
Axis Capital Limited 1 st floor, Axis House Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India Tel: + 91 22 4325 2183 E-mail: europratik.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance ID: complaints@axiscap.in SEBI registration number: INM000012029 CIN: U51900MH2005PLC157853	DAM Capital Advisors Limited PG 1 Gr Floor, Rotunda Bldg, Bombay Stock Exchange Building, Dalal Street, Mumbai - 400001, Maharashtra, India Tel.: +91 22 4202 2500 E-mail: europratik.ipo@damcapital.in Website: www.damcapital.in Investor grievance e-mail: complaint@damcapital.in SEBI Registration Number: MB/TNM000011336 CIN: U99999MH1993PLC071865

ANNEXURE III

January 20, 2025



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

Dear Sir/ Madam,

Sub: Proposed initial public offering of equity shares of face value of ₹ 1 each of Euro Pratik Sales Limited (the “Company”).



We, Axis Capital Limited and DAM Capital Advisors Limited (collectively, the “**BRLMs**”) who have been appointed by the Company and the Selling Shareholders to manage the Offer, state and confirm as follows:

- We have examined various documents including those relating to litigation including disputes pertaining to design registrations, disclosures in relation to which have been aptly disclosed in the section “*Outstanding Litigation And Material Developments- (d)Material civil litigation by our Company*” on page 384 and other materials while finalizing the draft red herring prospectus dated January 20, 2025 (“**DRHP**”) pertaining to the Offer. **Complied with to the extent applicable**
- On the basis of such examination and discussions with the Company, its Directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the Company and the Selling Shareholders, we confirm that:
 - (A) the DRHP filed with the Securities and Exchange Board of India (“**SEBI**”) is in conformity with the documents, materials and papers which are material to the Offer;
 - (B) all material legal requirements relating to the Offer as specified by SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - (C) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer, and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”) and other applicable legal requirements.
- Besides ourselves, all the intermediaries named in the DRHP are registered with SEBI and that till date such registration is valid. – **Complied with and noted for compliance.**
- We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. - **Noted for compliance.**

	
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5. Written consent from the Promoters have been obtained for inclusion of its Equity Shares as part of the Promoters' contribution subject to lock-in and the Equity Shares proposed to form part of the promoter's contribution subject to lock-in, shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing of the DRHP with the SEBI until the date of commencement of lock-in period as stated in the DRHP. – **Complied with and noted for compliance.**
6. All applicable provisions of the SEBI ICDR Regulations, which relate to Equity Shares ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. – **Complied with and noted for compliance.**
7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoters' contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that promoters' contribution shall be received at least one day before the opening of the Offer and that the Joint Statutory Auditors' certificate to this effect shall be duly submitted to SEBI. We further confirm that arrangements have been made to ensure that Promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. – **Complied with to the extent applicable and noted for compliance.**
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from the Stock Exchanges, and that the agreement entered into between the Bankers to the Offer, the Selling Shareholders and the Company specifically contains this condition. – **Noted for compliance.**
9. The existing business as well as any new business of the Company for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. – **Complied with to the extent applicable.**
10. Following disclosures have been made in the DRHP:
 - (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares; – **Complied with to the extent applicable. The Company has not issued any SR equity shares;** and
 - (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. – **Complied with and noted for compliance**
11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. – **Noted for compliance**
12. If applicable, the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. – **Not Applicable**

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the Company and the risks in relation to the business, experience of its Promoters and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the Company

	
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in accordance with applicable laws. - **Complied with to the extent applicable. Please refer to the due diligence process note enclosed as Annexure III A to this certificate.**



We enclose a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any. - **Complied with. Please refer to Annexure III B to this certificate.**

All capitalised terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the DRHP.

Thanking you,

Sincerely,

Enclosed: As above.



	
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This signature page forms an integral part of the letter submitted to SEBI for the initial public offering of Euro Pratik Sales Limited

For Axis Capital Limited




Authorised Signatory
Name: Pavan Naik
Designation: AVP
Contact Number: + 91 22 4325 2183
E-mail: europratik.ipo@axiscap.in

	
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This signature page forms an integral part of the letter submitted to SEBI for the initial public offering of Euro Pratik Sales Limited

For DAM Capital Advisors Limited



Authorised Signatory

Name: Sachin K. Chandiwal

Designation: MD – Corporate Finance

Contact Number: +91 22 4202 2500

E-mail: europratik.ipo@damcapital.in

	
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ANNEXURE III A

Note explaining how the process of due diligence has been exercised



In connection with the draft red herring prospectus dated, January 20, 2025 (the “**DRHP**”), we, the BRLMs, have carried out a due diligence exercise in relation to the Company, for the purposes of complying with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable laws, and to the extent that it is customary in initial public offerings of this nature in India, along with other professionals and experts engaged in connection with this Offer. All capitalised terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.

In connection to the Offer, S&R Associates has been appointed as the legal counsel to the Company and the Selling Shareholders as to Indian Law, J. Sagar Associates has been appointed as legal counsel to the BRLMs as to Indian law (collectively the “**Legal Counsels**”). The Legal Counsels have assisted the BRLMs in carrying out due diligence, drafting of the DRHP in compliance with the SEBI ICDR Regulations and other applicable laws, and advised the Company and the BRLMs on relevant legal matters, in connection with the Offer, including for the purpose of issuing legal opinions in relation to the Offer to the BRLMs, as applicable.

The due diligence process conducted by us, and the Legal Counsels commenced with interactions with the senior management of the Company, including Chairman and Managing Director, Executive Director, Chief Financial Officer and Company Secretary and Compliance Officer, other Key Managerial Personnel and Senior Management to gain an understanding of the business of the Company, key risks involved, background of the Promoters and shareholders, and financial overview of the Company, among other matters. In this regard, the Company was provided with a due diligence questionnaire and information request list which was prepared in consultation with the Legal Counsels. The Company has provided supporting documents for review and due diligence and provided clarifications and explanations with respect to queries raised, to the extent applicable. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking due diligence.

The BRLMs were also assisted by the joint statutory auditors of the Company, M/s. C N K & Associates LLP, Chartered Accountants and M/s. Monika Jain & Co., Chartered Accountants (the “**Joint Statutory Auditors**”) for carrying out the financial due diligence. In addition to preparation of the Restated Consolidated Financial Information and providing reports thereon, the Joint Statutory Auditors have provided a statement of possible special tax benefits available to the Company and its Shareholders and the material subsidiary, Gloirio Decor Private Limited. The Joint Statutory Auditors have also verified details and provided certifications relating to *inter alia* the computation of the Company’s restated consolidated net tangible assets (including the percentage thereof which are held in monetary assets), average restated consolidated operating profits, and restated consolidated net worth, to ascertain the eligibility for the Offer, compliance with corporate governance requirements and certain other certifications with respect to financial information included in the DRHP. In addition, we have also done a due diligence call with the Joint Statutory Auditors to understand their background and experience in prior capital market transactions, processes followed for auditing the Company’s financials. The Joint Statutory Auditors have also confirmed to us that all related party transactions have, unless otherwise disclosed in the Restated Consolidated Financial Information, been entered into in accordance with applicable laws, on an arm’s length basis. The Joint Statutory Auditors have confirmed that they hold valid peer review certificates issued by the peer review board of the Institute of Chartered Accountants of India, and have respectively, consented to be named as an expert, in terms of the Companies Act, 2013, in the DRHP.

Furthermore, M/s. M Baldeva Associates, Company Secretaries, (the “**Practicing Company Secretary**”), have conducted online search on the V2 and V3 portal of Ministry of Corporate affairs (“**MCA portal**”) on December 19, 2024 and December 20, 2024, with respect to the documents filed by the Company with the Registrar of


	
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Companies, Maharashtra at Mumbai (“**RoC**”) since the period of incorporation of the Company till the date of DRHP in relation to certain of Company’s corporate regulatory filings and records in relation to *inter-alia* the changes in name of Company, conversion of the Company from a private limited company to a public limited company, change in registered office and share capital. Further, the Practicing Company Secretary, pursuant to its certificate dated January 20, 2025, also confirmed the compliance of (a) issued and allotted in compliance with (i) the provisions of the Companies Act, 2013, including Sections 25, 42, 62 and 68 thereof and the rules made thereunder, as applicable.

1. **Business and commercial diligence:**

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending transaction related discussions/ meetings with the management of the Company, Key Managerial Personnel, Senior Management and other authorised representatives of the Company including a kick-off discussion, to develop an understanding of the business, day to day operations of the Company, key business processes, history and other matters of the Company and its Subsidiaries, an overview of the industry and the regulatory environment, and aspects relating to the key performance indicators of the Company and to verify the disclosures being made in the DRHP. The discussion was attended by members of the senior management and other relevant members of the secretarial and financial departments of the Company, the Legal Counsels and certain members of the BRLMs and the Joint Statutory Auditors. A broad overview of the business of the Company, industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, financial information and shareholding pattern of the Company was discussed which was followed by interactive discussions.
- (b) Requesting the Company to make available relevant due diligence documents on the virtual data room or through e-mails/ other means, and reviewing those documents, along with the Legal Counsels, based on the requirements under the SEBI ICDR Regulations and other applicable laws, as is customary in such transactions.
- (c) Interacting with the senior management of the Company as well as the senior personnel from the business, secretarial, legal and finance departments and the Joint Statutory Auditors, for the purpose of gaining an understanding about the business, the risks involved and the financial overview of the Company, amongst other matters. These interactions included: (i) due diligence calls, online and physical drafting sessions and meetings, physical and virtual interactions and conference calls to discuss the disclosures in the DRHP, (ii) due diligence call with the Joint Statutory Auditors, the identified customers, contract manufacturers / distributors of the Company; (iii) seeking appropriate clarifications from the Company and the Joint Statutory Auditors with respect to key financial, operational data, and other information in the DRHP; (iv) bring down due diligence call with representatives of the management of the Company to receive updated information from the Company before filing the DRHP; and (v) obtaining appropriate certifications from the Company, Selling Shareholders, Subsidiaries, Directors, Key Managerial Personnel, Senior Management, Promoter Group, the Joint Statutory Auditors and the Practicing Company Secretary. Further, interactions were also held with the Selling Shareholders to prepare the disclosures in the DRHP in relation to the Selling Shareholders and the Equity Shares offered by them in the Offer. These interactions were conducted with an objective to assist the Company to prepare disclosures as required under the SEBI ICDR Regulations and other applicable laws with regard to the Offer. Accordingly, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the sections titled “*Our Business*” and “*Risk Factors*” in the DRHP. We expect these interactions and due diligence calls and discussions to continue until completion of the Offer.
- (d) Interacting with the industry consultant, Technopak Advisors Private Limited (“**Technopak**”), in obtaining the report titled “*Report on Wall Panel Industry in India*” dated January, 2025 prepared by Technopak, for the

	
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purposes of confirming the Company's understanding of the industry in which it operates ("**Technopak Report**"). The Technopak Report has been exclusively commissioned and paid for by the Company specifically in connection with the Offer. Further, due diligence call was conducted with Technopak, and necessary consent was obtained from Technopak to disclose the contents of the Technopak Report in the DRHP.

- (e) Reviewing, together with the Legal Counsels, material business related agreements entered by the Company, including the material contracts entered into by the Company in ordinary course of business for carrying out business operations. Where such agreements were large in number and standard in form, the review was carried out on a sample basis based on contribution towards revenue or expenses to verify the disclosures made in this regard in the DRHP. The BRLMs, along with the Legal Counsels, have further reviewed, on a sample basis: (a) agreements entered with customers; (b) agreements entered with contract manufacturers for procurement of products; and (c) other material agreements and documents executed by the Company, *inter alia*, including, registered user agreement, deeds of assignment and business transfer agreements, on a sample basis. Additionally, we have conducted due diligence calls with identified customers and contract manufacturers of the Company.
- (f) Obtaining the approval of the Audit Committee of the Company with respect to disclosures on the key performance indicators ("**KPIs**") of the Company included in the "*Basis for Offer Price*" section of the DRHP, in accordance with the SEBI ICDR Regulations. Obtaining circle-ups and certificates, as applicable, from the Joint Statutory Auditors on financial information included in the DRHP as well as certifying certain financial related information and operational data included in the DRHP.
- (g) Obtaining and relying on formal representations and undertakings from the Company and the Selling Shareholders in the Offer Agreement.
- (h) For certain information, relying on management certificates from the Company; and
- (i) Physical site visits were conducted at the (i) registered and corporate office of the Company located at 601-602, 6th floor, Peninsula Heights, C.D. Barfiwala Lane, Andheri (West), Mumbai City, Mumbai – 400 058, where we interacted with the Company's management and employees in relation to the manner of operations carried out at the registered and corporate office of the Company; (ii) warehouse of the Company located at Swagat Complex Phase-2, Near Lalji Mulji Transport, Rahanal, Bhiwandi, Thane; and (iii) the showroom of one of the distributors located at A29, Khairane Road, TTC Industrial area, MIDC, Kopar Khairane, Navi Mumbai has been conducted prior to the date of filing of the DRHP.

The aforementioned site-visits were carried out for our due diligence and to gain an understanding of the Company's business and operations.

2. Financial information of the Company and Financial Indebtedness

Due diligence was conducted on financial matters, which included meetings and due diligence calls with the Joint Statutory Auditors, discussions with the Chief Financial Officer and other members of finance department of the Company, review of the Joint Statutory Auditors' examination report on Restated Consolidated Financial Information, review of the certificates from the Joint Statutory Auditors along with review of other related documents and certificates. The Joint Statutory Auditors have examined the restated consolidated financial information of the Company (along with notes, annexures and schedules thereto), presented for the six months period ended September 30, 2024, and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 ("**Restated Consolidated Financial Information**"). In compliance with the requirements of Paragraph 11(I)(A)(ii) of Schedule VI of the SEBI ICDR Regulations, the standalone audited financial statements of our Company as at and for the Fiscals 2024, 2023 and 2022 and the reports thereon (the "**Audited Financial**

	
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Statements”) are available on the website of the Company at www.europratik.com/investors. Further, Gloirio Decor Private Limited has been identified as a material subsidiary of the Company for the requirements under the SEBI ICDR Regulations and applicable provisions of SEBI Listing Regulations. Since the material subsidiary, Gloirio Decor Private Limited, was incorporated on June 14, 2024, its standalone audited financial statements for a complete financial year are not available as of the date of the Draft Red Herring Prospectus. As a result, its annual standalone audited financial statements of Gloirio Decor Private Limited are not made available on the website of the Company.



A review of the Restated Consolidated Financial Information and the examination report issued thereon by the Joint Statutory Auditors, was conducted along with discussions with the Joint Statutory Auditors on the form and manner of the examination report required for such financial information. Furthermore, certifications with respect to certain financial information included in the DRHP were also taken from the Joint Statutory Auditors. The Joint Statutory Auditors have delivered a customary comfort letter along with circle-up confirmation to the BRLMs confirming the accuracy with respect to certain financial information disclosed in the DRHP. Such comfort letter will be re-issued or brought down at certain future dates, as the Offer progresses, by the Joint Statutory Auditors, prior to the filing of the Red Herring Prospectus, and the Prospectus and at the stage of Allotment of Equity Shares in the Offer. Further, the Joint Statutory Auditors also assisted the BRLMs by verifying and providing certifications in relation to, amongst others, average cost of acquisition of shares by the Promoters and *the Selling Shareholders*, weighted average cost of acquisition of all shares transacted in last three years, eighteen months and one year immediately preceding date of DRHP, price at which the specified securities were acquired by the Promoters, *the Selling Shareholders* and members of Promoter Group, insurance coverage, details of dividend paid by the Company, details of any amounts outstanding to micro, small and medium enterprises, overdues to material creditors, and other creditors of the Company, financial indebtedness and basis for Offer Price.

3. *The Promoters (including Selling Shareholders), Promoter Group, Directors, the Key Managerial Personnel and Senior Management of the Company categorised in the DRHP*

For the purposes of making certain disclosures with respect to the Promoters (including Selling Shareholders), the Promoter Group, Directors, Key Managerial Personnel and Senior Management in the DRHP, supporting documents (as applicable) and certifications from the relevant entities/ persons have been obtained.

In addition, confirmations have been received from the Company, its Directors, its Promoters (including Selling Shareholders), Promoter Group stating that they are not debarred from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, confirmations have been received from the Company, Promoters and Directors confirming that they are not identified as “wilful defaulters or fraudulent borrowers” as defined under the SEBI ICDR Regulations. Further, confirmations have also been received from the Promoters and Directors that they are not declared as ‘fugitive economic offenders’ as defined in the SEBI ICDR Regulations, as applicable. Confirmations have also been taken from each of the Directors that: (a) they have not been on the board of directors of any listed company whose shares have been/ were suspended from being traded on any stock exchange during five preceding years prior to the date of the DRHP, during their tenure; (b) they have neither been, nor are a director on the board of directors of any listed company that has been delisted from any stock exchange, during their tenure and appropriate disclosures have been made in the DRHP, as applicable. Additionally, confirmations have also been obtained from the Company and the Selling Shareholders in respect of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, as of the date of the DRHP, to the extent applicable.

For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management of the Company, reliance has been placed on relevant transcripts, degree certificates, experience certificates, letters issued by previous and current employers, and other back-up documents as well as certifications received from such Directors, Key Managerial Personnel and Senior Management.

	
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Further, public domain searches including on the websites of CIBIL and watchout investors for Company, Promoters, Directors, Subsidiaries, members of the Promoter Group, Key Managerial Personnel and Senior Management and crime check for Company and Directors, were also carried out.

With respect to the Selling Shareholders, in relation to the notice for participation in the offer for sale, containing terms and conditions for the Offer including eligibility conditions for participation in the Offer, consent letters have been provided along with the relevant information and documents which include various confirmations, covenants, representations and warranties, as required from the Selling Shareholders.

In terms of the SEBI ICDR Regulations, the applicable accounting standards and the resolution passed by the Board of Directors of the Company at its meeting held on January 1, 2025, ‘group companies’ of the Company shall include (i) companies (other than the Subsidiaries) with which there were related party transactions as per the Restated Consolidated Financial Information included in the Draft Red Herring Prospectus; and (ii) such other companies as considered material by the Board of Directors of the Company, i.e., companies which are part of the Promoter Group and with which there were one or more transactions in the six months period ended September 30, 2024 and the financial years 2024, 2023 and 2022 (i.e., during the financial years covered in the Restated Consolidated Financial Information in the Draft Red Herring Prospectus), which individually or in the aggregate, exceed 10% of the consolidated revenue from operations of the Company, as per the Restated Consolidated Financial Information for the most recent financial year.

4. Industry Information


The Company has placed reliance on the Technopak Report for disclosures in the industry overview section of the DRHP. The Technopak Report has been paid for and exclusively commissioned by the Company for the purposes of confirming its understanding of the industry in connection with the Offer. The industry related information contained in the DRHP, including in the sections titled “*Summary of Offer Document*”, “*Industry Overview*”, “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*”, and elsewhere in the DRHP, has been included from the Technopak Report.

The Technopak Report is available on the website of the Company at <http://www.europratik.com/investors> and the same has been included as one of the documents that will be available to the public as a material document for inspection.

5. Statutory and/ or regulatory and other diligence

In connection with diligence of statutory and/ or regulatory matters, a review was conducted of the relevant statutory and/ or regulatory records of the Company, *inter-alia*, including corporate records and filings made by the Company with various statutory and/ or regulatory authorities, in conjunction with the Legal Counsels. A review was also conducted of the insurance policies, material licenses, approvals and registrations of the Company and its Material Subsidiary, and such other documents as were deemed necessary and as have been provided by the Company from time to time. Further reliance was placed on representations and certifications provided by the Company and Material Subsidiary, in connection with such statutory and/ or regulatory matters and certificates and reports issued by the Practising Company Secretary.

In addition to disclosure of approvals related to the Company’s and its Material Subsidiary’s incorporation, key business-related approvals obtained by the Company and its Material Subsidiary and taxation related registrations, a summary of the type of material approvals required by the Company and its Material Subsidiary for carrying on their respective business operations has been provided in the DRHP. In connection with the diligence of the

	
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material approvals required for the business operations of the Company and its Material Subsidiary, we have reviewed the material approvals pertaining to *inter alia* business, labour and employment and tax.

6. Outstanding Litigation Proceedings and Material Creditors

The Company has disclosed outstanding: (i) criminal litigation; (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes; and (iv) other pending litigation as determined material by the Board of Directors of the Company (“**Board**”), involving the Company, Subsidiaries, Promoters and Directors (“**Relevant Parties**”), as applicable, in the DRHP in accordance with the legal requirements under the SEBI ICDR Regulations. Further, as on the date of the DRHP, the Company does not have any group company and accordingly no disclosure is required with regards to outstanding litigation involving group company.

In accordance with the SEBI ICDR Regulations, the Board has approved a materiality policy by a resolution dated January 1, 2025 (“**Materiality Policy**”) for identification of: (a) material outstanding litigation; (b) companies to be categorised as group companies; and (c) material creditors, for the purposes of disclosure in the DRHP. The materiality thresholds determined have been disclosed in the section “*Outstanding Litigation and Material Developments*” of the DRHP.

In terms of the Materiality Policy, for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings and outstanding statutory and regulatory actions, have been considered material if: (i) the monetary amount of claim by or against the Relevant Parties in any such pending proceeding is in excess of the lower of (a) 2% of the turnover of the Company as per the last annual restated consolidated financial statements; or (b) 2% of the net worth of the Company as per the last annual restated consolidated financial statements; except in case the arithmetic value of the net worth is negative; or (c) 5% of the average of the absolute value of the profit or loss after tax of the Company, as per the last three annual restated consolidated financial statements, being, ₹27.83 million (i.e., lower of: (a) ₹27.23 million, being 2% of the turnover of the Company as per the last annual restated consolidated financial statements; (b) ₹31.25 million, being 2% of the net worth of the Company as per the last annual restated consolidated financial statements; and (c) ₹24.80 million, being 5% of the average of the absolute value of the profit/ loss after tax as per the last three annual restated consolidated financial statements) or (ii) where the monetary liability is not determinable or quantifiable or does not exceed the Materiality Threshold as specified in (i) above, or such pending matters which, directly or indirectly, involve the Relevant Parties but are not falling in (i) above, for any other outstanding litigation or arbitration proceedings, but the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company or where a decision in one case is likely to affect the decision in similar cases even though the amount involved in the individual cases may not exceed the Materiality Threshold mentioned in (i) above. Further, pre-litigation notices received by the Relevant Parties from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action), has not been considered material until such time that the Relevant Parties, as the case maybe, are impleaded as a defendant in litigation before any judicial or arbitral forum including any court, tribunal or governmental authority.

The creditors of the Company to whom the amount due from the Company exceeds 5.00% of the total consolidated trade payables of the Company as of the latest date of the restated consolidated financial information are material creditors (i.e., ₹6.89 million based on the Restated Consolidated Financial Information as of and for the six months period ended September 30, 2024). Accordingly, a creditor has been considered material if the amount due to such creditor exceeds ₹ 6.89 million as on September 30, 2024. Based on the SEBI ICDR Regulations and the Materiality Policy, disclosures on outstanding dues to material creditors have been provided in summary format (indicating the total number of, and aggregate outstanding amounts due to such creditors). A disclosure of the material creditors of the Company, as defined in the Materiality Policy, has been made in the DRHP. Further, in compliance with the SEBI ICDR Regulations, the details pertaining to outstanding over dues towards such creditors as on September 30, 2024, is also available on the website of the Company at

	
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www.europratik.com/investors.


The Company has provided a list of outstanding litigation involving the Company and its Subsidiaries, as well as supporting documents for material proceedings involving the Company and its Subsidiaries, to the extent applicable. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company and its Subsidiaries (where applicable). For disclosures relating to outstanding litigation involving the Promoters, Group Company and the Directors, the Company has provided certifications received from such persons.

Outstanding legal proceedings in relation to direct and indirect taxes involving the Company, its Subsidiaries, its Directors and the Promoters have been disclosed giving details of number of cases and total amount involved in such proceedings. With respect to such proceedings, we have relied on a list provided by the Company and the certifications received from the Promoters, Directors and Subsidiaries, as well as the Statutory Auditor.

Except as disclosed in the DRHP, in section “*Outstanding Litigation and Material Developments – (d) Disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals including any outstanding action*” on page 386, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the five Financial Years preceding the date of the DRHP, including any outstanding action.

7. Basis for Offer Price

In compliance with the SEBI ICDR Regulations, suitable disclosures have been made in relation to key performance indicators of the Company in the section titled “*Basis for Offer Price*” and other relevant sections in the DRHP. Further, such key performance indicators were approved by the Audit Committee of the Board of Directors pursuant to its resolution dated January 20, 2025. The Company shall continue to disclose such key performance indicators, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of the Company), until the later of (a) for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges. Such key performance indicators disclosed by the Company have been certified by the Joint Statutory Auditors, and such certificate dated January 20, 2025, is included in the section “*Material Contracts and Documents for Inspection*” of the DRHP and will be available as a material document for inspection by the public in relation to the Offer, in accordance with the Red Herring Prospectus.

	
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8. Objects of the Offer

The objects of the Offer are to (i) to carry out the Offer for Sale of up to such number of equity shares of face value of ₹1 each by the Selling Shareholders aggregating up to ₹7,300.00 million; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Further, the Company expects that listing of the Equity Shares will enhance the visibility and brand image and provide liquidity and a public market for the Equity Shares in India.

Utilization of the Offer Proceeds by the Selling Shareholders

The Company will not receive any proceeds from the Offer (the “**Offer Proceeds**”) and all the Offer Proceeds will be received by the Selling Shareholders after deduction of Offer related expenses and relevant taxes thereon, to be borne by the Selling Shareholders. For details of the Offered Shares, see “*Other Regulatory and Statutory Disclosure—Authority for the Offer*” on page 392.

9. Group Company

As per the provisions of the SEBI ICDR Regulations, the term ‘group companies’, includes (i) such companies (other than the subsidiary(ies) of the Company) with which the Company has had related party transactions, during the period for which financial information will be disclosed in the offer documents, as covered under the applicable accounting standards and (ii) any other companies considered ‘material’ by the board of directors of the relevant issuer company. In terms of the SEBI ICDR Regulations and the Restated Consolidated Financial Information, as on the date of the Draft Red Herring Prospectus, the Company does not have any group company.

10. Price information of past issues handled by the Book Running Lead Managers

In respect of price information of past issues handled by the BRLMs included in “*Other Regulatory Statutory Disclosures - Price information of past issues handled by the Book Running Lead Managers*” on page 398 of the DRHP, reliance has been placed on the information available on the websites of National Stock Exchange of India Limited and/ or BSE Limited for preparing the statement of price information of the past issues handled by the BRLMs. The same will be updated at the time of filing RHP.