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ANNEXURE III

March 18, 2024

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 ₹ 10 each (“Equity Shares”) by Interarch Building Products Limited (the “Company”)

We, Ambit Private Limited and Axis Capital Limited as the book running lead managers (collectively, the “BRLMs”) who have been appointed by the Company to manage the Offer, state and confirm as follows:

1. We have examined various documents including those relating to litigation, including commercial disputes, intellectual property disputes, disputes with collaborators etc. and other material litigation while finalizing the draft red herring prospectus dated March 18, 2024 (“DRHP”) pertaining to the Offer. **Complied with to the extent applicable**
2. 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.
3. Besides ourselves, all the intermediaries named in the DRHP are registered with SEBI and that till date such registration is valid. – **Complied with.**
4. We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. - **Noted for compliance.**
5. Written consents from the Promoters have been obtained for inclusion of their respective portion of Equity Shares as part of the promoters’ contribution subject to lock-in and the Equity Shares proposed to form part of the promoters’ 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 till the

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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. We confirm that the 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 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. - **Not applicable.**
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 and noted for compliance. 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 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

	
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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 the Securities and Exchange Board of India, in relation to the initial public offering of Interarch Building Products Limited

For Ambit Private Limited




Authorised Signatory

Name: Praveen Sangal

Designation: Director

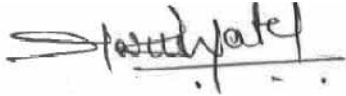
Contact Number: +919820974386

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For Axis Capital Limited



Authorised Signatory

Name: Harish Patel

Designation: AVP

Contact Number: +91-9930994153

E-mail: harish.patel@axiscapital.in

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ANNEXURE III A

Note explaining the process of due diligence that has been exercised

In connection with the draft red herring prospectus dated March 18, 2024 (“DRHP”), we, the BRLMs, with assistance from the Legal Counsels, the Statutory Auditors, the Independent Chartered Accountant, the Chartered Engineer and the Industry Consultant (each as defined below), have carried out due diligence exercise in relation to the current business of 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 in India, along with other professionals and experts engaged in connection with the Offer.

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

The due diligence process carried out by us and the Legal Counsels (*defined below*) commenced with physical and virtual interactions with the Key Managerial Personnel and members of the Senior Management of the Company, including the Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the President- Corporate Finance and Strategies of the Company, the Company Secretary and Compliance Officer, certain of the Promoters and representatives of the Selling Shareholders to gain an understanding of the business of the Company, key risks involved, background of the Promoters and financial overview of the Company, amongst other matters. These interactions were conducted with the objective of assisting the Company in preparing necessary disclosures as required under the SEBI ICDR Regulations and other applicable laws in relation to the Offer. In this regard, the Company was provided with a due diligence questionnaire and information lists prepared in consultation with the Legal Counsels (*defined below*) and the Company provided us with supporting documents for review, to the extent applicable, and gave clarifications and explanations for queries raised. In order to facilitate such review, the Company set up an online data room where copies of such supporting documents were made available for undertaking due diligence.

In connection with the Offer, Shardul Amarchand Mangaldas & Co has been appointed as the legal counsel to the Company as to Indian Law and Khaitan & Co has been appointed as legal counsel to the BRLMs as to Indian law (collectively the “Legal Counsels”). The Legal Counsels have assisted in carrying out the documentary 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 other 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. Additionally, in connection with the Offer (i) Arvind Nanda, Gautam Suri, Ishaan Suri and Shobhna Suri (the Promoter Selling Shareholders and Promoter Group Selling Shareholders) have engaged Khaitan & Khaitan as their legal advisors as to Indian law; and (ii) OIH Mauritius Limited (the Investor Selling Shareholder) has engaged Anagram Partners as their legal advisors as to Indian law.

Further, the BRLMs were also assisted by the following for or carrying out financial due diligence of the Company:

- (i) the current statutory auditors of the Company, S.R. Batliboi & Co. LLP, Chartered Accountants (the “Statutory Auditors”) who have audited the financial statements of the Company as of and for the years ended March 31, 2021, March 31, 2022 and March 31, 2023 and the six months ended September 30, 2023;
- (ii) Further, with respect to certain financial, operational and other data, the BRLMs have relied on certificates provided by Manian and Rao, Chartered Accountants, acting in their capacity as independent chartered accountants (the “Independent Chartered Accountant”).

In connection with the Offer, we were also assisted by: Khyati Enterprises (acting through its proprietor, Pradeep Kumar, Chartered Engineer) (the “Chartered Engineer”) in relation to the; (i) installed capacity, actual

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production and capacity utilisation at each of the Manufacturing Facilities of the Company; (ii) proposed capital expenditure by the Company in relation to the setting up of a new pre-engineered steel building manufacturing unit at the Planned Andhra Pradesh Manufacturing Facility (classified as Phase 2 of the Company’s capacity development plan) (the “**Project**”); and (iii) proposed capital expenditure by the Company in relation to the upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facilities and the Pantnagar Manufacturing Facility.

We have obtained consents from the Statutory Auditors, Independent Chartered Accountant and the Chartered Engineer to be named as experts under section 2(38) of the Companies Act, 2013 in the Draft Red Herring Prospectus.

We have also placed reliance on the report titled “*Assessment of pre-engineered steel buildings industry in India*” released in January 2024 prepared by CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited (“**Industry Consultant**”, and the report, the “**Industry Report**”) for disclosures in relation to industry information in the DRHP. Further, the Company has received a written consent from the Industry Consultant to include their name, engagement letter dated July 10, 2023, the Industry Report and its contents or any extract or references thereof in the DRHP, Red Herring Prospectus and Prospectus. The Industry Report has been commissioned and paid for by the Company exclusively for the purposes of the Offer.

Capitalised terms used but not defined herein shall have the meaning assigned to such terms in the DRHP.

1. **Business and commercial diligence:**

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

- (a) organizing and attending a kick-off discussion, transaction related calls/ virtual and in-person meetings with the management of the Company, to develop an understanding of the business, history and other matters of the Company including an overview of the industry and the regulatory environment. These discussions were attended by the Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the President- Corporate Finance and Strategies of the Company, the Company Secretary and Compliance Officer and certain other members of the Senior Management of the Company along with other members of the secretarial, legal and financial departments of the Company, the Legal Counsels, the BRLMs, the Statutory Auditors, Independent Chartered Accountant and the Chartered Engineer. 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 and details of the Promoters of the Company was given 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) regularly interacting with the management team of the Company including the Chief Financial Officer, Chief Executive Officer, the President- Corporate Finance and Strategies of the Company, the Company Secretary and Compliance Officer as well as other senior personnel from the business, secretarial, legal and finance departments and the 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, physical and virtual meetings and conference calls to discuss the disclosures in the DRHP, (ii) due diligence calls with the Statutory Auditors, Independent Chartered Accountant and the Chartered Engineer; (iii) seeking appropriate clarifications from the Company, the Statutory Auditors and the Independent Chartered Accountant with respect to key financial, operational data, and other information in the DRHP; (iv) a due diligence call with representatives of the management of the Company to receive updated information from the Company before filing the DRHP; (iv) a due diligence call with the Industry

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Consultant and (v) obtaining appropriate clarifications and certifications from the Company, Directors, Key Managerial Personnel, members of Senior Management, Promoters, Promoter Group, Group Companies, the Statutory Auditors and Independent Chartered Accountant. Further, we also interacted with the representatives and legal counsel of the Selling Shareholders to prepare disclosures in the DRHP in relation to the Selling Shareholders and its respective Offered Shares and obtained certification in this regard. These interactions were conducted with an objective to assist the Company to prepare disclosures in the DRHP as required under the SEBI ICDR Regulations and other applicable laws with regard to the Offer. We expect these interactions and due diligence calls and discussions to continue until allotment of Equity Shares in the Offer;

- (d) conducting physical site visits at two of the Manufacturing Facilities of the Company, namely the Kichha Manufacturing Facility and Pantnagar Manufacturing Facility;
- (e) reviewing the certificate dated March 9, 2024 issued by the Chartered Engineer in relation to the installed capacity, actual production and capacity utilisation at each of the Manufacturing Facilities of the Company and certain additional details in relation to the Manufacturing Facilities;
- (f) reviewing the certificate dated March 9, 2024 issued by the Chartered Engineer, in relation to the estimated cost for the upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and the Pantnagar Manufacturing Facility and copies of valid quotations obtained by the Company in relation to such proposed capital expenditure (“**CE Certificate on Upgradation**”);
- (g) reviewing the detailed project report dated March 9, 2024 for “Construction of PEB Manufacturing Unit, Purchase of Plant & Machinery and Utilities” issued by the Chartered Engineer in relation to the Project and copies of valid quotations obtained by the Company in relation to the Project (the “**Andhra Pradesh Detailed Project Report**”);
- (h) reviewing the quotations obtained by the Company in relation to the proposed investment in information technology assets for upgradation of its existing information technology infrastructure;
- (i) reviewing the certificate dated March 16, 2024 from APR & Associates LLP, company secretaries, in relation to the compliance of the Interarch Employee Stock Option Plan 2023, as amended with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- (j) reviewing, together with the Legal Counsels, business related contracts entered by the Company, including the 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 of the Company, to verify the disclosures made in this regard in the DRHP;
- (k) conducting due diligence calls with certain key customers and suppliers of the Company, to obtain a better understanding of the relationship of the Company with such customers and suppliers;
- (l) with respect to the intellectual property of the Company, we obtained the list of trademark registrations held by the Company and reviewed the respective trade mark registration certificates;
- (m) reviewing 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022, notified by the SEBI on November 21, 2022;

	
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- (n) obtaining and relying on circle-ups and certificates, as applicable, from (i) the Statutory Auditors on financial information included in the DRHP; and (ii) the Independent Chartered Accountant, on certain financial related information and operational data included in the DRHP; and
- (o) obtaining and relying on formal representations and undertakings from the Company and the Selling Shareholders in the Offer Agreement.

2. Industry Information

The Company has placed reliance on the Industry Report titled “*Assessment of pre-engineered steel buildings industry in India*” released in January 2024 prepared by CRISIL Market Intelligence and Analytics (MI&A), a division of CRISIL Limited for disclosures in the industry overview section of the DRHP. The Industry 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 this Draft Red Herring Prospectus*”, “*Industry Overview*”, “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, and elsewhere in the DRHP, has been included from the Industry Report.

We interacted with the Industry Consultant and assisted the Company in obtaining the Industry Report prepared by the Industry Consultant for the purposes of confirming the Company’s understanding of the industry in connection with the Offer. Further, we conducted a due diligence call with the Industry Consultant, and necessary consent was obtained from them to disclose the contents of the Industry Report in the DRHP.

The Industry Report will be available on the website of the Company at <https://www.interarchbuildings.com/crisil-report.asp>, until Bid/Offer Closing Date and shall form part of the material contracts and documents for inspection as listed in the section “*Material Contracts and Documents for Inspection*” of the DRHP.

3. Financial information and Financial Indebtedness

Due diligence was conducted on financial matters, which included meetings and due diligence calls with the Statutory Auditors and the Independent Chartered Accountant, discussions with the Chief Financial Officer, the President- Corporate Finance and Strategies of the Company and other members of finance and accounts departments of the Company.

The DRHP includes the Restated Financial Information for Financial Years 2021, 2022 and 2023 and the six months ended September 30, 2023. The Statutory Auditors has examined the Restated Financial Information (along with notes, annexures and schedules thereto), presented in the DRHP and have issued their examination report dated March 14, 2024.

A review of the Restated Financial Information and the examination report issued thereon by the Statutory Auditors, was conducted along with discussions with the Statutory Auditors on the form and manner of the examination report required for such financial information.

Furthermore, the 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. Reliance was also placed on the statement of special tax benefits available to the Company and its Shareholders, issued by the Statutory Auditors and included in the DRHP. Additionally, reliance was also placed on *inter alia* the certification issued by the Statutory Auditors on the: (i) computation of the Company’s net worth, average operating profit/loss and net tangible assets (including the percentage thereof which are held in monetary assets), each on a restated basis, to assess eligibility of the Company to undertake the Offer under Regulation 6(1) of the SEBI ICDR Regulations and (ii) compliance with certain corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the

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Company.

The comfort letter issued by the Statutory Auditors will be re-issued or brought down at certain future dates, as the Offer progresses, 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 Independent Chartered Accountant 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 price at which the Equity Shares were acquired by the Promoters and the Selling Shareholders in the last one year and three years, taxation proceedings involving the Company, amounts outstanding against borrowings of the Company, details of any outstanding dues owed to micro, small and medium enterprises, material creditors and other creditors of the Company, remuneration of Directors, Key Managerial Personnel and members of the Senior Management, related party transactions of the Company and the key performance indicators of the Company disclosed in the DRHP. The Independent Chartered Accountant has also provided a certificate in relation to the working capital requirements of the Company.

As on the date of the DRHP, the Statutory Auditors and the Independent Chartered Accountant have, each respectively, confirmed that they hold valid peer review certificates issued by the peer review board of the Institute of Chartered Accountants of India. The Statutory Auditors and Independent Chartered Accountant have consented to be named as experts, in terms of the Companies Act, 2013, in the DRHP and such consents have not been withdrawn as at the date of the DRHP.

For the purposes of the DRHP, a diligence exercise of outstanding financial indebtedness of the Company was conducted, and such information has been disclosed in a summarised form in the DRHP. In this connection, the relevant sanction letters issued by the lenders of the Company as well as other financing related documents were reviewed. Reliance was also placed on certificate obtained from the Independent Chartered Accountant in connection with the financial indebtedness of the Company to ascertain the outstanding borrowings of the Company as at January 31, 2024, as disclosed in the section titled “*Financial Indebtedness*” of the DRHP. The Company has also received written letters from the relevant lenders, consenting to the Company to undertake the Offer and related corporate actions, as applicable, and such consents are valid and have not been withdrawn as of date.

In compliance with the requirements of Paragraph 11(I)(A)(ii) of Schedule VI of the SEBI ICDR Regulations, the audited financial statements of the Company as at and for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023, have been uploaded on the Company’s website at <https://www.interarchbuildings.com/financial-information.asp>.

4. ***The Company, Promoters, members of the Promoter Group, Selling Shareholders, Group Companies, Directors, the Key Managerial Personnel and Senior Management of the Company***

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

In addition, confirmations have been received from the Company, its Directors, Promoters, and members of the Promoter Group as well as the Selling Shareholders 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. 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/

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were suspended from being traded on any stock exchange during five preceding years prior to the date of the DRHP, during their tenure; and (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.

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

Basis our review of records available with the Company and further search conducted by APR & Associates LLP, company secretaries (the “**Practicing Company Secretary**”), the form filed by the Company with the relevant registrar of companies in connection with the initial appointment of Arvind Nanda and Gautam Suri as first directors of the Company. A suitable risk factor titled “*We are unable to trace some of the historical records and there have been instances of statutory non-compliances in the past. We may be subject to legal proceedings or regulatory actions by statutory authorities and our business, financial condition and reputation may be adversely affected.*” has been included on page 58 of the DRHP.

Further, we also received confirmations from the Company, Promoters, Selling Shareholders and members of the Promoter Group in respect of their compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, as on date of the DRHP, to the extent applicable to them.

Further, public domain searches, including on the websites of CIBIL and watchout investors for Company, Promoters, Directors, Selling Shareholders, members of the Promoter Group and Group Companies were carried out and the results of such searches were analysed and confirmations regarding non-applicability of positive results, if any, in respect of the relevant parties, were obtained.

In accordance with the SEBI ICDR Regulations, the “Group Companies” have been considered to be (i) such companies with which there were related party transactions, as covered under applicable accounting standards as disclosed in the Restated Financial Information, and (ii) any other companies considered ‘material’ in accordance with the Materiality Policy.

In accordance with the Materiality Policy adopted by the Board on March 14, 2024, the Company has considered as material, the companies, that are a part of the Promoter Group with which the Company has had transactions in the most recent financial year or the relevant stub period for which financial information is disclosed in the Draft Red Herring Prospectus, as applicable, which individually or cumulatively in value exceeds, exceed 10% of the revenue from operations of the Company for the most recent financial year or the stub period, as the case may be, as per the Restated Financial Information. Based on the requirements of the SEBI ICDR Regulations and Materiality Policy, the Company has identified two Group Companies, namely Taipan Associates Private Limited and Aries Developers LLP (formerly known as Aries Developers Private Limited). For details see “*Group Companies*” on page 436 of the DRHP.

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 the corporate records, 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 material licenses, approvals and registrations applied for and/or received by the Company to undertake its business activities, 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, in connection with such statutory and/ or regulatory matters and certificates.

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In relation to the build-up of the existing share capital of the Company, we have reviewed the statutory form filings, share allotment register, the share transfer register and the board and shareholders' resolutions filed, prepared and maintained by the Company. Basis our review of records available with the Company and further search conducted by the Practicing Company Secretary, copies of certain corporate records of the Company and form filings made with the relevant registrar of companies are not traceable. We have relied on other supporting documents available in our records, including the share allotment register and resolutions passed by the board of directors of the Company (in relation to allotments) and the share transfer register and the resolutions passed by the Board noting down such transfers (in relation to share transfers). A suitable risk factor titled "*We are unable to trace some of the historical records and there have been instances of statutory non-compliances in the past. We may be subject to legal proceedings or regulatory actions by statutory authorities and our business, financial condition and reputation may be adversely affected.*" has been included on page 58 of the DRHP. Also, appropriate notes have been included in the "*Capital Structure*" section of the DRHP on pages 94 and 98, along with appropriate cross-references to the above-mentioned risk factor.

In addition to disclosure of approvals related to the incorporation of the Company, key business-related approvals obtained by the Company and taxation related registrations, we have, in the DRHP, summarized the type of material approvals required by the Company for carrying on its business operations. The description of the Material Approvals (*as defined below*) obtained for the business operations, and disclosure of such Material Approvals (*as defined below*) for which applications are pending has also been disclosed in the DRHP.

We, along with the Legal Counsels, have relied on the list of consents, licenses, registrations, permissions and approvals of the Company, which are considered material and necessary for the purposes of undertaking their business and operations ("**Material Approvals**") provided by the Company, and Material Approvals, copies of which were provided by the Company, were reviewed. We, along with the Legal Counsels, have also regularly interacted with the officials of the Company to understand the material approvals that are required to be obtained by the Company to carry out its business. Representations and certifications provided by the Company in connection with such statutory and/ or regulatory matters were relied on.

6. *Outstanding Litigation Proceedings and Material Creditors*

The Company has disclosed outstanding litigation involving the Company, its Promoters, its Directors and Group Companies on the basis of the requirements under the SEBI ICDR Regulations. Disclosures on outstanding litigation and material creditors have been made as per the Materiality Policy (*as defined below*) in the "*Outstanding Litigation and Material Developments*" section of the DRHP.

The Company has disclosed the following outstanding litigation involving the Company, its Promoters and its Directors, as applicable, in accordance with the requirements under SEBI ICDR Regulations: (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities including notices issued by such authorities; (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and the total amount involved); and (iv) other outstanding litigation as determined to be material by the Board of Directors of the Company ("**Board**") pursuant to the Materiality Policy (*as defined below*) in accordance with the SEBI ICDR Regulations, involving the Company, Promoters and Directors ("**Relevant Parties**"), as applicable, in the DRHP in accordance with the legal requirements under the SEBI ICDR Regulations. Further, we have also disclosed any pending litigation involving the Group Companies which would have a material impact on the Company.

In accordance with the SEBI ICDR Regulations, the Board has approved a materiality policy by a resolution dated March 14, 2024 ("**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.

Pursuant to the Materiality Policy for the purposes of (iv) above, any pending litigation involving the Relevant

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Parties, has been considered ‘material’ and accordingly disclosed in the DRHP where: (i) the aggregate monetary amount of claim involved, whether by or against the Relevant Parties in any such pending proceeding is in excess of or equivalent to 2.50% of the profit after tax of the Company as per the Restated Financial Information for Financial Year 2023; or (ii) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, but the (a) outcome in any such litigation would materially and adversely affect the Company’s business, prospects, operations, performance, financial position or reputation in the opinion of the Board; or (b) where the decision in one matter is likely to affect the decision in similar matters, even though the amount involved in an individual matter may not exceed the materiality threshold as specified in (i) above. 2.5% of profit after tax of the Company, as per the Restated Financial Information for Financial Year 2023 is ₹ 20.37 million. Accordingly, ₹ 20.37 million has been considered as the materiality threshold for the purpose of (i) above.

Further, pre-litigation notices (excluding governmental/ statutory/ regulatory/ judicial authorities or notices threatening criminal action) received by the Relevant Parties from third parties have, unless otherwise decided by the Board, not been considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Additionally, any pending litigation involving the Group Companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a ‘material impact’ on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially affect the business, operations or financial position or reputation of the Company.

The Company has provided a statement for outstanding litigation proceedings involving the Company. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company. The Company has also provided requisite supporting documents for outstanding litigation proceedings involving the Company.

With respect to taxation proceedings involving the Company, reliance has been placed on the certificate dated March 18, 2024 issued by the Independent Chartered Accountant in this regard.

For confirmations and disclosures relating to litigation involving Directors, Promoters, and Group Companies, certification has been received from the respective Directors, Promoters and Group Companies.

The creditors of the Company to whom the outstanding amounts as at September 30, 2023 were equal to or exceeded ₹57.04 million (being 5% of ₹1,140.88 million, i.e., the total trade payables as at September 30, 2023 as per the Restated Financial Information), have been considered ‘material’. Accordingly, a creditor has been considered material if the amount due to such creditor was equal to or in excess of ₹57.04 million as on September 30, 2023. 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, the names and amount involved for each of the material creditors has been made in the DRHP.

Further, in compliance with the SEBI ICDR Regulations, the details pertaining to outstanding over dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of the Company at <https://www.interarchbuildings.com/outstanding-dues-material-creditors.asp>.

7. Basis for Offer Price

SEBI had on November 21, 2022 (and published in the Official Gazette on November 23, 2022) introduced certain amendments to the SEBI ICDR Regulations *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 (the “Amendments”). In compliance with the same, requisite details in relation to key performance indicators pertaining to the Company (“KPIs”) and

	
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acquisitions/disposals of shares of the Company in accordance with the Amendments have been disclosed in the “Basis for Offer Price” chapter of the DRHP.

The certificate dated March 18, 2024, issued by the Independent Chartered Accountant, in relation to the KPIs of the Company, is included in the section “Material Contracts and Documents for Inspection” on page 501 of the DRHP.

8. Objects of the Offer

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale will be received by the Selling Shareholders and will not form part of the Net Proceeds.

The Net Proceeds of the Fresh Issue are proposed to be utilised by the Company for (i) financing the capital expenditure towards the Project; (ii) meeting incremental working capital requirements; (iii) financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and the Pantnagar Manufacturing Facility; (iv) funding investment in information technology assets for upgradation of existing information technology infrastructure of the Company; and (v) General corporate purposes, in the manner specified in “Objects of the Offer – Objects of the Fresh Issue” on page 105 of the DRHP.

In relation to the above, we have relied on the: (i) Andhra Pradesh Detailed Project Report and valid quotations obtained by the Company in relation to the proposed capital expenditure in relation to the Project; (ii) certificate dated March 18, 2024 issued by the Independent Chartered Accountant, in relation to the working capital requirements of the Company and the assumptions in relation thereto and the resolution of the Board of Directors of the Company dated March 18, 2024 approving the business plan and financial projections for the Financial Years ending March 31, 2024, March 31, 2025 and March 31, 2026 and the estimated working capital requirements and funding pattern for the respective Financial Years; (iii) CE Certificate on Upgradation and valid quotations obtained by the Company in relation to the proposed capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and the Pantnagar Manufacturing Facility; and (iv) valid quotations obtained by the Company in relation to the proposed investment in information technology assets for upgradation of its existing information technology infrastructure.

	
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ANNEXURE III B

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

[Attached separately]