherwise in accordance with rules, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.

ii) Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company's members in General Meeting give to any person or persons the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting

iii) 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 shall, for the purposes of the Articles, be a member.

5.

i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

ii) To every such separate meeting, the provisions of these regulations relating to meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding or representing by proxy at least one-third of the issued shares of the class in question.

6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

7.

i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

iv) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

8. Subject to Section 89 of the Act, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when

having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9.

i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided-

a. one certificate for all his shares without payment of any charges; or
b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
iii) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
iv) The provisions of this Articles shall mutatis mutandis apply to debentures of the company.
v) Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act,1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the company

10. The Company may issue such fractional certificates as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit as to the period within the fractional certificates are to be converted into share certificates.

11. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. If any share stands in the name of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these articles, all or any other matter connected with the Company except the issue of Share Certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

12. A person opts to hold any shares with the depository, the Company shall intimate such depository the details of allotment of the shares to enable the depository to enter in its records the name of such person as the beneficial owner of that shares.

The provisions of this Articles shall mutatis mutandis apply to debentures of the company.

13. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

14. Subject to the provisions of the Act and Rules made in this behalf, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

15.

i) Subject to section 62 of the Act, The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –

a. persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or
b. employees under any scheme of employees' stock option; or
c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

ii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.

iii) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(A)

(i) To the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of days as may be prescribed under applicable Indian law 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.

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause(ii) shall contain a statement of this right;

(iv) after the expiry of 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 as may be prescribed under applicable law; or

(B) to employees under any 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 applicable law; or

(C) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, subject to compliance with applicable law;

iv) The notice referred to in sub-clause (ii) of clause (A) of sub-section (iii) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.

v) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company (whether such option is conferred in these Articles or otherwise) or to subscribe for shares in the Company;

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

(vi) Notwithstanding anything contained in sub-section (v), where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the relevant authority which shall after hearing the company and the Government pass such order as it deems fit.

DEMATERIALISATION OF SECURITIES

16. The provisions of this Article shall apply only in respect of Securities held in Depository mode and the provisions of the other Articles shall be construed accordingly.

17. for the purpose of this Articles:

(a) "Beneficial Owner" means the beneficial owner as defined in Clause (a) of Sub- section I of Section 2 of the Depositories, Act, 1996.
(b) "Depository" means a Depository as defined under clause (e)of Sub Section 1 of Section 2 Depositories Act, 1996
(c) Depositories Act 1996 shall include any statutory modification(s) or re-enactment(s) thereof, for the time being in force
(d) "SEBI" means Securities and Exchange Board of India established under Securities and Exchange Board of India Act,1992
(e) "Security" has the meaning assigned to it in Section 2 of the Securities Contracts (Regulation) Act, 1956 or any statuary modification or re-enactment thereof for the time being in force.

18. **Power to dematerialize:**

(a) Notwithstanding anything contained in and rematerialize these Articles, the Company shall be entitled to dematerialise its existing shares, debentures and other securities and also rematerialize its shares, debentures and other securities held in Depository Mode and/or offer securities in dematerialised form pursuant to the Depositories Act , 1996 and the rules framed there under: Options for investors, Every person subscribing to or holding securities of the Company shall have the option to receive security certificates in accordance with provisions of the other Articles or to hold the same with a Depository. Such a person who is the beneficial owner of the securities may/can at any time opt out of the Depository, if permitted by Law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed therein, issue to the beneficial owner the required certificates of securities.
(b) If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of security, and on the receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

19. **Securities in Depositories to be in fungible form:**

(a) All the Securities held by a Depository shall be dematerialized and be fungible form.
(b) Nothing contained in Sections 88, 112, 89 AND 186 -of the said Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.

20. **Rights of Depositories and Beneficial Owners of Securities**:

(a) Notwithstanding anything to the contrary contained in the said Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company.

(d) The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities of a member in respect of his securities, which are held by a Depository.

21. **Furnishing of information by Depository:**

(a) Notwithstanding anything contained in the said Act or these Articles 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 or in such other manner as may be practicable.

22. **Transfer of Securities:**

(a) Nothing contained in Section 108 of the said Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of who are entered as beneficial owners in the records *bf* a Depository.

(b) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

23. **Distinctive numbers of Securities Held in Depository:**

Nothing contained in he said Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the Securities held with a Depository. Every fortified or surrendered share held in a material form shall continue to bear the number by which the same was originally distinguished.

24. **Register and index of beneficial owners:**

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised 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, 1996 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 of Members, resident in that state or country.

LIEN

25.

i) The company shall have a first and paramount lien-

a) on every share (not being a fully paid share) /debentures registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

and upon sale of such shares, on the proceeds of the sale for all monies (whether presently payable or not) and no equitable interest in any share or debenture shall be created except upon the footing and condition that this Article will have full effect.

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

ii) The company’s lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. The fully paid shares will be free from all lien, while in the case of partly paid shares, the company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares.

26. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company’s Lien, if any, on such the company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien provided that no sale shall be made-

(a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency and stating that the amount so demanded if not paid within the period specified at the Registered Office of the company the said shares shall be sold.

27.

i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

28.

i) The proceeds of the sale shall be received by the company and applied in payment of whole or a part of the amount in respect of which the lien exists as is presently payable.
ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

29.

i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment of the call money, pay to the company, at the time or times and place so specified, the amount called on his shares.

iii) A call may be revoked or postponed at the discretion of the Board.

30. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

31. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

32.

i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate of interest, if any, as the Board may determine.
ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

33.

i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

34. The Board-

a) may, if it thinks fit, subject to the provisions of Section 50 of the Act, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, 12% per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to any calls on debentures of the Company.

35. On the trial or hearing of any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

36. Neither a judgement nor a decree in favour of Company for calls or other moneys due in respect of any share, nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

37. That there will be no forfeiture of unclaimed dividends before the claim becomes barred by law

TRANSFER OF SHARES

38. The Company shall keep a "Register of Transfer" and therein shall fairly and distinctly enter particular of every transfer or transmission of any share.

39. The Company shall also use a common form of transfer.
    i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
    ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

40. The instrument of transfer shall be in writing and Section 56 of theof the Companies Act 2013 and of any modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.

41. Unless the Director decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the positing of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and, in any event, the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

42. The Board may, subject to the right of appeal conferred by section 58 decline to register-
    a) Any transfer of shares whether fully paid or not, by giving reasons, and sending a notice of refusal to register transfer within a period of thirty days from the date on which the instrument of transfer, or

b) the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being 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. or

c) Transfer of shares/debentures in whatever lot shall not be refused..

43. The Board may also decline to recognise any instrument of transfer unless-

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

44. All instruments of transfer which shall be registered shall be retained by the Company but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same

45. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

46. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

TRANSMISSION OF SHARES

47.

i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares

ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

48.

(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may be from time to time properly required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.

49.

(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

50. On the transfer of the share being registered in his name, a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company; Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

51. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the Company, it shall furnish to the Controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made there under and it shall not be lawful for the Company to register the transfer or any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.

52. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable rights, 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 rights, title or interest or be under any liability 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 though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

53. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

FORFEITURE OF SHARES

54. If a member fails to pay any call or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

55. The notice aforesaid shall-
    (a) name of further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
    (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

56. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.

57.
    i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
    ii) At any time before a sale or disposal, as aforesaid, the Board may annual the forfeiture on such terms as thinks. fit

58.

(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares together with interest thereon from the time *of* forfeiture until payment at the rate of 9% (nine percent) per annum.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

59.

(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

60. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

61. The forfeiture of a share shall involve extinction of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.

62. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of 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 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 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.

63. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

64. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

65. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

CONVERSION OF SHARES INTO STOCKS

66. Where shares are converted into stock,-

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting and meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company (other than those related to share warrants) 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.

SHARE WARRANTS

67. The Company may issue Share warrants subject to, and in accordance with, the provisions of the Act and the applicable rules/ regulations/ guidelines. The Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.

68.

a. 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 Shareholder at any meeting held after the expiry of two (2) clear days from the time of deposit, as if the depositor’s name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.

b. Not more than one person shall be recognised as the depositor of the Share warrant.

c. The Company shall, on two (2) days’ written notice, return the deposited Share warrant to the depositor.

69.

a. Subject as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders, or be entitled to receive any notices from the Company.

b. The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be deemed to be member of the company in respect thereof.

70. The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

ALTERATION OF CAPITAL

71. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

72. Subject to the provisions of section 61, the company may, by ordinary resolution,-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, so however, than 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 shares in derived;
(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

73. The company may, from time to time, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-
(a) its share capital;
(b) any capital redemption reserve account; or
(c) any share premium account.

74.
i) The Company shall have power to establish Branch Offices, subject to the applicable provisions of the Act or any statutory modifications thereof.
ii) The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction, of any work or building or the provisions of any plant for the Company in accordance with the applicable provisions of the Act.
iii) The Company, if authorised by a special resolution passed at General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however to the applicable provisions of the Act.

GENERAL MEETINGS

75. All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.

76. The Board may, whenever it thinks fit, call an extraordinary general meeting. A General Meeting of the Company may be called by giving at least clear twenty one day's notice in writing or through electronic mode but a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. The accidental omission to give notice to or the non-receipt of notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

77. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

78. No general meeting, annual or extraordinary, shall be competent to enter upon, discusser transact any business, which has not been stated in the notice by which it was convened or called.

79.
i) No business shall be transacted to any general meeting, unless quorum or members is present at the time when the meeting proceeds to business.
ii) Save as otherwise provided in Section 103 of the Act, a minimum of five members present in person shall be the quorum. A body corporate, being a member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

CONDUCT OF GENERAL MEETINGS

80. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

81. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of such meeting only.

82. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of such meeting only.

83. No business shall be discussed at any general meeting except the election of a Chairperson, whilst the chair is vacant.

84.
a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
d) 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.

85. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson of the meeting at which the show of hand takes place or at which the poll is demanded shall have a second or casting vote.

86. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

VOTING RIGHTS

87. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-
    (a) on a show of hands, every member present in person shall have one vote; and
    (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

88. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

89. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the register of members.

90. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

91. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company or in respect of shares on which the company has exercised any right of lien, have been paid.

92.
    (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
    (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

93. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarised certified copy of that power or authority shall be deposited at the registered office of the Company, not less than 48 hours before the time for holding the meeting or adjourned meeting at

which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated valid.

94. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

95. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of insanity of the principal or that revocation of the proxy of the authority under which the proxy are executed or the promoter of the shares in respect of which the proxy is given, if no intimation in writing of such death insanity, revocation or transfer shall have been received by the Company at its office before commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

96. The number of the directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).

97. The following shall be the first Directors of the Company as on the date of conversion of Company from Private into Public Company:

(a) Mr. Mahesh Gupta
(b) Mrs. Sunita Gupta
(c) Mr. Varun Gupta

98. Subject to the provisions of Section 149 of the Act, the Company may from time to time by Special Resolution increase or reduce the number of Directors within the limits fixed by these Articles and may also determine in what rotation the increased or reduced number is to vacate the office. A person appointed as a Director shall not act as a Director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as prescribed in the relevant Rules. The Directors shall appoint one women director as per the requirements of section 149 of the Act.

99. The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

100. Not less than two-thirds of the total number of Directors of the Company shall:

i) be persons whose period of office is liable to determination by retirement of Directors by rotation; and

ii) save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.

Explanation:- for the purposes of this Article "total number of Directors" shall not include Independent Directors appointed on the Board of the Company. The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.

101. Subject to the provisions of Section 152 of the Act, at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

102.

i) Subject to the applicable provisions of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally of is so determined paid on a monthly basis.

ii) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

iii) Subject to the applicable provisions of the Act, if any Director be called upon to perform any extra services or make 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 pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Directors at the cost and expense of the Company such facilities or amenities (such as rent free house, free medical aid and free conveyance) as the Board may determine from time to time.

iv) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid in accordance with the Company's rules to be made by the Board 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.

103. Every Independent Director shall be paid a sitting fee not exceeding the limits prescribed in the Companies Act, 2013 or any amendment thereof for each meeting of the Board of Directors or of any committee thereof attended by him.

104. The Board of Directors shall have power to appoint additional Directors in accordance with the provisions of Sections 161 of Act.

105. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate, a Director of the company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein deferred to as a debenture Director. A Debenture Director may be removed from office at any time by the person or persons 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 liable to retire by rotation, but he, shall be contend in determining the number of retiring Directors

106. In the course of Its business and for its benefit the Company shall, subject to the provisions of the Act be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Director. Nominee Director shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation how appointed such Nominee Director may if the agreement so provide, appoint another Director in his place. But he shall be counted in determining the number of retiring Directors.

107. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.

108. A Director may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in cases in which the provisions of Section 161 of the Act are attracted will ensure that the same have been complied with.

109. Every nominating, appointment or removal of a Nominee Director shall be in writing and accordance with the rules and regulations of the government, corporation or any other institution. A Nominee Director shall

be entitled to the same rights and privileges and be subject to same obligations as any other Director of the Company.

110. The office of a Director shall became Vacant:
   i. on the happening of any of the events provided for in Section 167 of the Act
   ii. on contravention of the provisions of Section 188 of the Act, or any statutory modifications thereof;
   iii. if a person is a Director of more than twenty Companies at a time;
   iv. in the case of alternate Director on return of the original Director in India, in terms of Section 161 of the Act; or
   v. on resignation of his office by notice in writing and is accepted by the Board

111. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.

MANAGING DIRECTOR AND WHOLE TIME DIRECTOR

112. Subject to provisions of Section 196, 197 and 203 of the Act, Board of Directors may, from time to time, appoint one or more of their body to the office of - Managing Directors and/or Whole Time Directors for a period riot exceeding 5 (five) years at a time and on such term and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment; and in making such appointments, the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act; provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall be automatically determine if the ceases to be a Director. However, he shall be counted in determining the number of retiring Directors.

113. The Board may entrust and confer upon Managing Director or Whole Time Director any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or very all or any of such powers.

114. An individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or Chief Executive Officer of the Company at the same time.

POWERS OF BOARD OF DIRECTORS

115. The Board may pay all expenses incurred in the formation, promotion and registration of the company.

116. The company may exercise the powers conferred on it, with regard to with regard to having an official seal for used abroad and such powers shall be vested in the Board.

117. The company may exercise the powers conferred on it by section 88 of the Act, with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

118. The power to enter into agreements and adopt agreements relating to acquisition of the business and also the assets and liabilities of the partnership firm.

119. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the Act being made; wherever any Director is in anyway, whether directly or indirectly concerned or interested in the contract or arrangement.

120. Subject to the provisions of Section 179 of the Act and other provisions of the Act and rules there under, the Board may delegate from time to time and at any time to committee formed out of the Directors any of its powers, authorities, and discretion for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.

BORROWING POWER

121. Subject to the provision of Section 73, 74, 179 and 180 of the Act and the regulations thereunder issued by the RBI, the Board may exercise all the powers of the company to borrow money and to mortgage or charges its undertaking, property (both present and future) and uncalled capital or any part thereof and to issue debenture, debenture stock and other securities whether outright or as a security for any debt, liability or obligation of the company or of any third party.

122. the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debenture stock of the company, charged upon all or any of the property of the company (both present and future) including its uncalled capital for the time being.

123. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, may be made assignable free from any equities between the Company and person to whom the same may be issued and may be issued on the condition that they shall be convertible into shares of any authorised denomination, and with privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise, provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General meeting by special resolution.

124. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board may, from time to time, by resolution determine.

PROCEEDINGS OF THE BOARD

125. The Chairperson may at any time summon a meeting of the Board and the Chairperson or a Secretary, on the requisition of a Director, shall at any time summon a meeting of the Board. Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.

126. Subject to section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other audio visual means shall also be counted for the purposes of 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, being not less than two, shall be the quorum during such time.

127. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.

128. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum

129.
(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

130. The continuing directors may act notwithstanding any vacancy in the Board, but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or for summoning a general meeting of the company, but for no other purpose.

131.

(i) Save as provided in article 106, The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

132. Subject to the restrictions contained in Section 179 and 180 of the Act, The Board may delegate any of its powers to committees consisting of such member or members of its body as it thinks fit from time to revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

133. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so for as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Articles.

134.

(i) A designated Chairman shall be appointed as Chairperson in the meeting.

(ii) if no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

135.

(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

136. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment or continuance in office of any such directors or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to act as such 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, had duly continued in office was qualified had continued to be a Director his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated

137. Subject to section 175 of the Act and except a resolution which the Act requires specifically to the passed in any board meeting, a resolution in writing, signed by the majority 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 as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

138. Subject to the provisions of the Act,-

i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit;

and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer

139. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

140.

i) The Board shall provide a common seal for the Company for the purposes of the company and shall have power from time to vary or cancel and the same and substitute a new seal in lieu thereof, the Board shall provide for the safe custody of the seal for the time being.

ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDEND AND RESERVES

141. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

142. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

143.

(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

144.

(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the Company , dividends may be declared and paid according to the amount to of the shares.
Any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in dividend subsequently declared

(ii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

145. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company subject to the provisions of the Act.

146.

(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

147. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

148. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

149. No dividend shall bear interest against the company irrespective of the reason for which it has remained unpaid.

148A. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of KENT R O SYSTEMS LIMITED". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under the Act, in accordance with the provisions of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board before claim on such dividend becomes barred by applicable law.

ACCOUNTS

150.

(i) The board shall cause proper books of accounts to be maintained under section 128 of the act.

(ii) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(iii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

(iv) Subject to Section 129 of the Act at every Annual General Meeting of the Company the Directors shall lay before the Company a Financial Statements for each financial year. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. Every account when audited and approved by a General Meeting shall be conclusive.

AUDIT

151. Balance sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for Correctness as per provision of the Act

152.

a) The first auditor of the Company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of First Annual General Meeting.

b) The Board of Directors may fill up any casual vacancy in the office of the Auditors.

c) The remuneration of the Auditors shall be fixed by the Company in the annual general meeting except that remuneration of the first or any auditors appointed by the directors may be fixed by the directors.

CAPITALISATION OF PROFITS

153.

(i) The company in general meeting may, upon the recommendation of the Board, resolve-

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (b);

(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

154.

(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) do all acts and things required to give effect thereto.

(ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

155. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

SECRECY

156. Subject to the applicable provisions of Companies Act, 2013, no member shall or other person (not being a Director) shall be entitled to visit or inspect the Company's work without the permission of the Board of Directors or the Managing Director to require discovery of any information respecting any details of the Company's business, trading or customers of any matter with is or may be in nature of a trade secret mystery of trade or secret process or any other matter which may related to the conduct of the business of the Company or which in the opinion of the Directors, it will be inexpedient in the interest of the Company to disclose.

WINDING UP

157.

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

158. Subject to the applicable provision of the Act, every Director, auditor, secretary and other officer or servant of the Company (all of whom are hereinafter referred to as officer or servant) shall be indemnified by the Company and it shall be the duty of the Directors but of the funds of the Company to pay, all bonafide costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or his done or omitted by him as such officer or servant or in any way in the discharge of the duties; and in particular and so as not to limit the generality of the foregoing provisions against any liability incurred by such officer or servant in defending any bonafide proceedings whether civil or criminal in which a judgement is given in his favour or in which he is acquitted or in discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court. The amount for which such indemnity is provided shall immediately attach as a charge on the property of the company.

GENERAL POWER

159. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus filed with the Registrar of Companies, and also the documents for inspection referred to hereunder may be inspected at our Registered and Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available at the following weblink: https://www.kent.co.in/ir/offer-documents from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such documents or agreements executed after the Bid/Offer Closing Date).

Material Contracts to the Offer

1. Offer Agreement dated January 21, 2025 entered into among our Company, the Promoter Selling Shareholders and the BRLMs;

2. Registrar Agreement dated January 15, 2025 entered into among our Company, the Promoter Selling Shareholders and the Registrar to the Offer;

3. Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Promoter Selling Shareholders, the BRLMs, Banker(s) to the Offer and the Registrar to the Offer;

4. Share Escrow Agreement dated [●] entered into among the Promoter Selling Shareholders, our Company and the Share Escrow Agent;

5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer; and

6. Underwriting agreement dated [●] entered into among our Company, the Promoter Selling Shareholders, the Registrar to the Offer and the members of the Syndicate.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time;

2. Certificate of incorporation dated April 12, 2007, and fresh certificate of incorporation dated May 22, 2007 issued pursuant to change of name of the company;

3. Board resolution of our Company, dated January 8, 2025 authorizing the Offer and other related matters;

4. Consent letters of the Promoter Selling Shareholders authorizing their participation in the Offer;

5. Resolution of our Board dated January 21, 2025 approving the DRHP for filing with SEBI and the Stock Exchanges;

6. Resolution of the Audit Committee dated January 8, 2025 approving the key performance indicators;

7. Copies of our annual reports for the last three Fiscals;

8. Examination report of the Statutory Auditors, Walker Chandiok & Co LLP, on our Restated Consolidated Financial Information dated January 8, 2025 included in this Draft Red Herring Prospectus;

9. Consent from the Statutory Auditors namely, Walker Chandiok & Co LLP, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations and as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as the Statutory Auditors and in respect of their examination report dated January 8, 2025 on our Restated Consolidated Financial Information and their report dated January 21, 2025 on the statement of special tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as

of the date of this Draft Red Herring Prospectus. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act;

10. The statement of special tax benefits dated January 21, 2025 from the Statutory Auditors included in this Draft Red Herring Prospectus;

11. Certificate on key performance indicators issued by SNR & Company, Chartered Accountants dated January 21, 2025;

12. Consent dated January 21, 2025 from SNR & Company, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and referred to as an "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of the certificates issued by them in their capacity as independent chartered accountants to our Company.

13. Consent dated January 21, 2025 from Rajeshwari & Associates, Trademarks and Patents Attorneys, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the certificate issued by them in their capacity as an intellectual property consultant to our Company.

14. Consents of banker to our Company, the BRLMs, the Syndicate Members, Registrar to the Offer, Banker(s) to the Offer, legal counsel to the Company as to Indian law, Directors and Compliance Officer and Company Secretary to act in their respective capacities;

15. Industry Report titled "*Industry Report on Water Purifier, Fans, and Kitchen & Small Home Appliances Market in India*" dated January 9, 2025 prepared by Technopak, commissioned and paid for by our Company and the engagement letter dated October 7, 2024 amongst the Company and Technopak;

16. Consent letter dated January 10, 2025 from Technopak in relation to the Technopak Report;

17. Share Purchase Agreement dated December 3, 2024 entered into between our Company, Mahesh Gupta, Sunita Gupta and Dreamland Exim Private Limited;

18. Valuation report dated December 2, 2024 by NSRP & Company, Chartered Accountants in relation to the fair market value of the equity shares of Dreamland Exim Private Limited;

19. License agreement for trademarks, copyrights, patents and designs dated April 1, 2023, and addendum agreement dated January 1, 2025 between Mahesh Gupta and our Company;

20. In-principle listing approvals dated [●] and [●], from BSE and NSE, respectively;

21. Tripartite agreement dated December 13, 2024, among our Company, NSDL and Registrar to the Offer;

22. Tripartite agreement dated December 13, 2024, among our Company, CDSL and the Registrar to the Offer;

23. Due diligence certificate to SEBI from the BRLMs dated January 21, 2025; and

24. Final observation letter dated [●] issued by SEBI (Ref. No. [●]).

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.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Mahesh Gupta

Designation: Chairman and Joint Managing Director
Date: January 21, 2025
Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Varun Gupta

Designation: Joint Managing Director
Date: January 21, 2025
Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sunita Gupta

Designation: Non-Executive Non-Independent Director
Date: January 21, 2025
Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Arun Seth

Designation: Independent Director
Date: January 21, 2025
Place: Bengaluru

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Chetas G. Desai

Designation: Independent Director
Date: January 21, 2025
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rajita Kulkarni

Designation: Independent Director
Date: January 21, 2025
Place: Bengaluru

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Sanjay Johri

Date: January 21, 2025
Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE JOINT CFO OF OUR COMPANY

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Navin Kumar Rajvanshi
Date: January 21, 2025
Place: Noida

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE JOINT CFO OF OUR COMPANY

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Ratan Kumar Srivastava
Date: January 21, 2025
Place: Noida

DECLARATION BY PROMOTER SELLING SHAREHOLDER

I hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about it or in relation to myself and the Equity Shares offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including any of the statements made by or relating to the Company or any other Promoter Selling Shareholder in this Draft Red Herring Prospectus.

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Mahesh Gupta
Date: January 21, 2025
Place: Noida

DECLARATION BY SUNITA GUPTA AS A PROMOTER SELLING SHAREHOLDER

I hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about it or in relation to myself and the Equity Shares offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including any of the statements made by or relating to the Company or any other Promoter Selling Shareholder in this Draft Red Herring Prospectus.

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Sunita Gupta
Date: January 21, 2025
Place: Noida

DECLARATION BY VARUN GUPTA AS A PROMOTER SELLING SHAREHOLDER

I hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about it or in relation to myself and the Equity Shares offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including any of the statements made by or relating to the Company or any other Promoter Selling Shareholder in this Draft Red Herring Prospectus.

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Varun Gupta
Date: January 21, 2025
Place: Noida