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WOL 3D INDIA LIMITED
CIN: U74110MH1988PLC049454

Our Company was originally incorporated as a private limited Company under the name of "Parekh Polyster Private Limited" on November 01, 1988 bearing registration number as 11-49454. Subsequently, Ratan Mohanraj Chandalia, Virendra Mohanraj Chandalia, Sumitra Virendra Chandalia, Shweta Virendra Chandalia and Swati Virendra Chandalia, purchased the entire shareholding in the year 2003. Thereafter, the name of the company was changed from "Parekh Polyster Private Limited" to "Wol 3D India Private Limited" vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on April 30, 2018 and consequent to name change a fresh Certificate of Incorporation was granted to our Company on June 20, 2018 by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a public limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on December 12, 2022 and consequently the name of our Company was changed from "WOL 3D India Private Limited" to "WOL 3D India Limited" vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated January 02, 2023 by the Registrar of Companies, Mumbai bearing Corporate Identification Number U74110MH1988PLC049454.

Registered Office: 18, Ground Floor, Bombay Cotton Mill Estate, Dattaram Lad Marg, Kalachowky, Mumbai, Maharashtra, India, 400033

Contact Person: Nayna Pratik Lunker, Company Secretary & Compliance Officer

Tel No: 022 - 23727396; **E-mail:** cs@wol3d.com; **Website:** www.wol3d.com;

PROMOTERS OF OUR COMPANY: RAHUL VIRENDRA CHANDALIA, SALONI RAHUL CHANDALIA, PRADEEP SHRIPAL JAIN, SWATI PRADEEP JAIN.

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED MAY 09, 2024; NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF 17,04,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF WOL 3D INDIA LIMITED ("OUR COMPANY" OR "WOL 3D" OR "THE ISSUER") AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC OFFER") COMPRISING OF A FRESH ISSUE OF 14,52,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 2,52,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE") AGGREGATING TO ₹ [●] LAKHS COMPRISING; 70,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY RAHUL VIRENDRA CHANDALIA; 1,00,000 EQUITY SHARES AGGREGATING ₹ [●] LAKHS BY SALONI RAHUL CHANDALIA, , 47,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY PRADEEP SHRIPAL JAIN AND 35,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY SWATI PRADEEP JAIN (COLLECTIVELY REFERRED AS "SELLING SHAREHOLDERS") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE 26.41% AND [●] RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Chapter titled "Risk Factors" beginning on page 29 of the Draft Red Herring Prospectus has been updated
2. The Chapter titled "Capital Structure" beginning on page 63 of the Draft Red Herring Prospectus has been updated
3. The Chapter titled "Objects of the Offer" beginning on page 79 of the Draft Red Herring Prospectus has been updated
4. The Chapter titled "Our Business" beginning on page 111 of the Draft Red Herring Prospectus has been updated
5. The Chapter titled "Our Management" beginning on page 140 of the Draft Red Herring Prospectus has been updated
6. The Chapter titled "Management's Discussion And Analysis Of Financial Conditions And Results Of Operations" beginning on page 198 of the Draft Red Herring Prospectus has been updated
7. The Chapter titled "Government And Other Statutory Approvals" beginning on page 214 of the Draft Red Herring Prospectus has been updated
8. The Chapter titled "Other Regulatory And Statutory Disclosures" beginning on page 221 of the Draft Red Herring Prospectus has been updated
9. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to offer price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

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

On behalf of WOL 3D INDIA LIMITED

Sd/-

Nayna Pratik Lunker,

Company Secretary and Compliance Officer

Place: Mumbai

Date: August 16, 2024

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



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Contact Person: Ganesh Shinde
SEBI Registration Number: INR000001385

BID/ISSUE PROGRAMME

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

BID/ISSUE OPENS ON: [●]**

BID/ISSUE CLOSES ON: [●]**

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

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

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SECTION III – RISK FACTORS

INTERNAL RISK FACTORS

- 1. Our future success depends on our ability to promote our brand and protect our reputation. Our failure to establish and promote our brand and any damage to our reputation will hinder our growth.***

We believe that the market perception of our brands is one of the key factors for the sustained demand of our products amongst consumers. We engage in a wide range of marketing and advertising activities, including exhibitions like: “INSIDE 3D PRINTING CONFERENCE EXPO”, “PLAST INDIA 2018”, “RAJKOT MACHINE TOOLS SHOW”, “AMTECH EXPO”, “JAMNAGAR TECH FEST”, “IAMP MEET UP 2021”, “DIDAC INDIA 2023”, “GIFTEX 2023” and in-store branding like: we have set up a kiosk at one of the stores of Crossword, Mumbai, marketing at platforms of Indiamart, Justdial, Google Adwords etc, social media branding at Facebook, Instagram and by way of unboxing videos on Youtube etc. which enable us to maintain the popularity and recall the brand value. We were aired at the live TV Show Shark tank Season 2 which gathered recognition and awareness of our products and its application. We believe our strategy to enhance our brand recognition is crucial to our future success. We have invested, and will need to continue to dedicate, significant time, efforts and resources to advertising and market promotion initiatives. We may need to devote an even greater portion of our resources to continue to strengthen our brand recognition and build our user base, which may impact our profitability. We cannot guarantee that our marketing efforts will ultimately be successful, as it is affected by numerous factors, including the effectiveness of our marketing initiatives, our ability to provide consistent, high-quality products and services, consumers' satisfaction with our products, as well as supports and services we provide, among others.

We list our products on various e-commerce websites and our customers are increasingly using such platforms to provide feedback and information about products, in a manner that can be quickly and broadly disseminated. Our brands could be damaged by any negative publicity on social media platforms or by claims or perceptions about the quality or durability of the products sold, regardless of whether such claims or perceptions are true. Any such negative publicity related to our brand, products, suppliers, distributors could have an adverse impact on our brand, which may negatively affect our business and can significantly reduce our brand value and consumer trust.

We believe that a large part of the success of our brands is attributable to the after sales services and any deficiency in such after sales services may adversely impact the reputation of our brands. Further, we may not be able to collect customer feedback in an adequate or frequent manner, or implement it effectively to improve our products and services.

- 2. Our business may be adversely impacted by product defects and liability issues which may adversely affect our business, reputation and results of operations***

Defects in the imported hardware as a result of our reliance on third party suppliers or defects in the filaments manufactured due to flaw in our manufacturing process can occur. Any product defects or any other failure of our products or substandard product quality could harm our reputation and result in adverse publicity, lost revenues, delivery delays, product recalls, adverse relationships with our suppliers or distributors, product liability claims, harm to our brand and reputation, significant warranty and other expenses, and could have a material adverse impact on our business, financial condition, operating results and prospects. While the warranty cost fluctuates every year, which is based on current events and actions, our warranty costs may exceed our estimates, resulting in increase of current period expenses.

Such quality issues may result in customers returning defective products to us for a cash refund or a replacement of their products during the warranty period of the products. We cannot assure you that the rate and cost of us providing refunds or replacements will not increase in the future. Increases in the rate of product returns may lead to customer dissatisfaction, which may adversely affect our reputation, brand image, business and financial condition. Disputes over warranties of our products can arise in the ordinary course of our business. We may experience material product liability losses, and we may be unable to defend these claims at a contained level of cost or at all. The cost of product replacements or product returns in the future may be substantial, particularly given our increasing product categories and models, and we could incur substantial costs to implement modifications or to fix defects in our products.

- 3. If we fail to capitalize industry trends or partner with new brand or suppliers and commercialize new products, services and technologies that are well received by consumers in a timely manner, our operating results may be materially and adversely affected.***

The Indian Government has taken several initiatives to augment the growth of the 3D Printing industry. Some of these

initiatives are Atal Innovation Mission (AIM) and the State Government Initiatives: The Gujarat government signed an MoU with US Institute of 3D Technology and OEM 3D Systems to set up seven 3D printing Centres of Excellence in technical institutes and engineering colleges. Additionally, the Andhra Pradesh MedTech Zone collaborated with the University of Wollongong to establish a 3D bioprinting lab. The Department of Heavy Industries COE at IISc Bengaluru collaborated with Wipro to build India's first industrial grade 3D printer. Moreover, the Andhra Pradesh government and HP Inc. signed an MOU to build a Centre for Excellence for 3D printing. (Source: <https://www.ibef.org/blogs/national-strategy-on-additive-manufacturing>). These initiatives and policies are expected to augment the growth of 3D Printing industry. Our ability to compete successfully depends in large part on our ability to continue to introduce new and innovative products, services and technologies that are well received by consumers and in a timely manner.

Our ability to roll out new and innovative products and services depends on a number of factors, including partnership with new brands or suppliers, quality control of our products and services and effective management of our supply chain. The execution of such initiatives can be complex and costly. As such, we could experience delays in introduction of new products, services and technologies in the future. We may need to devote an even greater portion of our resources towards new or enhanced products, services and technologies, which may adversely affect our profitability. To the extent we are unable to execute our strategy of continuously introducing new and innovative products, diversifying our product portfolio and satisfying consumers' changing preferences, we may not be able to grow our user base and our competitive position.

We may misjudge market demand, resulting in inventory build-up and possible inventory write-downs. We may not be able to effectively control our costs and expenses in rolling out these new product categories and scenarios. We may have certain quality issues and experience higher return rates on new products, receive more customer complaints and face costly product liability claims, which would harm our brand and reputation as well as our financial performance. Furthermore, we may need to price our new products more aggressively to penetrate new markets, and gain market share or remain competitive. It may be difficult for us to achieve profitability in such product categories and our profit margin, if any, may be lower than we anticipate, which would adversely affect our overall profitability and results of operations.

4. *We are authorized distributors for International 3D Printer brands in India. Such authorizations are usually valid for a limited period and if such authorizations are terminated or not renewed at favourable terms, our operations may be adversely affected.*

We are the distributors for International 3D Printer brands like Flashforge Corporation, Creality, Bambu lab, Phrozen Tech Co Ltd, Elegoo. We are subject to certain obligations and restrictive covenants in these authorizations that we have entered into with third party manufacturers and suppliers. Any failure to comply with these obligations and covenants may have a material adverse effect on our business, prospects, cash flows and financial condition. During the stub period ended on December 31, 2023 and Fiscals 2023, 2022 and 2021 our imports accounted for 84.76%, 91.03%, 92.34% and 80.96% of our purchases for respective years.

There may be possibility that we may not be able to access such products, technology and know-how in the event of any discontinuation, disruption, termination or breach of these authorizations resulting in an adverse impact on our business and financial condition. These authorizations are usually valid for a limited period of time, therefore if these authorizations are not regularly renewed we may not be able to continue our operations on favourable terms.

5. *Restrictions on import and an increase in shipment cost may adversely impact our business, cash flows and results of operations.*

Most of the products, raw materials and components required in our manufacturing and assembly line process are imported. During the stub period ended on December 31, 2023 and Fiscal 2023, 2022 and 2021 the import purchases accounted for 84.76%, 91.03%, 92.34% and 80.96% of total purchases in the respective years. The import is regulated by the various regulatory requirements, which empowers the relevant authority to undertake any measures that it deems fit, particularly in relation to hardwares, components, raw material and spare parts to be imported. Such measures include denying approval for import of such products. There can be no assurance that such regulations will not become more stringent in the future, which could potentially restrict our ability to import from other jurisdictions. Historically, we have been dependent on import from countries like: China. While our imports from such jurisdictions are not currently subject to any regulatory ban or restriction, there can be no assurance that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import. There can also be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers or we will be able to source such products, raw materials or components domestically at favourable terms in a timely manner. While we have not in the past experienced any significant challenge in importing products, there can be no assurance that we

will not experience any such challenges in the future

6. *We are susceptible to supply shortages and interruptions, long lead times, and price fluctuations for imported hardware and raw materials used for manufacturing filaments, any of which could disrupt our supply chain and have a material adverse impact on our results of operations.*

Our product portfolio includes various product categories such as hardware and consumables. We import from hardware like: 3D printers, 3D Scanners, Laser engravers, 3D Pens from China. We also require spare parts for servicing of the hardware sold which are imported from China. During the stub period ended on December 31, 2024 and Fiscal 2023, 2022 and 2021 the import purchases from China accounted for 91.53 %, 91.03 %, 92.34 % and 80.96 % of total purchases in the respective years. The import is regulated by the various regulatory requirements, which empowers the relevant authority to undertake any measures that it deems fit. Such measures include denying approval for import of such products. There can be no assurance that such regulations will not become more stringent in the future, which could potentially restrict our ability to import from other jurisdictions. Historically, we have been dependent on import from China. While currently our imports from such jurisdiction is not currently subject to any regulatory ban or restriction, there can be no assurance that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import. There can also be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers or we will be able to source such products domestically at favorable terms in a timely manner. While we have not in the past experienced any significant challenge in importing products, there can be no assurance that we will not experience any such challenges in the future.

Moreover, the raw materials required for manufacturing 3D filaments used in these hardware are sourced locally. We are dependent on timely and adequate supply of these hardware and raw materials. All these are usually sourced from third-party suppliers and some of these are sourced from a limited number of suppliers or a single supplier as well. Therefore, we are subject to risks of shortages or discontinuation in supply, long lead times, cost increases and quality control issues with our suppliers. In addition, some of our suppliers may have more established relationships with our competitors, and as a result of these relationships, such suppliers may choose to limit or terminate their relationships with us or prioritize our competitors' orders in the case of supply shortages. The quality of the filaments manufactured at our factory is primarily derived from the quality of our raw materials, and any deterioration in the quality of raw materials supplied to us will have an adverse effect on the quality of finished goods, market reputation and sales volumes. There can be no guarantee that we will be able to maintain our current line-up of suppliers or adequate supply at all times. Our top 10 suppliers for the stub period ended on December 31, 2023 and Fiscals 2023, 2022 and 2021 accounted for 94.63%, 93.72%, 96.68% and 94.69% of our total purchases for respective years.

The major raw materials required in manufacturing filaments include Acrylonitrile Butadiene Styrene (ABS) and Polylactic Acid (PLA) plastic. The prices of these raw materials are volatile and subject to fluctuations arising from changes in domestic and international supply and demand dynamics, labour costs, competition, market speculation, and government regulations. Rapid changes in the prices of such raw materials may affect the production price and consequently the market price of these products.

Moreover, if any of our suppliers suffer any damage to facilities, experience power outages, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers or suffer any other reduction in efficiency, capacity limitations, shortages, work stoppages, labour or social unrest, transport bottlenecks and risks, weather emergencies, commercial disputes, government actions, riots, wars, sabotage, cyber-attacks, acts of terrorism, financial or operational instability of suppliers, we may experience significant business disruption. In the event of any such disruption, our Company would need to seek and source other suppliers, likely resulting in further delays and increased costs which could affect our business adversely.

We may be unable to pass the entire impact of the rise in the prices of hardware or raw materials procured to our customers, which may result in lower profit margins for our business. Further, any increase in the selling price of our products may adversely impact the demand for our products, our sales and consequently our profit margins. In the event of supply interruption from suppliers, we will need to identify alternative sources of supply, which can be time-consuming, difficult to locate, and costly. This could cause delays in shipment of our products, harm our relationships with our customers and adversely affect our results of operations.

Further, due to the impact of COVID-19 on the global supply chain, the cost of shipping through containers from China has increased substantially thereby increasing our transportation cost and affecting our margins. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

7. *The markets in which we compete are characterized by consumers and their rapidly changing preferences, advancement in technology and therefore as a result our Company may be affected by any disruptions in the industry.*

We are engaged in providing 3 Printing solutions that is majorly used by the consumers for developing product prototype, aesthetic designing and DIY activities. Thus, the markets in which we compete are characterized by changing consumer preferences, rapidly changing technology, evolving industry standards and continuous improvements in products and services. These conditions frequently result in short product life cycles. If the end-user demand is low for our products, we may see significant changes in orders from our customers and may experience greater pricing pressures. If technologies or standards supported by us become obsolete or fail to gain widespread commercial acceptance, we may experience a reduced demand for our products which may result in a decline in sales and in operating margins depending on the nature of the product and the end user demand and all of these combined may gradually result in a loss to our business.

8. *We are heavily reliant on our relationships with certain online marketplaces. Disruptions to such relationships, changes in their business practices, their failure to meet payment schedules and provide timely and accurate information, or conflicts among our channels of distribution could adversely affect our business, cash flows and results of operations.*

Our products are largely sold through our experience centre at Mumbai, our branch offices and online through e-commerce platforms such as Flipkart India Private Limited, Jiomart, Firstcry, Indiamart, Snapdeal, Moglix and Amazon Seller Services Private Limited. For the period ended on December 31, 2023 and for the Fiscal 2023, 2022 and 2021 our online sales from e-commerce platform constituted 19.63%, 24.10%, 29.93% and 6.33% of our revenue from operations respectively. We have not entered into long-term agreements with these online marketplaces. Further, they may unilaterally terminate their existing association with us at short notice, thereby adversely affecting our distribution network and consequently, our business, cash flows and results of operations may be affected.

Further, we cannot assure you that we will be able to secure promotions on online marketplaces, and our inability to do so may affect our brand visibility on these online marketplaces. Further, customers have the right to verify and determine whether the products supplied by us are in accordance with the specifications stated. In the event the products are not as per the specifications, the customers may return the consignment at the time of the delivery. We are also responsible for collecting the damaged or defective products. In addition, the online retail channels of online marketplaces may be disrupted due to technological disruptions. Should such amendments, cancellations or disruptions occur, it may adversely impact our production schedules and inventories.

The online marketplaces could change their business practices, such as inventory levels, or seek to modify their contractual terms, such as payment terms. Due to temporary changes in the operations of our customers, we may experience delays in collecting payments from such parties. We may face the pressure to modify our trading terms if our customers are unable or unwilling to continue our distribution model. We intend to maintain or further develop our existing relationships with our customers and continue to jointly promote our brands and products on their platforms. In order to expand the sales volume of our products, it is essential that we continue to expand the density as well as the geographical reach of our existing distribution network and ensure that our products reach every market segment and customer base. If we are unable to continue to expand our distribution network, our business, cash flows and results of operations may suffer.

9. *We are highly dependent on certain key customers for a substantial portion of our revenues. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.*

We depend on certain customers who have contributed to a substantial portion of our total revenues. Our top 10 customers accounted, cumulatively, for 48.41%, 55.07%, 57.19% and 59.54% of our revenue from operations for the stub period ended on September 30, 2023 and in Fiscals 2023, 2022 and 2021 respectively. There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Reliance on a limited number of customers for significant revenue may generally involve several risks. These risks may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers, failure to renegotiate favourable terms with our key customers, the loss of these customers entirely, our inability to meet the expectations to track the changing preferences of our customers or non-acceptance of our products by customers, all of

which would have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company. In order to retain some of our existing customers we may also be required to accept terms to such customers which we may place restraints on our resources.

Maintaining strong relationships with our key customers is, therefore, essential to sustain the growth of our business. The loss of any key customer, may significantly affect our revenues, and we may have difficulty securing comparable levels of business from other customers to offset any consequent loss.

10. If we fail to identify and effectively respond to changing consumer preferences and spending patterns in a timely manner, the demand for our products could decrease, causing our business, results of operations, financial condition and cash flows to be adversely affected.

The 3D Printing technology is characterized by frequent changes, particularly in consumer preferences, new products and product variations. The popularity and demand of a product may vary over time due to changing consumer preferences, including those relating to sustainability, durability and maintaining cleanliness etc. Consumer preferences in the market are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. Our continued success depends on our ability to react in a timely and cost-effective manner to changes in consumer preferences for our products, as well as to where and how consumers shop for those products.

We continually work to enhance the recognition of our brand and products and refine our approach as to how, when and where we market and sell our products using data and technology. While we aim to introduce new products from time to time, we recognize that consumer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our consumers. If we are unable to foresee or respond effectively to the changes in market conditions, new and changing trends or desired consumer preferences, accurately anticipate and forecast demand for products, then there may be a decline in the demand and sales for our products, thereby reducing our market share and preventing us from acquiring new customers and retaining existing customers, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

11. We have experienced negative cash flows from operations in the recent past, and we may have negative cash flows in the future.

Our cash flows from operating activities, investing activities and financing activities for the period ended December 31, 2023 and Fiscal 2023, 2022 and 2021 is set forth below:

Particulars	December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash from/ (used in) Operating Activities	137.31	(63.80)	(150.02)	(179.13)
Net cash from/ (used in) Investing Activities	(15.44)	(26.44)	(35.66)	(35.45)
Net cash from/ (used in) Financing Activities	(130.33)	68.41	161.89	303.98

Cash flows of a company are a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

12. Pricing pressure from our competitors may affect our ability to maintain or increase our prices and, in turn, our revenue from product sales, gross margin and profitability, which may materially and adversely affect our business, cash flows, financial condition and results of operations.

Competitive pricing by our competitors may manifest in various forms, including, among others, through our competitors lowering their prices for similar products. This may lead to a decrease in our revenues and profits. Moreover, if we fail to follow our retail price stipulations, our brand value and the public perception of our brand positioning could be negatively affected. We may seek to reduce the price of our raw materials and production through negotiations with our suppliers and streamline product designs to offset the impact of pricing pressure. We cannot assure you that we will be able to avoid future pricing pressure from our competitors or offset the impact of any price reductions through improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, or other cost reductions through other productivity initiatives. If we were to face competitive pricing from our competitors, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition and results of operations may be adversely affected.

13. We are dependant on our manufacturing facility for manufacturing of filaments and we are subject to certain risks in such manufacturing process. Obsolescence, destruction, theft, breakdowns of our machines or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.

We have our manufacturing facility located at Bhiwandi, Mumbai wherein we manufacture 3D filaments. Our business is dependent upon our ability to manage our manufacturing facility, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of our machines or industrial accidents and severe climate conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair breakdown of machinery in a timely manner or at all, our operations may need to be suspended until we procure new machinery to replace the same.

Obsolescence, destruction, theft or breakdowns of our machines may significantly increase our machineries purchase cost. In such cases, we may not be able to acquire new machine or repair the damaged one in time or at all. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations.

Although we have not experienced any significant disruptions at our manufacturing facility in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down or under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition. Any slowdown or shutdown in our manufacturing operations or underutilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.

Additionally, we rely on certain third-party manufacturers outside India for import of hardware like: 3D printers, 3D Scanners, Laser engravers, 3D Pens. In the event that there are disruptions in the manufacturing facilities of such third-party manufacturers, it will impact our ability to procure such products and meet with our commitments. If these products from third-party manufacturers cease to be available to us at costs acceptable to us or if we experience problems with, or interruptions in supply of these products and we are unable to find other facilities to provide similar products on comparable terms and on a timely basis, our revenue from operations would be disrupted and our financial condition and results of operations could be affected.

14. We operate in a competitive market, and the scale and resources of some of our competitors may allow them to compete more effectively than we can, which could result in a loss of our market share and a decrease in our net revenues and profitability.

The 3D Printing industry is highly fragmented as there is competition from various international players. There are some of the big multinational brands like Ulti Maker, Form Labs, Prusa, who are in competition to the domestic players. These domestic players include both - organised and unorganised players. The growth trajectory in the industry has encouraged new entrants to enter into this industry with new business models. In such competitive environment, to gain more market share the players are likely to reduce the pricing which is a challenge for the existing players.

We face intense competition from other retailers that market products similar to ours. We also face regional competition from local brands in the various geographies where our products are sold. We compete in various aspects, including brand recognition, value for money, user experience, breadth of product and service offerings, product functionality and quality, sales and distribution, supply chain management among others. Intensified competition may result in pricing pressures and reduced profitability and may impede our ability to achieve sustainable growth in our revenues or cause us to lose market share. Our competitors may also engage in aggressive and negative marketing or public relations strategies which may harm our reputation and increase our marketing expenses. Any of these events could substantially harm our results of operations.

Some of our existing and potential competitors enjoy substantial competitive advantages, including: longer operating history, the capability to leverage their sales efforts and marketing expenditures across a broader portfolio of products, more established relationships with a larger number of suppliers, contract manufacturers and channel partners, access to larger and broader user bases, greater brand recognition, greater financial, research and development, marketing, distribution and other resources, more resources to make investments and acquisitions, larger intellectual property portfolios, and the ability to bundle competitive offerings with other products and services. We cannot assure you that we

will compete with them successfully.

15. Under-utilization of our manufacturing capacity to manufacture filaments could have an adverse effect on our business, future prospects and future financial performance.

Our capacity utilization of manufacturing 3D filaments are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. During the period ended December 31, 2023 and Fiscal 2023, 2022 and 2021 our overall capacity utilization was 28.61%, 22.78%, 32.5%, 16.94% respectively. For further information, see **“Our Business - Capacity and Capacity Utilization”** on page 96 of this Draft Red Herring Prospectus. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency. Under-utilization of our manufacturing capacity over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

16. There are certain instances of delays noticed in some of the corporate records relating to forms filed with the Registrar of Companies. Moreover, certain documents filed by us with the RoC in the past are not traceable. Any penalty or action taken by any regulatory authorities in future, could impact the reputation and financial position of the Company to that extent.

In the past, there have been certain instances of delays in filing the statutory forms due to operational and technical difficulties faced by the company, however the same were appropriately filed after payment of late fees. No show cause notice in respect of the above has been received by the company till date. It cannot be assured that there will be no such instances in the future or our company will not commit any further delays in relation to its reporting requirements or any penalty or fine will not be imposed by any regulatory authority in respect of the same.

Moreover, our Company was incorporated in the year 1988 and certain documents filed by us with the RoC like: the forms for certain past allotments of Equity Shares made by our Company and share transfer forms are not traceable. These allotments include allotment of (i) 600 equity shares of ₹ 10 each made in the financial year ended 1994; (ii) 500 equity shares of ₹ 10 each made in the financial year ended 1997 for which the relevant forms were not traceable. While we have conducted a search with RoC, in respect of the availability of certain forms and other records, we cannot assure you that these forms or records will be available at all or any time in the future. The relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC.

We have engaged an independent practicing company secretary to conduct online search at the MCA Portal maintained by the Ministry of Corporate Affairs and physical search of RoC. Accordingly the information in relation to the allotments and share transfers have been disclosed in the section **“Capital Structure”** on page 63, in this Draft Red Herring Prospectus, based on annual reports of our Company, annual returns, statutory minutes and statutory registers of our Company, as available and based upon the allotment details provided in the search report prepared and certified by M/s. Ronak Jhuthawat & Co., Independent Practising Company Secretary, vide its certificate dated April 03, 2024. We may not be able to furnish any further information, other than what is already disclosed in **“Capital Structure”** on page 63, or assure that the other records will be available in the future.

17. We may not be able to adequately protect or continue to use our intellectual property.

We have registered certain logos as trademarks under various classes with the Registrar of Trademarks in India, under the Trade Marks Act, 1999. As on the date of this Draft Red Herring Prospectus, we have 13 trademark registrations and 3 Patent registrations in India along with application made for registration of 2 more patent design of 3D Printing Pen. Further, we have 3 trademark applications in India which have been objected by the trademark registry and 1 trademark application in Abandoned status. For details of our intellectual property rights, see **“Government and Other Statutory Approvals”** on page 29 of this Draft Red Herring Prospectus. Some of our trademarks have been opposed and there can be no assurance that our trademark applications will be accepted and the trademarks will be registered. Pending the registration of these trademarks or patent designs, any other vendor in the similar line of business as ours may use the above-mentioned trademarks and designs and we may have a lesser recourse to initiate legal proceedings to protect our

intellectual property. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to use such trademarks and / or avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business.

The registration of intellectual property including trademarks is a time-consuming process and there can be no assurance that any registration applications we may pursue will be successful and that such registration will be granted to us. If we fail to register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to our brand and proprietary rights could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

In particular, the use of similar trade names by third parties may result in confusion among our customers, and we are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including imitation products, which may adversely affect sale of our products, resulting in a decrease in market share due to a decrease in demand for our products. Such imitation products may not only result in loss of sales but also adversely affect our reputation and consequently our future sales and results of operations. In the event of such unauthorized use, we may be compelled to pursue legal action for the protection of our brand and intellectual property, which may divert our attention and resources thereby affecting our business operations. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business operations or financial results. For any of these reasons, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

We may also be susceptible to claims from third-parties asserting infringement and other related claims. Regardless of their merits, such claims could materially and adversely affect our relationships with current or future customers, result in costly litigation, delay or disrupt supply of products, divert management’s attention and resources, subject us to significant liabilities, or require us to cease certain activities. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and cash flows.

18. Our Company and Directors are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties/prosecutions and may adversely affect our business and results of operations.

Our Company and Directors are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, and government departments.

Litigations/ Matters involving our Company:

Nature of Litigation	Number of Cases Outstanding	Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)
<i>Filed by the Company</i>		
Other pending material litigations	Nil	Nil
<i>Against the Company</i>		
Tax Proceedings (Direct Tax)	5	1.32
Tax Proceedings (Indirect Tax)	1	0.95

Litigations/ Matters involving our Promoters:

Nature of Litigation	Number of Cases Outstanding	Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)
<i>Against the Promoters</i>		
Tax Proceedings (Direct tax)	4	12.01

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this draft red herring prospectus

For further details, see “**Outstanding Litigation and Material Developments**” beginning on page 211 of this Draft Red Herring Prospectus. Any adverse outcome from adjudication of these pending litigations in the future may have an impact on the Company’s profitability, revenue, operations, etc. If the courts or tribunals rule against our Company or our Promoters and Directors, we may face monetary and/or reputational losses and may have to make provisions in our

financial statements, which could increase our expenses and our liabilities.

19. Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. In particular, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various authorities for operating our business activities that may contain conditions, some of which could be onerous. Our Company has applied for Fire NOC for our factory Unit situated at Bhiwandi, Mumbai. There can be no assurance that the relevant authorities will issue these approvals or licenses in a timely manner, or at all. In the event of any unanticipated delay in receipt of such approvals, it will have an adverse impact on our business operations.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. For further details, see **“Government and Other Statutory Approvals”** on page 29 of this Draft Red Herring Prospectus. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected.

20. We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised.

We intend to use the net proceeds of the Offer for the purposes described in the section titled **“Objects of the Offer”** on page 79. The Objects of the Offer and our funding requirement is based on management estimates and have not been appraised by any bank or financial institution. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below.

Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Offer. Our funding requirements may be subject to change based on various factors such as the timing of completion of the Offer, market conditions outside the control of our Company, and any other business and commercial considerations. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by our Company and by the Shareholders by way of a special resolution, subject to compliance with applicable law.

Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds.

21. Our plan relating to installation of additional plant and machinery is subject to the risk of unanticipated delays in implementation and cost overruns.

We are planning to set up an additional filament extrusion line in our factory which will double the overall plant capacity. We have placed orders for purchase of these machineries, however our plan remain subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect our plans include labour shortages, incremental operating expenses, taxes and duties, interest and finance charges, working capital margin and other external factors which may not be within the control of our management. There can be no assurance that the proposed capital expenditure towards installation of additional plant & machinery will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may

be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned establishment in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

22. Our operating results could be materially harmed if we are unable to accurately forecast consumer demand for our products or manage our inventory.

We strive to keep optimum inventory to control our costs and working capital requirements. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis, hence the balance of the inventory can be maintained, but we need to keep a strict check on the requirement. However, unavailability of products, due to high demand or inaccurate forecast, may result in loss of sales and adversely affect our customer relationships. We manage our inventory by constantly monitoring and tracking our current inventory levels, while keeping a small portion of reserve stock, based on our forecast customer demand. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. Inventory levels in excess of customer demand may result in inventory write-offs and the sale of excess inventory at discounted prices, which may cause our gross margin to suffer and could impair the strength of our brand. On the other hand, in the case we experience shortage of products, we may be unable to meet the demand for our products, and our business and operating results could be adversely affected.

Therefore, an inaccurate forecast can also result in an over-supply of products, which may increase inventory costs, negatively impact cash flow, reduce the quality of inventory, shrinkages and ultimately lead to reduction in margins. Further, some of our products can become obsolete in terms of designs, and any inventory that we hold with respect to old designs may not get sold or replaced by our suppliers. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition. During the stub period ended on December 31, 2023 and Fiscal 2023, 2022 and 2021 our inventories were Rs 1,332.95 lakhs, Rs 681.63 lakhs, Rs 613.23 lakhs and Rs 342.93 lakhs.

23. As we continue to grow, we may not be able to effectively manage our growth and the increased complexity of our business, which could negatively impact our brand and financial performance.

Continued growth of our business and user base requires us to expand our product portfolio, strengthen our brand recognition, expand and enhance our sales channels, better manage our supply chain, upgrade our information systems and technologies, secure more space for our expanding operations among others. As we continue to grow, managing our business will become more complicated as we develop a wider product and service mix, some of which we may have less experience in. In addition, as we increase our product and service offerings, we will need to work with a larger number of business partners and maintain and expand mutually beneficial relationships with our existing and new business partners. Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion of our product range, including expanding operations towards backward integration in our manufacturing facilities to pursue existing and potential market opportunities.

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected.

24. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

Our operations are subject to hazards inherent in our offices and manufacturing facility such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Long periods of business disruption could result in a loss of customers. Although we take

precautions to minimize the risk of any significant operational problems at our facilities, and we have not experienced any such material incidents in the past, there can be no assurance that we will not face such disruptions in the future.

We may be exposed to various risks which we may not be able to foresee or may not have adequate insurance coverage. Our insurance coverage may not be adequate to cover such loss or damage to life and property, and any consequential losses arising due to such events will affect our operations and financial condition. Further, in addition to the above, any such fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, and could significantly affect our business, availability of insurance coverage in the future and our results of operations. The occurrence of any one of the above events may result in us being named as a defendant in lawsuits asserting claims for substantial damages, including for personal injury and property damage and fines and/or penalties.

While we believe that the insurance coverage that we maintain is in accordance with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

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

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia include, issue of shares, remuneration, loans and advances, purchase, sales, rent expenses, reimbursement of expenses etc. For details, please refer to “Annexure XXX - Related Party Disclosures” under Section titled “Financial Information of the Company” and Chapter titled “Capital Structure” beginning on page 187 and 63 respectively of this Draft Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity, quick execution and on arm’s length price as per Companies Act 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

26. We operate our business from rented premises.

Our registered office, factory and other branch offices, through which we operate our business, are taken on rent. Any adverse impact on the title /ownership rights/ development rights of our landlords may adversely affect our operations. Further in the event of non-renewal of these rent or leave and licence agreements, our operations and profitability may be adversely affected. We cannot assure you that we will be able to continue the above arrangement on commercially favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for our manufacturing facilities and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms.

27. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.

Our Contingent liability as on December 31, 2023 was Rs 1.53 Lakhs. If this contingent liability materializes, fully or partly, the financial condition of our Company could be affected.

(₹ In lakhs)

Particulars	As at			
	31/12/2023	31/03/2023	31/03/2022	31/03/2021
In Respect of TDS	1.53	1.46	0.58	0.67
Total	1.53	1.46	0.58	0.67

For further details, please refer to **Annexure XXIX** – Contingent Liabilities of the chapter titled “*Financial Information of the Company*” on page 186 of this Draft Red Herring Prospectus.

28. *The activities carried out at our manufacturing facilities can cause injury to people or property in certain circumstances.*

The activities carried out at our manufacturing facilities may cause injury to our employees. While we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees, or the labour deployed at our facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. Although there have been no instances or accidents in the past which had caused any injury to people or property due to activities carried out at our manufacturing facilities.

29. *If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition*

As of December 31, 2023 our Company had total indebtedness in the form of short term and long term borrowings of ₹ 615.70 lakhs. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates.
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and

Many of our financing agreements also include various conditions and covenants that require us to obtain consent of the lenders prior to carrying out certain activities or entering into certain transactions. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. For further details in this regard, please refer to chapter titled “*Statement of Financial Indebtedness*” beginning on page 196 of this Draft Red Herring Prospectus.

30. *We may be subject to labour unrest, operating risks, slowdowns, increased wage costs, and shut-downs.*

Our manufacturing activities are labour intensive and consequently our success depends upon maintaining good relations with our workforce. As of December 31, 2023, we had approximately 52 employees. India has stringent labour legislations that protect the interests of workers, including legislation that set forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislations that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionized currently. However, there is no assurance that our employees will not seek unionization in the future. In the event that employees at our manufacturing facilities take any steps to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business.

Further, our business operations, specifically our processing facilities are subject to certain operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence and natural disasters.

Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond

our control, may disrupt our operations and could negatively impact our financial performance or financial condition. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability. There can be no assurance that we will not experience slowdowns or shutdowns in the manner described above, or in any other manner, in the future, for reasons which are beyond our control. Any slowdown or shutdown will adversely impact our results of operations, market share and financial condition.

Although there have been no such instances in the past of any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control which had disrupted our operations or which had negatively impacted our financial performance or financial condition. Further there have been no operational risks till date such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence and natural disasters, which could have impacted our financial performance or financial condition.

31. Our Company has taken unsecured loans that may be recalled by the lenders at any time.

Our Company have availed unsecured loans which may be called by their lenders at any time. As on December 31, 2023 the unsecured loan amounting Rs 615.70 lakhs were due to lenders. In the event that lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Also there is no formal agreement with any of our lenders. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer chapter titled “*Statement of Financial Indebtedness*” beginning on page 196 of Draft Red Herring Prospectus.

32. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale portion, and the Selling Shareholders, shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.

In addition to the Fresh Issue component from which our Company will receive proceeds, the Offer includes an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting the applicable Offer Expenses) and our Company will not receive any part of such proceeds from the Offer for Sale. The proceeds from the transfer of the Offered Shares, shall be paid to each of the Selling Shareholders, in proportion to their respective portions of the Offered Shares. Certain members of our Promoter Group are, therefore, interested in the Offer in connection with their respective portion of the Offered Shares. For more information, see “*Objects of the Offer*” on page 79.

33. Excessive dependence on IDFC Bank Limited in respect of Loan facilities obtained by our Company.

Our company has been sanctioned credit facilities by IDFC Bank Limited. The Company is dependent on such facility for its Term loans, Overdraft facilities and other funding requirement and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also adversely affect the financial position of the Company.

34. The deployment of funds raised through this Offer shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Offer is for an amount not exceeding ₹10,000 lakhs, in terms of SEBI ICDR Regulations, our Company is not required to appoint an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Offer. The deployment of these funds raised through this Offer, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our finances.

35. We are dependent on our Promoters, our senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.

Our performance depends largely on the efforts and abilities of our promoters, senior management and other key personnel. They have gained experience in this line of business and have over the years built relations with suppliers,

third party service providers, customers, regulators and other persons who are connected with us and have been actively involved in the day to day operations and management, further we believe that the inputs and experience of our promoters and senior management, in particular, are valuable for product development and manufacturing activities, successful delivery of products and our overall business operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, see **“Our Management”** on page 140 of this Draft Red Herring Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. 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. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

36. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.

We are currently engaged in the business of providing 3D Printing solutions which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with ESI and Provident Fund. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company. For instance, our company in the past had delayed filing of GST Returns and EPF payments due to operational reasons and accordingly, late fees and penalties were paid on the same. Any demand or penalty raised by the concerned authority for such late filing may affect the financial position of the company. Except for as disclosed in the section titled **“Outstanding Litigation and Material Developments”** on page 211 of the Draft Red Herring Prospectus there have been no demand or Penalty raised on the company by any statutory authorities.

37. The average cost of acquisition of Equity Shares by our Promoters, could be lower than the Offer price.

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Offer Price decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters **“Capital Structure”** beginning on pages 63 of this Draft Red Herring Prospectus.

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

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

39. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

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

Information relating to our installed capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management,

including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus.

41. *Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section ***“Dividend Policy”*** on page 160 of the Draft Red Herring Prospectus.

42. *Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the offer, which will allow them to determine the outcome of the matters requiring the approval of shareholders.*

Our promoter along with the promoter group will continue to hold collectively upto [●] % of the Equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the affect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

43. *Any future issuance of our Equity Shares may dilute prospective investors’ shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.*

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt-to-equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company’s Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company’s Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company’s major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The offer price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Offer. For further information please refer the section titled “**Basis for Offer Price**” beginning on page 87 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

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

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “**Industry Overview**” beginning on page 95 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

46. *Investors other than retail (including non-institutional investors, QIBs and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an application.*

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an application. While our Company is required to complete Allotment pursuant to the Offer within three Working Days from the Offer Closing Date, events affecting the Bidders decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidder’s ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

47. *Our Promoters and promoter group members are co-applicant in the loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations and thereby, impact our business and operations*

Our Promoters and promoter group members are co-applicant in certain loan facilities taken by our company. We have been sanctioned such loan against the personal property of our promoters which was mortgaged for the same. Our Promoters may continue to provide such guarantees and other securities post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoters and Promoter group members may be invoked or the personal property of the promoters may be forfeited, which could negatively impact the reputation and net worth of our Promoters and Promoter group members. In addition, our guarantors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company.

Furthermore, in the event that our Promoters and Promoter group members withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

48. *Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

CAPITAL STRUCTURE

I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class as is : y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters & Promoter Group	9	44,76,630	-	-	44,76,630	89.53	44,76,630	-	44,76,630	89.53	-	89.53	-	-	-	-	44,76,630
(B)	Public*	25	5,23,370	-	-	5,23,370	10.47	5,23,370	-	5,23,370	10.47	-	10.47	-	-	-	-	5,16,170
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	34	50,00,000	-	-	50,00,000	100	50,00,000	-	50,00,000	100	-	100	-	-	-	-	49,92,800

*7200 equity shares held by Paras Jadavjee Satra, public shareholder is yet to be dematerialised

Notes-

1. As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote. We have only one class of Equity Shares of face value of ₹ 10/- each. We have entered into tripartite agreement with CDSL & NSDL.

2. Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the Stock Exchange before commencement of trading of such Equity Shares.

OBJECTS OF THE OFFER

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below

Sr. No	Particulars	Amt (Rs. in Lacs)
1.	Repayment in full or in part, of certain of our outstanding borrowings	300.00
2.	Funding to meet working capital requirements	1450.00
3.	General Corporate Purpose	[●]
	Total	[●]

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. Repayment in full or in part, of certain of our outstanding borrowings

Our Company has entered into various borrowing arrangements with banks including borrowings in the form of Term Loan, and Overdraft facility for working capital facilities. For details of our outstanding financial indebtedness, see '*Statement of Financial Indebtedness*' on page 196. As at December 31, 2023, we had various borrowings facilities with total outstanding of Rs 615.70 lakhs.

We propose to utilise an estimated amount of Rs. 300.00 Lakhs from the Net Proceeds to repay in part or full certain borrowing, listed below, availed from the lender by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid from the Net Proceeds is mentioned below: -

Name of Lender	Purpose	A/c No.	Sanctioned Amount (Rs in lakhs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Outstanding amount as on 31.12.2023	Date of Loan
IDFC FIRST Bank	Term Loan- Capital Expenditure and Working capital	62736345	379.00	7.05%	Refer Note 1	180 monthly Instalments of Rs. 3.46 Lakhs Each	352.47	February 19, 2022
	Overdraft- Working Capital	10156944695	133.51	9.50%		On Demand	106.40	October 21, 2023
							458.87	

Note 1 –

Co-Applicant:

- Rahul Virendra Chandalia
- Saloni Rahul Chandalia
- Swati Pradeep Jain
- Sumitra Virendrakumar Chandalia

Property Mortgage:

Loan is Secured against Directors Personal Property (flat No. 601,602 Anand Apartment CHS 6th Floor, seth Motisha Cross Lane Byculla East Mumbai, 400027, Maharashtra.).

Note: In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained the requisite certificate from our Statutory Auditors by way of their certificate dated June 13, 2024

2. Funding to meet working capital requirements

Our business requires working capital majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. Our Company proposes to utilize ₹ [●] lakhs of the Net Proceeds in Fiscal 2025 towards our Company's working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals.

Details of Estimation of Working Capital requirement are as follows:

(Rs. In Lakhs)

S. No.	Particulars	Actual (Restated)				Projected	
		March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2023	March 31, 2024	March 31, 2025
I	Current Assets						
	Inventories	342.93	613.23	681.63	1,332.95	1,402.09	2,679.50
	Trade receivables	86.25	187.83	449.15	419.53	997.90	1,471.84
	Short term loans and Advances	82.05	42.28	118.94	139.45	60.64	377.39
	Other Current Assets	12.77	10.94	18.05	40.41	6.55	150.96
	Total (A)	524.00	854.28	1,267.77	1,932.34	2,467.17	4,679.69
II	Current Liabilities						
	Trade payables	-	71.79	-	339.53	342.03	470.99
	Other Current Liabilities	92.79	85.67	118.39	177.47	212.80	226.44
	Short Term Provisions	0.00	7.21	23.26	97.30	269.72	264.18
	Total (B)	92.79	164.67	141.65	614.30	824.55	961.60
III	Total Working Capital Gap (A-B)	431.21	689.61	1,126.12	1,318.04	1,642.62	3,718.09
IV	Funding Pattern						
	Short Term borrowings & Internal accrual	431.21	689.61	1,126.12	1,318.04	[●]	[●]
	IPO Proceeds						[●]

The increase in working capital requirements is driven by the company's expansion initiatives, particularly in setting up additional filament extrusion line, as well as strategic efforts to optimize working capital management through the utilization of IPO funds. These measures are aimed at supporting its growth trajectory, enhancing operational efficiency, and maximizing shareholder value.

1. Increase in Business and additional filament extrusion line: The Company's expansion in business operations, particularly setting up of additional machinery for increasing the production capacity, necessitates additional working capital. With the increase in volume of business, there is a corresponding need for more funds to finance inventory, labour, and other operational expenses. To accommodate this growth, we aim to maintain our debtor cycle which require adequate working capital to support extended credit facilities to our customers. This expansion is crucial for meeting the rising demand in the market and seizing new opportunities for growth in untapped market.
2. Utilization of IPO Funds: The inflow of funds from our recent initial public offering (IPO) presents an opportunity to optimize our working capital management. By leveraging these funds, we aim to streamline our payables process, reducing settlement times and maximizing cash flow efficiency. This proactive approach allows us to negotiate more favourable terms and conditions with suppliers, enabling us to secure better discounts and deals on procurement. Ultimately, this strategy enhances our profitability and strengthens our competitive position in the market.

Key Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for period ending December 31, 2023 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as well as projections for financial year ended March 31, 2024 and March 31, 2025.

Particulars	Unit	FY 21	FY 22	FY 23	December 31, 2023	FY 24	FY 25
		Audited	Audited	Audited	Audited	Estimated	Projected
Debtors	Days	14	25	50	59	57	60
Creditors	Days	1	8	8	25	44	30
Inventories	Days	74	126	151	203	178	150

Justification:

Debtors	The historical holding days of trade receivables has been ranging from 14 days to 59 days during Fiscal 2021 to December 31, 2023. As per the current credit terms and prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated at 60 days of total revenue from operations during Fiscal 2025. We are planning to set up an additional filament extrusion line in our factory which will increase our overall plant capacity to approximately 288 Tones. Such manufacturing set up will generate higher revenue from operations and we will be required to offer extended credit periods to our customers, allowing them more time to settle their invoices and capture larger customer base in the industry. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. This adjustment aligns with our strategy to expand operations while ensuring financial sustainability.
Creditors	Past trend of Trade payables holding days has been low which extended upto 25 days approximately during December 31, 2023. As the company is expanding its operations it is required to maintain working capital efficiency by extending trade payable days in order to optimize working capital management. The holding level for trade payable is anticipated at 30 days during Fiscal 2025. We purchase raw materials, hardware, components and spare parts. Extending credit terms allows the company to use its cash resources more effectively elsewhere in the business, such as for growth initiatives or to fund operations. Historically the company's trade payables days extended to 25 days in December 31, 2023 and is expected to close at approx. 45 days in FY 2024. We have projected the trade payable days to be on same or reduced lines at 30 days during FY 2025. Thus, by offering similar and quicker payment terms we expect to maintain leverage in supplier negotiations.
Inventories	Inventories include raw materials, spares and finished goods. The historical holding days of inventories has been in range of 74 days to 203 days during Fiscal 2021 to December 31, 2023. With the perspective to increase business operations and start additional filament extrusion line the Company estimates inventories holding days to be around 150 days in Fiscal 25. The establishment of additional filament extrusion line in our factory will require additional levels of inventory. With increase in executable orders, we would need higher levels of working capital funds. Moreover, we will have to maintain higher lead time of few components because the turn-around time from purchase order to execution can be of 1 to 3 months or above, therefore to successfully deliver all our order we may need to maintain reasonable levels of inventories which is usually collected at the initiation of the orders. This strategic approach aligns with our goal of sustaining growth while efficiently managing inventory levels to meet order demands effectively.

a. Detailed rationale for increase in working capital requirement of the Company for FY 2022

One of the most important factors affecting working capital requirements is the size of a business and the scale of its operations. The increase in sales volume significantly influences the working capital needs of a business. The Company's overall turnover from FY 2021 to FY 2022 almost increased by 20.49% from Rs 1,634.41 lakhs to Rs 1,969.25 lakhs. The increase in turnover also required cash flow for purchasing stock to run the business and to avoid disruption in supply chain management, thus accordingly the inventories increased by 78.82% from Rs 342.93 lakhs in FY 2021 to Rs 613.23 lakhs in FY 2022. Moreover, with expansion of business larger amount of funds were blocked in Trade receivables which increased by 117.77% from Rs 86.25 lakhs in FY 2021 to Rs 187.83 lakhs in FY 2022. As a result, the company witnessed an increase in the requirement for working capital which increased by 59.92% from Rs 431.21 lakhs to Rs 689.61 lakhs.

Particulars	December 31, 2023	% of Total Revenue	Incremental Increase from FY 23	Fiscal 2023	% of Total Revenue	Incremental Increase from FY 23	Fiscal 2022	% of Total Revenue
B2B	1769.71	65.34%	12.45%	1573.71	67.51%	19.67%	1315.05	66.78%
B2C	406.96	15.03%	108.04%	195.62	8.39%	87.68%	104.23	5.29%
E commerce Platform sales	531.76	19.63%	-5.35%	561.79	24.10%	2.15%	549.98	27.93%

Total	2708.43	100.00%	16.19%	2331.11	100.00%	18.38%	1969.25	100.00%
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During the FY 2023, the Revenue from operations increased by 18.38% from Rs 1,969.25 lakhs in FY 2022 to Rs 2,331.11 lakhs in FY 2023. Although the revenue from B2B Segment has been the major portion of revenue past financial years, the company has further expanded its revenue in the B2B vertical year on year. There has been incremental growth in revenue from B2B segment in absolute amount. The revenue from B2B business increased by 19.67% from Rs 1315.05 lakhs in FY 22 to Rs 1573.71 lakhs in FY 23. The company further expanded in revenue from B2B Segment during Stub period ended on December 31, 2023 by 12.45% to Rs 1769.71 lakhs. Expansion of business specially the B2B segment required extension of higher credit days which resulted in increase in Trade receivables by 139.13% from Rs 187.83 lakhs in FY 2022 to Rs 449.15 lakhs in FY 2023. Thus, larger funds were blocked in trade receivables which resulted in increase in working capital requirements by 63.30% from Rs 689.61 lakhs in FY 2022 to Rs 1,126.12 lakhs in FY 2023. However, during stub period ended on December 31, 2023 the company also expanded its revenue from B2C vertical by 108.04% to Rs 406.96 lakhs in December 31, 2023 from Rs 195.62 lakhs in FY 23. Therefore, the proportionate revenue from B2B segment in Stub period reduced from 66.78% in FY 22 to 65.34% in stub period ended on December 31, 2023.

b. Detailed rationale for increase in working capital requirement of the Company for FY 2023

During the FY 2023, the Revenue from operations increased by 18.38% from Rs 1,969.25 lakhs in FY 2022 to Rs 2,331.11 lakhs in FY 2023. Out of which the revenue from B2B business increased by 19.67% from Rs 1315.05 lakhs in FY 22 to Rs 1573.71 lakhs in FY 23. Expansion of business specially the B2B segment required extension of higher credit days which resulted in increase in Trade receivables by 139.13% from Rs 187.83 lakhs in FY 2022 to Rs 449.15 lakhs in FY 2023. Thus, larger funds were blocked in trade receivables which resulted in increase in working capital requirements by 63.30% from Rs 689.61 lakhs in FY 2022 to Rs 1,126.12 lakhs in FY 2023.

c. Detailed rationale for increase in working capital requirement of the Company for estimated and projected period FY 24 and FY 25 respectively.

The company in the process of setting up an additional filament extrusion line in its factory which will increase the overall plant capacity to approximately 288 Tones. The order for purchase of this machinery is already placed. The investments in new machineries will lead to expansion in the overall volume of the business and requirements of additional levels of inventories. Thus, the marketing efforts and the increasing demand for 3D printing technology in the market has led to increase the revenue from operations by approx. 190% to Rs 4500 lakhs in FY 24 and is further expected to increase by 66% in FY 25 to Rs 7500 lakhs. Expanded business operations will require the company to maintain optimum levels of inventory to address customers orders in short span of time and avoid any supply chain shortages. The Company therefore require additional working capital to cater additional customer base. Accordingly larger funds got parked in the current assets like:

- 1) Inventories which increased by approx. 106% to Rs 1402.09 lakhs in FY 2024 and is projected to increase by approx. 91% in FY 25 to Rs 2,679.50 lakhs in FY 2025.
- 2) Trade Receivables which increased by approx. 122.18% to Rs 997.90 lakhs in FY 2024 and is projected increase by approx. 47.49% to Rs 1471.84 lakhs in FY 2025.

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Offer Proceeds is as under:

(Rs. In Lacs)		
S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2024-25
1.	Repayment in full or in part, of certain of our outstanding borrowings	300.00
2.	Funding to meet working capital requirements	1450.00
3.	General Corporate Purpose	[●]
	Total	[●]

OUR BUSINESS

OVERVIEW

We are engaged in the business of providing 3D Printing solutions enabling easier prototyping finding its application in various sectors like manufacturing, education, engineering, architecture, interior designing, fashion designing, product designing, medical, dental etc. We are a 3D Printing Solutions Company aimed at bridging gap between ideation and manufacturing by providing high quality and cost-effective 3D Printing solutions with cutting edge technology. Our portfolio of offerings includes (i) Hardwares like: 3D printers, 3D Scanners, Laser Engravers and 3D pens (ii) Consumables like: 3D Filaments, 3D Resins, (iii) 3D Prototyping services and (iv) Other services. 3D Printing is used for additive manufacturing (AM) which is a computer-controlled process that creates three dimensional objects by depositing materials, usually in layers. 3D-printing allows materials to be created without joints and with minimal post-processing. Multiple materials can be used during this process, which makes it easy to create new products with minimal waste and lower materials costs.

Ventured into the innovative business since 2019, our product portfolio includes wide range of 3D Printers offering various solutions comprising of: Desktop 3D Printer, Industrial 3D Printer, Resin 3D Printer, DIY 3D Printer, Multi Color 3D Printer, etc. Furthermore, our product portfolio includes 3D Pens which are used to draw three-dimensional objects. These 3D Pens are available in safe, multi-color, easy to operate, plug & play, LED Screen in 8 designs out of which three are patented by the company. This was a new milestone in 2023 when our company received Patent registration for the design of its 3D Pens. Currently, we are the distributors for International 3D Printer brands like Flashforge, Creality, Bambu lab, Phrozen and Elegoo. We largely import these printers and we have got trademark registrations in India for some of the popular 3D Printer brands like: Flashforge, Fila-tech, Wol3D, Qidi Technology, X-smart 4.0s, I Tech 4.0s, itouch3D, Hismart4.0s, Creality 3D, Creality and Pixel 3D.

Expanding our operations towards back integration, we also manufacture 3D filaments used in additive manufacturing process. We manufacture these thermoplastic filaments used in 3D printers made from Acrylonitrile Butadiene Styrene (ABS) and Polylactic Acid (PLA) plastic. Our range of products are offered at different pricing points to meet diverse customer requirements. Additionally, we design, develop, manufacture, and sell a wide range of aesthetic products made out of 3D Printing technology. We also provide Prototyping services using FDM, SLA and SLS technology. Our prototyping solutions include services through (i) CAD/CAM model, (ii) Reverse Engineering and (iii) Vacuum casting

Over the years we have expanded our operations through our branch offices and franchisee agreements. As on date of the Draft Red Herring Prospectus, we have our 4 branch offices located in Delhi, Hyderabad, Bangalore and Mumbai and 5 franchisee offices located in Pune, Chennai, Coimbatore, Rajkot and Nagarcoil. Moreover, we have successfully built a 3D Printing Experience Centre at all these locations where anyone can walk in and experience this technology that can be easily used in everyday lives and in all industries. This facility demonstrates that high-end technology can be both simply understood and used in industrial applications and in everyday life. We have our manufacturing facility located at Bhiwandi, Maharashtra with the focus on manufacturing of filaments used in 3D Printing solutions. Our manufacturing facility is accredited with ISO 9001:2015, ROHS, CE and BIS Certificate.

Our products are largely sold through our experience centres or are sold online through e-commerce platforms such as Flipkart India Private Limited, Jiomart, Firstcry, Indiamart, Snapdeal, Moglix and Amazon Seller Services Private Limited or through retail chains outlets like CROMA and Crosswords. Our company was aired on Shark Tank India in year 2023, which gathered recognition and awareness of our products and its application.

This business was founded by our 1st generation Promoters, Rahul Virendra Chandalia, Saloni Rahul Chandalia, Pradeep Shripal Jain and Swati Pradeep Jain who have been associated with our Company since 2019 and have an experience of around 13 years, 13 years, 20 years and 3 years respectively. We believe that the sector-specific experience and expertise of our promoters has contributed significantly in the growth of our Company. The innovative ideas of and quality delivery by our promoters bear testimony to the customer confidence that we have gained for our products. Recently our company was aired at the live TV Show Shark Tank Season 2 which gathered recognition and awareness of our products and its application.

OUR COMPETITIVE STRENGTHS

Widespread, well connected distribution network with a presence across multiple cities, retail channels and online e-

commerce platforms.

We believe that the integration of our supply chain and distribution network with our manufacturing facility provides us with a competitive advantage over other players in the Indian 3D Printing industry. Over the years we have expanded our operations through our branch offices and franchisee agreements. As on date of the Draft Red Herring Prospectus, we have 4 branch offices located in Delhi, Hyderabad, Bangalore, Mumbai and 5 franchisee offices located in Pune, Chennai, Coimbatore, Rajkot and Nagarcovil. Our products are largely sold through our experience centres at these locations or are sold online through e-commerce platforms such as Flipkart India Private Limited, Jiomart, Firstcry, Indiamart, Snapdeal, Moglix and Amazon Seller Services Private Limited, or through retail chains outlets like CROMA and Crossword. We engage in a wide range of marketing and advertising activities, including exhibitions like: “Inside 3d Printing Conference Expo”, “Plast India 2018”, “Rajkot Machine Tools Show”, “Amtech Expo”, “Jamnagar Tech Fest”, “Iamp Meet Up 2021”, “Didac India 2023”, “Giftext 2023”, marketing at platforms of Indiamart, Justdial, Google Adwords etc, social media branding at Facebook, Instagram and by way of unboxing videos on Youtube etc. We have also started in-store branding like: we have set up a kiosk at one of the stores of Crossword, Mumbai. We were aired at the live TV Show Shark tank Season 2 which gathered recognition and awareness of our products and its application. We believe that with our expanded geographical outreach across India, our operations have the ability to quickly respond to a complex web of customers, changing consumer preferences and constantly fluctuating demand.

OUR BUSINESS STRATEGIES

Increase our geographical reach and expansion of addressable market

We seek to expand our geographical reach and address a broader market through expanded marketing, distribution, and customer engagement. We continually seek to enhance our addressable market through our network of resellers. Moreover we intend to expand our franchisee business model and develop distributors and dealers across the country. We plan to continue our strategy of diversifying and expanding our presence in other regions of the country for the growth of our business. Moreover, optimization of our online presence, including e-commerce platforms and digital marketing will further help to reach customers across India and globally.

Through further diversification of our operations geographically, we hope to hedge against risks of operations in only specific areas and protection from fluctuations resulting from business concentration in limited geographical areas. Appointment of franchisee partners, distributors and dealers to undertake our stocking and distribution, enables us to reach our customers faster by reducing transportation time, optimise inventory, and limit trade over-dues. Furthermore, we intend to add a greater number of experience centre in newer offices across India to facilitate client’s engagement by exposure towards learning and experiencing the 3D Printing technology.

The customer base in India is witnessing rising income levels and improvement in overall employment. India’s 1.3 billion people make it the second most populous country in the world, but with an average age of 29 years, it has one of the youngest populations globally. With this vast resource of young citizens entering the workforce, it could create a ‘demographic dividend.

(Source: https://www.mospi.gov.in/sites/default/files/publication_reports/Youth_in_India_2022/Overview.pdf). Given the demographic trends and economic indicators, there is larger room for expanding our 3D printing ecosystem in India.

Scale up branding, promotional and digital activities

The nature of our business requires us to increasingly focus on branding and promotional activities to enhance our visibility in the industry. We seek to continue to enhance our brand awareness and customer loyalty through our promotional and marketing efforts substantially increasing our digital presence and engagements.

We make our products available to our customers through omni-channel distribution networks across both online and offline touchpoints. India today has 830 million internet users, and is the world’s largest “digitally connected democracy” (Source: <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1926443>). Therefore there is access to information and the digital platform and social media has enabled us to reach and engage with a wider audience and also customize product offering to our prospective customers. We believe that our consumer-focused products and product information increase customer confidence in our products and influences our customers' buying decisions. We intend to continue our offline and online marketing initiatives including in-shop displays, distribution of freebies, marketing at platforms of Indiamart, Justdial, Google Adwords etc, social media branding at Facebook, Instagram and by way of unboxing videos on Youtube etc. to focus

on brand building initiatives of the company.

Host regular networking events, seminars, and conferences within the experience centres to bring together professionals, enthusiasts, and experts in the 3D printing industry. We conduct live demonstrations, workshops, and training sessions to educate users on the benefits and applications of 3D printing

Continue to strengthen our existing product portfolio.

We cater to a wide range of products and services including products from various brands like: Flashforge, Fila-tech, Wol3D, Qidi Technology, X-smart 4.0s, I Tech 4.0s, itouch3D, Hismart4.0s, Creality 3D, Creality and Pixel 3D, thereby aiding different functions and utilities in the 3D Printing Solutions. We have consistently focused on expanding and optimising our product range to offer utility, a range of features and value for money. We seek to develop new products to cater to the evolving requirements of a large customer base and cover newer customer segments. Currently, we are distributors of various brands like: Flashforge Corporation, Creality, Bambu lab, Phrozen Tech Co Ltd, Elegoo. We intend to add products from various other international brands to become Indian Distributors for them and meet customer demands. During the nine months period ended December 31, 2022 and for Fiscals 2023, 2022 and 2021 traded products contribute to approximately 93.76%, 93.73%, 91.05% and 99.75% of our revenue from operations respectively. We propose to expand our presence in existing product categories by increasing the emphasis on manufacturing a greater proportion of our products, and reducing our reliance on traded products.

Continue to expand our manufacturing facility and invest in additional plant and machinery and increase backward integration in the plant

Our manufacturing facility situated at Gala No. 110/ Bldg No. B-5 Floor 1, Radhe Krishna Industrial Park, House no. 764, Village Pimplas, Bhiwandi Thane is equipped to manufacture a wide and diverse range of filaments. We are in the process of setting up an additional filament extrusion line in our factory which will increase our overall plant capacity to approximately 288 Tones. We believe these backward integration measures will allow us to reduce our dependence on third party suppliers, better manage our material inventory and also contribute to higher margins. We have placed order for purchase of these associated machineries. These investments in new machineries will lead to reduction in cost and increase in production efficiency. We will continue to pursue such opportunities where we believe they will add value to our business, our stakeholders and our customers.

Continue to strive for cost efficiency

Achieving cost efficiency in our 3D printing solution involves optimizing various aspects of our operations, from production and materials to software and customer support. We aim to continue to maintain our focus on cost management, including in-house integrated manufacturing capabilities across our business to deliver growth as well as to achieve economies of scale. Further we will be able to negotiate better deals with suppliers and other manufacturers as our production levels rise. We will continue to Invest in employee training to enhance skills and productivity and seek to manage our supply chain costs through optimal inventory levels, backward integration, economic orders and other measures. Economies of scale will also enable us to continuously improve our operational efficiencies.

OUR OFFERINGS

3D PENS							
							
I touch pace	I touch Play	I touch Prime	I touch plus	I touch	I touch Signature	I touch pro	I-Tech

With a 3D pen one can draw a raised graphic on a piece of paper or any flat surface. But what makes a 3D pen truly unique is its ability to “draw” in mid-air, allowing to instantly form 3D structures right in front of its user, which you can be picked up and held in hand. We have 8 different models in 3d pens. We sell 3d pens under our Brand name I touch and I tech. I tech caters to a price sensitive market and is an affordable product which has lesser features compared to our premium brand I touch. In I touch series we provide a leather pouch, stencils, adapter etc inside our package that adds value for the user compared to the only 3d pen offered in i-tech series and also, I touch pens comes with a quality nozzle protector which makes it more user friendly.

➤ **OTHER SERVICES**

❖ **AFTER SALES SERVICE**

We provide after-sales service to our customers to ensure customer satisfaction, maintain long-term relationships, and differentiate our brand. Our after sales services include Technical Support, Training and Education, Warranty and Service Agreements, Upgrades and Accessories, Feedback and Continuous Improvement etc.

Product	December 31, 2023	FY 2023	FY2022	FY2021
Sale of Product	2,633.32	2,276.20	1,965.90	1,631.94
After Sale services	75.10	54.91	3.35	2.47
Total	2,708.42	2,331.11	1,969.25	1,634.41

PRODUCTWISE REVENUE BIFURCATION

Sr No	Product Category	December 31, 2023		Fiscal 23		Fiscal 2022		Fiscal 2021	
		Amt	% of Revenue	Amt	% of Revenue	Amt	% of Revenue	Amt	% of Revenue
1	Hardware (such as printers, 3D Pens, Scanner)	1925.13	69%	1582.74	68%	1532.00	78%	1328.42	81%
2	Consumables (such as Filaments, Resins, Spare parts)	666.42	26%	622.43	27%	421.88	21%	287.65	18%
3	Prototyping services (such as SLA Prototyping, FDM Prototyping, SLS Prototyping)	25.16	1%	9.68	0%	0	0%	0	0%
4	Other Services (such as Delivery Charges Received, Training & Installation Charges, Amazon Claim, sales commission)	91.72	3%	116.27	5%	15.38	1%	18.34	1%
	Total	2708.43	100%	2331.11	100%	1969.25	100%	1634.41	100%

INFRASTRUCTURE & UTILITIES:

Raw Materials: The main raw materials required in our manufacturing process of filaments are Acrylonitrile Butadiene Styrene (ABS) and Polylactic Acid (PLA) plastic, Colour master batch granuals, Spool, Silica Gel, Vaccum Pouching, Packing Material, Printed Box, shrink wrap, Master Carton, Sticker etc We source the raw materials required for manufacturing filaments locally and import hardwares from China. Details of our domestic and international purchases are as under:

Particulars	For The Period ended on 31st December 2023		For the year ended March 31,					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Purchases								
Domestic	208.21	8.47%	146.73	8.97%	126.75	7.66%	258.03	19.04%
International	2,250.95	91.53%	1,489.77	91.03%	1,528.42	92.34%	1,096.92	80.96%
Total	2,459.16	100.00%	1,636.50	100.00%	1,655.16	100.00%	1,354.96	100.00%

OUR MANAGEMENT

Brief Profile of Directors:

1. **Swati Pradeep Jain** aged 39 years is the Non-Executive Director and promoter of our Company. She has completed Bachelor of Arts in the year 2005 from University of Mumbai. Previously she was associated with Amisha Impex Pvt Ltd for three years and has a professional experience of 3 years in textile and fashion industry.
2. **Bipin Moolchand Kothari** aged 62 years is the Independent Director of our Company. He has completed B.E. in Electronics from Walchand College of Engineering, Sangli in the year 1982. He is a proprietor of Munisuvarat Polymers since 2017. He has a professional experience of 7 years in plastic industry.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period ended December 31, 2023 and financial years ended on March 31, 2023, 2022 and 2021

(Rs. In lakhs)

Particulars	December 31, 2023	% of Total Income	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income
Revenue From Operations	2708.43	98.78%	2331.11	98.30%	1969.25	96.67%	1634.41	97.06%
Other Income	33.46	1.22%	40.21	1.70%	67.78	3.33%	49.49	2.94%
Total Revenue	2741.88	100.00%	2371.32	100.00%	2037.03	100.00%	1683.90	100.00%
Expenditure								
Cost of Material consumed	212.74	7.76%	92.35	3.89%	77.68	3.81%	17.17	1.02%
Purchases of stock in Trade	2090.18	76.23%	1496.61	63.11%	1550.52	76.12%	1315.68	78.13%
Change in inventories of finished goods	-495.08	-18.06%	-20.87	-0.88%	-243.32	-11.94%	-208.15	-12.36%
Employee Benefit Expenses	155.54	5.67%	121.37	5.12%	124.80	6.13%	124.99	7.42%
Finance Cost	23.81	0.87%	26.53	1.12%	51.21	2.51%	12.40	0.74%
Depreciation and Amortisation Expenses	16.71	0.61%	29.26	1.23%	14.88	0.73%	6.97	0.41%
Other Expenses	362.04	13.20%	285.81	12.05%	343.70	16.87%	291.97	17.34%
Total Expenditure	2365.94	86.29%	2031.06	85.65%	1919.47	94.23%	1561.03	92.70%
Profit/(Loss) Before Tax	375.95	13.71%	340.25	14.35%	117.57	5.77%	122.88	7.30%
Tax Expense:								
Current Tax	107.73	3.93%	100.00	4.22%	35.50	1.74%	35.84	2.13%
Adjustment of tax								
Deferred Tax	-3.14	-0.11%	-0.31	-0.01%	-2.35	-0.12%	-0.99	-0.06%
Total Tax Expense	104.59	3.81%	99.69	4.20%	33.15	1.63%	34.85	2.07%
Net Profit and loss as restated	271.36	9.90%	240.56	10.14%	84.42	4.14%	88.03	5.23%

FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022

Restated profit after tax:

Our profit after tax for the year increased by 184.96% from profit of Rs. 84.42 lakhs in financial year 2021-22 to net profit Rs. 240.56 lakhs in financial year 2022-23. Consequently, our PAT Margin expanded to 10.32 % in financial year 2022-23 from 4.29% in financial year 2021-22. There has been an increase in the PAT Margin in FY 23 as compared to FY 22 due to factors like:

1. Over the years company was able to create its brand visibility in FY 23 as compared to FY 22 which led to increase its overall turnover with competitive sourcing leading to higher margins in FY 23.

2. There was a reduction in overall cost of products being sold. The cost of material consumed, Purchases of stock in Trade and Change in inventories of finished goods in totality contributed to approx. 66% of Total income in FY 2023 as compared to approx. 68% of Total income in FY 2022. There has been overall reduction of 2% in FY 23 as compared to FY 22. – *adding to 2% PAT margin*
3. Other income decreased from Rs 67.78 lakhs representing 3.33% of Total income in FY 22 to Rs 40.21 lakhs representing 1.70% of total income in FY 23. Other income reduced majorly due to reduction in income from Foreign Exchange Fluctuation which reduced from Rs 61.77 lakhs in FY 22 to Rs 20.08 lakhs in FY 23. – *reducing PAT margin by 1.63%*
4. The revenue from operations increased by 18.38% in FY 23, however certain expenses did not increase in same proportion as mentioned below:
 - a. Employee Benefit Expenses decreased to Rs 121.37 Lakhs representing 5.12% of Total income in FY 2023 as compared to Rs 124.80 lakhs representing 6.13% of Total income in FY 2022 – *adding to 1% PAT margin*
 - b. Finance cost decreased to Rs 26.53 Lakhs representing 1.12% of Total income in FY 2023 as compared to Rs 51.21 lakhs representing 2.51% of Total income in FY 2022 - *adding to 1.39% PAT margin*
 - c. Other Expenses decreased to Rs 285.81 Lakhs representing 12.05% of Total income in FY 2023 as compared to Rs 343.70 lakhs representing 16.87% of Total income in FY 2022.- *adding to 4.82% PAT margin*

The major reason for to decrease in other expenses is due to

- (i) Decrease in Rent, Rates & Taxes to Rs 10.71 lakhs in FY 2023 as compared to Rs 39.05 lakhs in FY 2022
- (ii) Decrease in Freight & Transportation Charges to Rs 29.37 lakhs in FY 2023 as compared to Rs 50.26 lakhs in FY 2022 and Clearing & Forwarding to Rs 25.12 lakhs in FY 2023 as compared to Rs 29.79 lakhs in FY 2022.
- (iii) Decrease in outgoing commission of the company to Rs 5.19 lakhs in FY 2023 as compared to Rs 44.90 lakhs due to increased awareness and publicity about the products offered. As the awareness increased the company was able to expand its market with direct sales and reduced expenses on commission.

GOVERNMENT AND OTHER STATUTORY APPROVALS

APPLICATION MADE PENDING FOR APPROVAL

3. Application No. MFS/PRO/KON/12062024/73 dated June 12, 2024 for Fire NOC.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Statement on Price Information of Past Issues handled by Hem Securities Limited (SME IPO's):

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 th calendar days from listing
1.	Shanti Spintex Limited	31.25	70.00	December 27, 2023	76.00	9.19% [-0.13%]	-25.41% [0.59%]	N.A.
2.	Shri Balaji Valve Components Limited	21.60	100.00	January 03, 2024	190.00	129.25% [1.02%]	65.80% [3.57%]	N.A.
3.	New Swan Multitech Limited	33.11	66.00	January 18, 2024	124.47	44.47% [2.14%]	13.70% [1.83%]	N.A.
4.	Harshdeep Hortico Limited	19.09	45.00	February 05, 2024	70.00	5.33% [3.28%]	31.00% [3.02%]	N.A.
5.	Megatherm Induction Limited	53.91	108.00	February 05, 2024	198.00	168.89% [3.23%]	213.06% [3.08%]	N.A.
6.	Sona Machinery Limited	51.82	143.00	March 13, 2024	125.00	-8.71% [2.37%]	N.A.	N.A.
7.	Enfuse Solutions Limited	22.44	96.00	March 22, 2024	115.00	25.65% [1.08%]	N.A.	N.A.
8.	Aspire & Innovative Advertising Limited	21.97	54.00	April 03, 2024	56.50	37.87% [0.18%]	N.A.	N.A.
9.	Blue Pebble Limited	18.14	168.00	April 03, 2024	199.00	71.17% [0.18%]	N.A.	N.A.
10.	Amkay Products Limited	12.60	55.00	May 08, 2024	104.50	N.A.	N.A.	N.A.

*Hem Securities Limited, BRLM, has carried out all SME IPOs.

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

1) The scrip of Shanti Spintex Limited, Shri Balaji Valve Components Limited, New Swan Multitech Limited, Harshdeep Hortico Limited & Megatherm Induction Limited have not completed its 180th days from the date of listing; Sona Machinery Limited, Enfuse Solutions Limited, Aspire & Innovative Advertising Limited & Blue Pebble Limited have not completed its 90th day from the date of listing and Amkay Products Limited has not completed its 30th day from the date of listing.

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	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%
2022-23	15 ⁽¹⁾	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	21 ⁽²⁾	680.45	-	-	1	12	5	3	-	-	1	6	2	2
2024-25	3 ⁽³⁾	52.71	-	-	-	1	1	-	-	-	-	-	-	-

- 1) *The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;*
- 2) *The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023, E Factor Experiences Limited was listed on October 09, 2023, Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023, Deepak Chemtex Limited was listed on December 06, 2023, S J Logistics (India) Limited was listed on December 19, 2023, Siyaram Recycling Industries Limited was listed on December 21, 2023, Shanti Spintex Limited was listed on December 27, 2023, Shri Balaji Valve Components Limited was listed on January 03, 2024, New Swan Multitech Limited was listed on January 18, 2024, Harshdeep Hortico Limited was listed on February 05, 2024, Megatherm Induction Limited was listed on February 05, 2024, Sona Machinery Limited was listed on March 13, 2024 and Enfuse Solutions Limited was listed on March 22, 2024;*
- 3) *The scrip of Aspire & Innovative Advertising Limited was listed on April 03, 2024, Blue Pebble Limited was listed on April 03, 2024 and Amkay Products Limited was listed on May 08, 2024.*

Note:

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

DECLARATION

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Rahul Virendra Chandalia Managing Director DIN: 08384580	Sd/-

Date: August 16, 2024

Place: Mumbai

DECLARATION

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Saloni Rahul Chandalia Whole Time Director & CFO DIN: 08384610	Sd/-

Date: August 16, 2024

Place: Mumbai

DECLARATION

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Pradeep Shripal Jain Whole-time director DIN: 08384613	Sd/-

Date: August 16, 2024
Place: Mumbai

DECLARATION

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Swati Pradeep Jain Non-Executive Director DIN: 08384581	Sd/-

Date: August 16, 2024

Place: Mumbai

DECLARATION

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Name and Designation	Signature
Nayna Pratik Lunker Company Secretary & Compliance Officer M. No.: A32833	Sd/-

Date: August 16, 2024

Place: Mumbai

DECLARATION BY SELLING SHAREHOLDERS

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:

Name and Designation	Signature
Rahul Virendra Chandalia Selling Shareholder	Sd/-

Date: August 16, 2024

Place: Mumbai

DECLARATION BY SELLING SHAREHOLDERS

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:

Name and Designation	Signature
Saloni Rahul Chandalia Selling Shareholder	Sd/-

Date: August 16, 2024
Place: Mumbai

DECLARATION BY SELLING SHAREHOLDERS

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:

Name and Designation	Signature
Pradeep Shripal Jain Selling Shareholder	Sd/-

Date: August 16, 2024

Place: Mumbai

DECLARATION BY SELLING SHAREHOLDERS

I 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 regulations or guidelines issued by SEBI, 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 Addendum is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:

Name and Designation	Signature
Swati Pradeep Jain Selling Shareholder	Sd/-

Date: August 16, 2024

Place: Mumbai